UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d) of

The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
October 1, 2020

American Superconductor Corporation
(Exact name of registrant as specified in its charter)

Delaware	000-19672	04-2959321
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

114 East Main Street Ayer, Massachusetts	01432
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (978) 842-3000

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):
☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	AMSC	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Explanatory Note

On October 5, 2020, American Superconductor Corporation (the "Company") filed a Current Report on Form 8-K (the "Original Form 8-K") reporting that on October 1, 2020, the Company had acquired all of the issued and outstanding shares of capital stock of Northeast Power Systems, Inc., a New York corporation ("NEPSI") and membership interests of Northeast Power Realty, LLC, a New York limited liability company, which holds the real property that serves as NEPSI's headquarters, pursuant to a Stock Purchase Agreement (the "Purchase Agreement") dated as of October 1, 2020.

This Current Report on Form 8-K/A amends Item 9.01 of the Original Form 8-K to include the financial statements and unaudited pro forma financial information required by Items 9.01(a) and (b) of Form 8-K, respectively, which were not included in the Original Form 8-K pursuant to Items 9.01(a)(4) and (b)(2) of Form 8-K.

Item 9.01

(a) *Financial Statements of Businesses Acquired*

NEPSI's audited consolidated balance sheet as of December 31, 2019 and consolidated statements of income, stockholders' and members' equity, and cash flows for the year ended December 31, 2019, and the related notes, as well as NEPSI's unaudited condensed and consolidated balance sheet as of September 30, 2020 and condensed consolidated statements of income, stockholders' and members' equity, and cash flows for the nine months ended September 30, 2020, and the related notes, are filed as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K/A and incorporated herein by reference.

(b) *Pro Forma Financial Information*

The unaudited pro forma condensed consolidated financial statements of the Company as of and for the six months ended September 30, 2020, and for the year ended March 31, 2020, and the related notes, are attached as Exhibit 99.3 to this Current Report on Form 8-K/A and incorporated herein by reference.

(c) *Exhibits:*

Exhibit	**Description**
23.1	Consent of Teal, Becker and Chiaramonte, Independent Auditors.
99.1	Northeast Power Systems, Inc. and subsidiaries, audited consolidated financial statements as of and for the year ended December 31, 2019.
99.2	Northeast Power Systems, Inc. and subsidiaries, unaudited condensed consolidated financial statements as of and for the nine months ended September 30, 2020.
99.3	Unaudited pro forma condensed consolidated financial statements of American Superconductor Corporation as of and for the six months ended September 30, 2020 and for the year ended March 31, 2020.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN SUPERCONDUCTOR CORPORATION

Date: December 14, 2020

By: /S/ JOHN W. KOSIBA, JR.

John W. Kosiba, Jr.

Senior Vice President and Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statements on Form S-3 (No. 333-222874) and Form S-8 (No. 333-145685, 333-170286, 333-183075, 333-197971, 333-213850, and 333-233531) of American Superconductor Corporation of our report dated December 8, 2020, relating to the consolidated balance sheet of Northeast Power Systems, Inc. as of December 31, 2019, the consolidated statements of income, stockholders' and members' equity, and cash flows for the year ended December 31, 2019, and the related notes to the consolidated financial statements, which report appears in the Current Report on Form 8-K/A of American Superconductor Corporation dated December 14, 2020.

/s/ Teal, Becker & Chiaramonte CPAs PC
Teal, Becker & Chiaramonte
7 Washington Square
Albany, NY 12205
December 14, 2020

Exhibit 99.1

NORTHEAST POWER SYSTEMS, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2019

TBC Teal, Becker & Chiaramonte™
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

A Higher Standard of Excellence

TABLE OF CONTENTS

Teal, Becker & Chiaramonte™
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

To the Officers, Stockholders, and Members
Northeast Power Systems, Inc. and Subsidiaries
Queensbury, NY

Independent Auditors' Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Northeast Power Systems, Inc. (a New York Corporation) and its Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2019, and the related consolidated statements of income, stockholders' and members' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

7 Washington Square, Albany, NY 12205 Ph: (518) 456-6663 | Fax: (518) 456-3975 www.tbccpa.com

Teal, Becker & Chiaramonte, CPAs, P.C. Firm Member of CPAmerica International | Members: AICPA and NYSSCPA

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Northeast Power Systems, Inc. and Subsidiaries as of December 31, 2019, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated supplementary information appearing on Schedules I and II is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Teal, Becker & Chiaramonte, CPAs, PC

Albany, New York
December 8, 2020

NORTHEAST POWER SYSTEMS, INC. AND SUBSIDIARIES

Consolidated Balance Sheet December 31, 2019

Assets

Current Assets:		
Cash	$	3,230,838
Accounts receivable, net (Note 2)		5,184,101
Inventory, net (Note 3)		2,792,086
Total current assets		11,207,025
Property and equipment, net (Note 4)		2,329,706
Due from officers (Note 6)		1,628,356
Other assets		2,100
Total Assets	$	15,167,187

Liabilities And Stockholders' And Members' Equity

Current liabilities:		
Accounts payable	$	789,859
Accrued expenses		560,566
Current portion of long-term debt (Note 7)		42,641
Customer deposits (Note 8)		4,597,528
Total current liabilities		5,990,594
Long-term debt (Note 7)		389,833
Total liabilities		6,380,427
Stockholders' and members' equity		8,786,760
Total Liabilities and Stockholders' and Members' Equity	$	15,167,187

See independent auditors' report

The accompanying notes are an integral part of these consolidated financial statements

NORTHEAST POWER SYSTEMS, INC. AND SUBSIDIARIES

Consolidated Statement of Income

For the Year Ended December 31, 2019

		%
Net sales	$ 28,779,568	100.0
Cost of goods sold	20,849,650	72.4
Gross profit	7,929,918	27.6
Operating expenses	2,569,812	8.9
Operating profit	5,360,106	18.7
Other income (expenses):		
Gain on sale of property and equipment	70,537	0.2
Interest income	36,091	0.1
Interest expense	(22,715)	(0.1)
Total other income (expenses), net	83,913	0.2
Consolidated Net Income	$ 5,444,019	18.9
Net income attributable to non-controlling interest	$ 120,364	0.4
Net income attributable to controlling interest	5,323,655	18.5
Consolidated Net Income	$ 5,444,019	18.9

See independent auditors' report
The accompanying notes are an integral part of these consolidated financial statements

NORTHEAST POWER SYSTEMS, INC. AND SUBSIDIARIES

Consolidated Statement of Stockholders' and Members' Equity

For the Year Ended December 31, 2019

	Total	Common Stock*	Treasury Stock **	Retained Earnings	Non-Controlling Interest/VIE's
Balance at December 31, 2018	8,482,647	279,225	(1,500)	6,318,214	1,886,708
Consolidated net income	5,444,019	-	-	5,323,655	120,364
Distributions, net	(5,139,906)	-	-	(5,139,906)	-
Balance At December 31, 2019	**$ 8,786,760**	**$ 279,225**	**$ (1,500)**	**$ 6,501,963**	**$ 2,007,072**

*Common stock - no par value, 200 shares authorized, 73 shares issued, and 63 shares outstanding
**Treasury stock - 10 shares at cost

See independent auditors' report
The accompanying notes are an integral part of these consolidated financial statements

NORTHEAST POWER SYSTEMS, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2019

Operating activities:		
Consolidated net income	$	5,444,019
Adjustments to reconcile consolidated net income to net cash flows from operating activities:		
Depreciation and amortization		142,467
Provision for losses on accounts receivable		41,342
Reserve for inventory obsolescence		276,769
Gain on sale of property and equipment		(70,537)
Changes in operating assets and liabilities:		
Accounts receivable		166,789
Inventory		3,039,155
Accounts payable, accrued expenses, and customer deposits		(2,921,880)
Net cash flows from operating activities		6,118,124
Investing activities:		
Property and equipment expenditures		(262,015)
Proceeds from sale of property and equipment		79,395
Principal repayments on due from officers		41,132
Net cash flows for investing activities		(141,488)
Financing activities:		
Stockholders' and members' distributions, net		(5,139,906)
Principal repayments on long-term debt		(40,866)
Net cash flows for financing activities		(5,180,772)
Net increase in cash		795,864
Cash - beginning		2,434,974
Cash - ending	$	3,230,838
Supplemental disclosures of cash flows information:		
Interest Paid	$	22,715

See independent auditors' report
The accompanying notes are an integral part of these consolidated financial statements

Notes to Consolidated Financial Statements

Note 1: Summary Of Significant Accounting Policies

Background information

Primary beneficiary:

Northeast Power Systems, Inc. was formed in January 1995 under the laws of New York State and the corporate headquarters are located in Queensbury, New York. The Company is a global provider of medium-voltage metal-enclosed power capacitor banks and harmonic filter banks for use on electric power systems. The Company also offers onsite startup, commissioning, and maintenance services, as well as power system analysis and filter design studies.

The Company extends credit to businesses in a variety of industries throughout the United States as well as globally.

The Company pays commissions to and collects dividends from NEPSI International, Inc.

The Company pays rent to Northeast Power Realty, LLC.

Variable interest entities (VIEs):

Northeast Power Realty, LLC was formed in April 1999 under the laws of the State of New York. The Company was formed for the purpose of acquiring and renting property and warehouse space located in Queensbury, New York. The Company primarily rents property and warehouse space to Northeast Power Systems, Inc.

Basis of consolidation - Accounting principles generally accepted in the United States of America require certain VIEs to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties.

These consolidated financial statements include the financial statements of Northeast Power Systems, Inc. and wholly-owned subsidiary NEPSI International, Inc. and VIE, Northeast Power Realty, LLC, of which Northeast Power Systems, Inc. is the primary beneficiary. All transactions and balances between Northeast Power Systems, Inc. and the subsidiaries have been eliminated upon consolidation.

Note 1: Summary Of Significant Accounting Policies (Continued)

Accounts receivable and allowance for doubtful accounts - Accounts receivable are comprised of amounts billed and currently due from customers. Accounts receivable are amounts related to any unconditional right the Company has to receive consideration. Receivables are considered past due when payment is not received within the period allowed under the terms of the sale or contract. Periodically, management reviews past due receivables and allows for all accounts deemed uncollectible after all reasonable collection efforts have been exhausted. The allowance for doubtful accounts is principally comprised of amounts considered to be appropriate, based primarily upon the Company's past credit loss experience and an evaluation of potential losses in the receivables outstanding.

Inventory - Inventory is stated at the lower of cost or net realizable value with cost being determined by the first-in, first-out (FIFO) method. The Company records obsolescence and any adjustments to net realizable value (if lower than cost) based on current and anticipated demand, customer needs, and market conditions. Physical inventories are taken at least annually, and inventory records are adjusted accordingly.

Depreciation - The cost of property and equipment is depreciated over the estimated useful lives of the related assets using the straight-line and accelerated methods.

Amortization - The cost of mortgage closing costs is being amortized on the straight-line method over their useful lives.

Advertising - Advertising costs are charged to operations when incurred.

Shipping and handling charges - The Company has elected to treat freight and delivery charges for the delivery of goods as a fulfillment activity rather than a separate performance obligation. The Company's shipping and handling costs are included in cost of sales.

Income taxes - The stockholders of Northeast Power Systems, Inc. have elected to be taxed as a Small Business Corporation under Section 1362 of the Internal Revenue Code and section 660 of article 22 of the New York State Tax Law. Under these provisions all items of taxable income, expense, and tax credits are passed through to its stockholders.

Northeast Power Realty, LLC is a partnership and, as such, is not subject to income taxes. Net income or loss from operations is reported on the members' personal income tax returns.

NEPSI International, Inc. is an IC-DISC and, as such, is not subject to income taxes. Net income or loss from operations is reported on the parent company's income tax return.

Tax positions are evaluated and recognized in the consolidated financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities.

Note 1: Summary Of Significant Accounting Policies (Continued)

Estimates - The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The application of these accounting principles involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. The Company periodically evaluates estimates and assumptions used in the preparation of the consolidated financial statements and makes changes on a prospective basis when adjustments are necessary. Significant estimates made by the Company in the accompanying consolidated financial statements include computing the allowance for doubtful accounts and inventories. Actual results could differ from these estimates.

Recently issued accounting standards - In May 2014, ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, was issued that replaces the existing revenue recognition framework regarding contracts with customers. This standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the standard requires disclosures of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard is designed to create greater comparability for financial statement users across industries, jurisdictions, and capital markets, and also requires enhanced disclosures. The guidance permits two methods of adoption: retrospectively to each prior reporting period presented (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application. Specifically, ASC 606, *Revenue from Contracts with Customers*, for which the effective date will be deferred (on an optional basis) for private companies (which includes those entities that are not public business entities [as defined by the Master Glossary of the ASC]) and not-for-profit entities that have not yet issued financial statements reflecting the adoption of ASC 606. For these entities, the FASB will defer the effective date of ASC 606 to annual reporting periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842).* The guidance in this ASU supersedes leasing guidance in Topic 840, *Leases*. Under the new guidance, all leasing arrangements with terms greater than twelve months are required to recognize lease assets and lease liabilities on the consolidated balance sheets. Leases will be classified as either finance or operating, with classification affecting the expense recognition in the consolidated statements of income. In October 2019 and again in June 2020, FASB issued deferrals of the effective date. The new standard is now effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.

The Company is currently evaluating the effects that these standards will have on its consolidated financial statements.

Note 2: Accounts Receivable

Accounts receivable at December 31, 2019 consist of:

Accounts receivable - trade	$	5,271,001
Less: allowance for doubtful accounts		86,900
Total	$	5,184,101

Bad debt expense charged to operations for the year ended December 31, 2019 was $41,342.

Note 3: Inventory

Inventory at December 31, 2019 consists of:

Raw materials	$	3,149,272
Enclosures		452,845
Inventory reserve		(810,031)
Total	$	2,792,086

Reserves for inventory considered to be excess or obsolete in the amount of $276,769 were charged to cost of goods sold for the year ended December 31, 2019.

Note 4: Property and Equipment

Property and equipment, stated on the consolidated balance sheet at cost less accumulated depreciation, at December 31, 2019 consist of:

Item	Cost	Accumulated Depreciation
Land	$ 96,547	$ -
Buildings and improvements	2,315,577	440,793
Machinery and equipment	1,571,728	1,464,575
Vehicles	453,280	260,732
Furniture, fixtures, and computer equipment	349,248	290,574
	4,786,380	$ 2,456,674
Less: accumulated depreciation	2,456,674	
Total	$ 2,329,706	

Depreciation expense charged to operations for the year ended December 31, 2019 was $141,067.

Note 5: Short-Term Borrowings

The Company has a $2,500,000 line of credit with a bank. The line of credit is secured by certain assets of the Company. Interest is charged at the prime rate plus 0.75% (the prime rate was 4.75% at December 31, 2019). The Company had $2,500,000 available at December 31, 2019.

Note 6: Related Party Transactions

At December 31, 2019, the Company was involved in various transactions with stockholders of the Company. Transactions and balances with the related parties at December 31, 2019 consist of:

Due to and from related individuals		
Due From Officers - Loans to officers with no specific repayment terms and interest payable at the applicable AFR rate.	$	1,628,356
Income and expenses		
Interest Income - Collected from Officers	$	27,536

Note 7: Long-Term Debt

Long-term debt at December 31, 2019 consists of:

Northeast Power Realty, LLC has two mortgages payable to a bank. The mortgages are due ranging from August 2021 to July 2032 in monthly payments ranging from $1,680 to $3,573 including interest payable at rates ranging from 4.12%to 4.875%. Subsequent to year end these mortgages were paid off as part of the sale of the business in 2020.	$	432,474
Less: current portion		42,641
Long-Term Portion	$	389,833

Note 7: Long-Term Debt (Continued)

Maturities of long-term debt are as follows:

2020	$	42,641
2021		37,303
2022		26,298
2023		27,609
2024		28,986
Thereafter		269,637
Total	$	432,474

Total interest expense for the year ended December 31, 2019 was $22,715.

Note 8: Customer Deposits

Customer deposits represent amounts recorded when customers remit contractual cash payments in advance of us satisfying performance obligations under contractual arrangements. Customer deposits are derecognized when revenue is recorded, either when a milestone is met triggering the contractual right to bill or when the performance obligation is satisfied.

Note 9: Employee Benefit Plan

Northeast Power Systems, Inc. has adopted a 401(k) profit sharing plan covering substantially all of its employees. Contributions for the years ended December 31, 2019 amounted to $150,002. The annual contribution is at the discretion of the Company's management. The amount contributed for the year ended December 31, 2019 is included in accrued expenses.

Note 10: Concentrations Of Credit Risk

Financial instruments that potentially subject Northeast Power Systems, Inc. and subsidiaries to concentrations of credit risk consist principally of cash in financial institutions. Accounts at each institution are insured up to the Federal Deposit Insurance Corporation limits.

Note 11: Commitments And Contingencies

The Company follows the guidance for uncertainty in income taxes. As of December 31, 2019, the Company believes that it has appropriate support for the income tax positions taken and to be taken on its tax returns based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter. The Company has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits.

Note 12: Variable Interest Entities

Northeast Power Systems, Inc. is the primary beneficiary of Northeast Power Realty, LLC which qualifies as variable interest entity. This determination was based on the fact that the Company has guaranteed the debt of the VIE and directs the activities of the VIE based on the relationship listed in Note 1 of these consolidated financial statements. Except for amounts contractually required, Northeast Power Systems, Inc. did not provide any further financial support to Northeast Power Realty, LLC.

The assets and liabilities and revenues and expenses of the Northeast Power Realty, LLC have been included in the accompanying consolidated financial statements. As of December 31, 2019, the VIE had assets of $2,155,777, net of eliminations of $283,769, and liabilities of $432,474, net of eliminations of $-0-.

Apart from those amounts, creditors and beneficial holders of Northeast Power Realty, LLC have no recourse to the assets or general credits of Northeast Power Systems, Inc.

Note 13: Subsequent Events

Subsequent events have been evaluated through December 8, 2020, which is the date the consolidated financial statements were available to be issued.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which could negatively impact business operating results and cause volatility in financial markets. However, the duration and any related financial impact is unknown at this time.

On October 1, 2020, Northeast Power Systems, Inc. and Subsidiaries (the Company) entered into a Stock Purchase Agreement with American Superconductor Corporation (AMSC). Pursuant to the terms of the Stock Purchase Agreement and concurrently with entering into such agreement, the Company sold all of the issued and outstanding (i) shares of capital stock of Northeast Power Systems, Inc. and (ii) membership interests of Northeast Power Realty, LLC. Northeast Power Systems, Inc. became a wholly-owned subsidiary of AMSC and will be operated by their grid business unit. The sale price was $26 million in cash and 873,657 restricted shares of common stock of AMSC. The transaction also includes an earn-out opportunity with the potential for the issuance of up to an additional 1.0 million shares of common stock of AMSC to the selling stockholders based on the achievement by Northeast Power Systems, Inc. of certain revenue targets for the fiscal years ending March 31, 2021 through March 31, 2024.

CONSOLIDATED SUPPLEMENTARY INFORMATION

NORTHEAST POWER SYSTEMS, INC. AND SUBSIDIARIES

Consolidated Schedule of Cost of Goods Sold

For the Year Ended December 31, 2019

Cost of goods sold:		
Beginning inventory	$	6,108,010
Materials		14,254,010
Labor		2,223,355
Commissions		542,242
Freight		488,357
Selling		21,910
Other		3,852
Ending inventory		(2,792,086)
Total Cost Of Goods Sold	$	20,849,650

Schedule II

NORTHEAST POWER SYSTEMS, INC. AND SUBSIDIARIES

Consolidated Schedule Of Operating Expenses

For the Year Ended December 31, 2019

Operating expenses:		
Officers' salaries	$	576,174
Other salaries		417,421
Health Insurance		337,975
Insurance		299,106
Payroll taxes		250,847
Profit sharing		150,002
Depreciation and amortization		142,467
Professional fees		112,692
Miscellaneous		59,491
Occupancy costs		49,234
Office expense		48,262
Bad debt		41,342
Utilities		40,846
Maintenance and repairs		16,015
Communication		12,883
Bank and finance charges		7,997
Waste disposal		4,022
Auto and travel		1,836
Contributions		1,200
Total Operating Expenses	$	2,569,812

NORTHEAST POWER SYSTEMS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2020
(unaudited)

TABLE OF CONTENTS

NORTHEAST POWER SYSTEMS, INC. AND SUBSIDIARIES

Consolidated Balance Sheet September 30, 2020
(in thousands)
(Unaudited)

Assets

Current Assets:		
Cash	$	122
Accounts receivable, net (Note 2)		1,452
Inventory, net (Note 3)		3,183
Total current assets		4,757
Property and equipment, net (Note 4)		2,073
Due from officers (Note 6)		-
Total Assets	$	6,830
Liabilities And Stockholders' And Members' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$	1,207
Other liabilities		250
Current portion of long-term debt (Note 7)		-
Deferred revenue (Note 8)		3,043
Total current liabilities		4,500
Long-term debt (Note 7)		-
Total liabilities		4,500
Stockholders' and members' equity		2,330
Total Liabilities and Stockholders' and Members' Equity	$	6,830

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

NORTHEAST POWER SYSTEMS, INC. AND SUBSIDIARIES

Consolidated Statement of Income

For the Nine Months Ended September 30, 2020
(in thousands)
(Unaudited)

Net sales	$	15,493
Cost of goods sold		11,731
Gross profit		3,762
Operating expenses		1,649
Operating profit		2,113
Other income (expenses):		
Gain on sale of property and equipment		341
Interest income		25
Interest expense		(17)
Total other income (expenses), net		349
Consolidated Net Income	$	2,462
Net income attributable to non-controlling interest	$	98
Net income attributable to controlling interest		2,364
Consolidated Net Income	$	2,462

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

NORTHEAST POWER SYSTEMS, INC. AND SUBSIDIARIES

Consolidated Statement of Stockholders' and Members' Equity

For the Nine Months Ended September 30, 2020
(in thousands)
(Unaudited)

	Total	Common Stock*	Treasury Stock **	Retained Earnings	Non-Controlling Interest/VIE's
Balance at December 31, 2019	**$ 8,787**	**$ 279**	**$ (1)**	**$ 6,502**	**$ 2,007**
Consolidated net income	2,462	-	-	2,364	98
Distributions, net	(8,919)	-	-	(8,487)	(432)
Balance at September 30, 2020	**$ 2,330**	**$ 279**	**$ (1)**	**$ 379**	**$ 1,673**

*Common stock - no par value, 200 shares authorized, 73 shares issued, and 63 shares outstanding
**Treasury stock - 10 shares at cost

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

NORTHEAST POWER SYSTEMS, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the Nine Months Ended September 30, 2020
(in thousands)
(Unaudited)

Operating activities:		
Consolidated net income	$	2,462
Adjustments to reconcile consolidated net income to net cash flows from operating activities:		
Depreciation and amortization		126
Provision for losses on accounts receivable		14
Gain on sale of property and equipment		(341)
Reserve for inventory obsolescence		324
Changes in operating assets and liabilities:		
Accounts receivable		3,719
Inventory		(716)
Accounts payable, accrued expenses, and deferred revenue		(1,449)
Net cash flows from operating activities		4,139
Investing activities:		
Property and equipment expenditures		(15)
Proceeds from sale of property and equipment		491
Principal repayments on amounts due from officers		1,628
Net cash flows for investing activities		2,104
Financing activities:		
Stockholders' and members' distributions, net		(8,919)
Extinguishment of debt		(433)
Net cash flows for financing activities		(9,352)
Net decrease in cash		(3,109)
Cash - beginning		3,231
Cash - ending	$	122
Supplemental disclosures of cash flows information:		
Interest Paid	$	18

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

NORTHEAST POWER SYSTEMS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1: Summary Of Significant Accounting Policies

Background information

Primary beneficiary:

Northeast Power Systems, Inc. (the "Company") was formed in January 1995 under the laws of New York State and the corporate headquarters are located in Queensbury, New York. The Company is a global provider of medium-voltage metal-enclosed power capacitor banks and harmonic filter banks for use on electric power systems. The Company also offers onsite startup, commissioning, and maintenance services, as well as power system analysis and filter design studies.

These unaudited condensed consolidated financial statements of the Company have been prepared on a going concern basis in accordance with United States generally accepted accounting principles ("GAAP"). The going concern basis of presentation assumes that the Company will continue operations and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to those instructions. The unaudited condensed consolidated financial statements, in the opinion of management, reflect all adjustments (consisting of normal recurring adjustments) necessary for a fair statement of the results for the interim periods ended September 30, 2020 and the financial position at September 30, 2020; however, these results are not necessarily indicative of results which may be expected for the full year. The interim condensed consolidated financial statements, and notes thereto, should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2019, and financial notes.

The Company extends credit to businesses in a variety of industries throughout the United States as well as globally.

The Company pays commissions to and collects dividends from NEPSI International, Inc.

The Company pays rent to Northeast Power Realty, LLC.

Variable interest entities (VIEs):

Northeast Power Realty, LLC was formed in April 1999 under the laws of the State of New York. The Company was formed for the purpose of acquiring and renting property and warehouse space located in Queensbury, New York. The Company primarily rents property and warehouse space to Northeast Power Systems, Inc.

Basis of consolidation - Accounting principles generally accepted in the United States of America require certain VIEs to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties.

These consolidated financial statements include the financial statements of Northeast Power Systems, Inc. and wholly-owned subsidiary NEPSI International, Inc. and VIE, Northeast Power Realty, LLC, of which Northeast Power Systems, Inc. is the primary beneficiary. All transactions and balances between Northeast Power Systems, Inc. and the subsidiaries have been eliminated upon consolidation.

Note 1: Summary Of Significant Accounting Policies (Continued)

Accounts receivable and allowance for doubtful accounts - Accounts receivable are comprised of amounts billed and currently due from customers. Accounts receivable are amounts related to any unconditional right the Company has to receive consideration. Receivables are considered past due when payment is not received within the period allowed under the terms of the sale or contract. Periodically, management reviews past due receivables and allows for all accounts deemed uncollectible after all reasonable collection efforts have been exhausted. The allowance for doubtful accounts is principally comprised of amounts considered to be appropriate, based primarily upon the Company’s past credit loss experience and an evaluation of potential losses in the receivables outstanding.

Inventory - Inventory is stated at the lower of cost or net realizable value with cost being determined by the first-in, first-out (FIFO) method. The Company records obsolescence and any adjustments to net realizable value (if lower than cost) based on current and anticipated demand, customer needs, and market conditions. Physical inventories are taken at least annually, and inventory records are adjusted accordingly.

Depreciation - The cost of property and equipment is depreciated over the estimated useful lives of the related assets using the straight-line and accelerated methods.

Amortization - The cost of mortgage closing costs is being amortized on the straight-line method over their useful lives.

Advertising - Advertising costs are charged to operations when incurred.

Shipping and handling charges - The Company has elected to treat freight and delivery charges for the delivery of goods as a fulfillment activity rather than a separate performance obligation. The Company’s shipping and handling costs are included in cost of sales.

Income taxes - The stockholders of Northeast Power Systems, Inc. have elected to be taxed as a Small Business Corporation under Section 1362 of the Internal Revenue Code and section 660 of article 22 of the New York State Tax Law. Under these provisions all items of taxable income, expense, and tax credits are passed through to its stockholders.

Northeast Power Realty, LLC is a partnership and, as such, is not subject to income taxes. Net income or loss from operations is reported on the members’ personal income tax returns.

NEPSI International, Inc. is an IC-DISC and, as such, is not subject to income taxes. Net income or loss from operations is reported on the parent company's income tax return.

Tax positions are evaluated and recognized in the consolidated financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities.

Note 1: Summary Of Significant Accounting Policies (Continued)

Estimates - The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The application of these accounting principles involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. The Company periodically evaluates estimates and assumptions used in the preparation of the consolidated financial statements and makes changes on a prospective basis when adjustments are necessary. Significant estimates made by the Company in the accompanying consolidated financial statements include computing the allowance for doubtful accounts and inventories. Actual results could differ from these estimates.

Recently issued accounting standards - In May 2014, ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, was issued that replaces the existing revenue recognition framework regarding contracts with customers. This standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the standard requires disclosures of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard is designed to create greater comparability for financial statement users across industries, jurisdictions, and capital markets, and also requires enhanced disclosures. The guidance permits two methods of adoption: retrospectively to each prior reporting period presented (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application. Specifically, ASC 606, *Revenue from Contracts with Customers*, for which the effective date will be deferred (on an optional basis) for private companies (which includes those entities that are not public business entities [as defined by the Master Glossary of the ASC]) and not-for-profit entities that have not yet issued financial statements reflecting the adoption of ASC 606. For these entities, the FASB will defer the effective date of ASC 606 to annual reporting periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes leasing guidance in Topic 840, *Leases*. Under the new guidance, all leasing arrangements with terms greater than twelve months are required to recognize lease assets and lease liabilities on the consolidated balance sheets. Leases will be classified as either finance or operating, with classification affecting the expense recognition in the consolidated statements of income. In October 2019 and again in June 2020, FASB issued deferrals of the effective date. The new standard is now effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.

The Company is currently evaluating the effects that these standards will have on its consolidated financial statements.

Note 2: Accounts Receivable

Accounts receivable at September 30, 2020 consist of:

Accounts receivable - trade	$	1,466
Less: allowance for doubtful accounts		14
Total	$	1,452

Bad debt expense charged to operations for the nine months ended September 30, 2020 was $36 thousand.

Note 3: Inventory

Inventory at September 30, 2020 consists of:

Raw materials	$	3,299
Work in progress		2,146
Finished goods		170
Inventory reserve		(2,432)
Total	$	3,183

Reserves for inventory considered to be excess or obsolete in the amount of $324 thousand were charged to cost of goods sold for the nine months ended September 30, 2020.

Note 4: Property and Equipment

Property and equipment, stated on the consolidated balance sheet at cost less accumulated depreciation, at September 30, 2020 consist of:

Item	Cost	Accumulated Depreciation
Land	$ 96	$ -
Buildings and improvements	2,315	477
Machinery and equipment	972	833
Vehicles	92	92
Furniture, fixtures, and computer equipment	349	349
	3,824	$ 1,751
Less: accumulated depreciation	1,751	
Total	$ 2,073	

Depreciation expense charged to operations for the nine months ended September 30, 2020 was $126 thousand.

Note 5: Short-Term Borrowings

The Company has a $2,500,000 line of credit with a bank. The line of credit is secured by certain assets of the Company. Interest is charged at the prime rate plus 0.75% (the prime rate was 3.25% at September 30, 2020). The Company had $2,500,000 available at September 30, 2020.

Note 6: Related Party Transactions

During the nine months ended September 30, 2020, the Company was involved in various transactions with stockholders of the Company. As of September 30, 2020 all amounts due from officers were settled prior to the Acquisition completed on October 1, 2020. Transactions and balances with the related parties at September 30, 2020 consist of:

Due to and from related individuals		
Due From Officers - Loans to officers with no specific repayment terms and interest payable at the applicable AFR rate.	$	0
Income and expenses		
Interest Income - Collected from Officers	$	20

Note 7: Long-Term Debt

Northeast Power Realty, LLC had two mortgages payable to a bank. The mortgages were due ranging from August 2021 to July 2032 in monthly payments ranging from $1,680 to $3,573 including interest payable at rates ranging from 4.12%to 4.875%. These mortgages were paid off prior to the Acquisition completed on October 1, 2020. As of September 30, 2020 there was no debt remaining.

Note 7: Long-Term Debt (Continued)

Total interest expense for the nine months ended September 30, 2020 was $17 thousand.

Note 8: Deferred Revenue

Deferred revenue includes amounts recorded when customers remit contractual cash payments in advance of us satisfying performance obligations under contractual arrangements. Customer deposits are derecognized when revenue is recorded, either when a milestone is met triggering the contractual right to bill or when the performance obligation is satisfied.

Note 9: Employee Benefit Plan

Northeast Power Systems, Inc. has adopted a 401(k) profit sharing plan covering substantially all of its employees. The annual contribution is at the discretion of the Company’s management. There were no contributions for the nine months ended September 30, 2020.

Note 10: Concentrations Of Credit Risk

Financial instruments that potentially subject Northeast Power Systems, Inc. and Subsidiaries to concentrations of credit risk consist principally of cash in financial institutions. Accounts at each institution are insured up to the Federal Deposit Insurance Corporation limits.

Note 11: Commitments And Contingencies

The Company follows the guidance for uncertainty in income taxes. As of September 30, 2020, the Company believes that it has appropriate support for the income tax positions taken and to be taken on its tax returns based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter. The Company has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits.

Note 12: Variable Interest Entities

Northeast Power Systems, Inc. is the primary beneficiary of Northeast Power Realty, LLC which qualifies as variable interest entity. This determination was based on the fact that the Company has guaranteed the debt of the VIE and directs the activities of the VIE based on the relationship listed in Note 1 of these consolidated financial statements. Except for amounts contractually required, Northeast Power Systems, Inc. did not provide any further financial support to Northeast Power Realty, LLC.

The assets and liabilities and revenues and expenses of the Northeast Power Realty, LLC have been included in the accompanying consolidated financial statements. As of September 30, 2020, the VIE had assets of $1,935 thousand and no remaining liabilities.

Apart from those amounts, creditors and beneficial holders of Northeast Power Realty, LLC have no recourse to the assets or general credits of Northeast Power Systems, Inc.

Note 13: Subsequent Events

Subsequent events have been evaluated through December 14, 2020, which is the date the consolidated financial statements were available to be issued.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which could negatively impact business operating results and cause volatility in financial markets. However, the duration and any related financial impact is unknown at this time.

On October 1, 2020, Northeast Power Systems, Inc. and Subsidiaries (the Company) entered into a Stock Purchase Agreement with American Superconductor Corporation (AMSC). Pursuant to the terms of the Stock Purchase Agreement and concurrently with entering into such agreement, the Company sold all of the issued and outstanding (i) shares of capital stock of Northeast Power Systems, Inc. and (ii) membership interests of Northeast Power Realty, LLC. Northeast Power Systems, Inc. became a wholly-owned subsidiary of AMSC and will be operated by their grid business unit. The sale price was $26 million in cash and 873,657 restricted shares of common stock of AMSC. The transaction also includes an earn-out opportunity with the potential for the issuance of up to an additional 1.0 million shares of common stock of AMSC to the selling stockholders based on the achievement by Northeast Power Systems, Inc. of certain revenue targets for the fiscal years ending March 31, 2021 through March 31, 2024.

Unaudited Pro Forma Condensed Consolidated Financial Data

On October 1, 2020, American Superconductor Corporation ("AMSC" or the "Company"), entered into a Stock Purchase Agreement (the "Stock Purchase Agreement") with Frank J. Steciuk, Paul B. Steciuk and Peter A. Steciuk (together, the "Selling Stockholders").

Pursuant to the terms of the Stock Purchase Agreement and concurrently with entering into such agreement, AMSC purchased from the Selling Stockholders all of the issued and outstanding (i) shares of capital stock of Northeast Power Systems, Inc. and (ii) membership interests of Northeast Power Realty, LLC. Northeast Power Systems, Inc. became a wholly-owned subsidiary of AMSC and will be operated by their grid business unit. The sale price was $26 million in cash and 873,657 restricted shares of common stock of AMSC. The transaction also includes an earn-out opportunity with the potential for the issuance of up to an additional 1.0 million shares of common stock of AMSC to the Selling Stockholders based on the achievement by Northeast Power Systems, Inc. of certain revenue targets for the fiscal years ending March 31, 2021 through March 31, 2024.

The unaudited pro forma condensed consolidated financial information contained herein is based on the historical financial statements of AMSC, and the historical financial statements of Northeast Power Systems, Inc. and subsidiaries ("NEPSI"), which are filed as Exhibit 99.1 and Exhibit 99.2 to this Current Report on Form 8-K/A, and has been adjusted to give effect to AMSC's acquisition of NEPSI, which was accounted for under the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") 805, Business Combinations.

The historical financials of NEPSI were prepared under the standards for private companies and as such do not reflect the adoption of ASC 606, *Revenue from Contracts with Customers,* which is not effective for private companies until annual periods beginning after December 15, 2020. Management considered that the adoption of ASC 606 by NEPSI would not materially change the financial results used to derive the pro forma condensed consolidated financial information contained herein.

The unaudited pro forma condensed consolidated balance sheet as of September 30, 2020 is presented as if the Acquisition (as defined below) had occurred on September 30, 2020 and is based on the unaudited condensed consolidated balance sheet of AMSC as of September 30, 2020 (as filed with the Securities and Exchange Commission ("SEC") in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2020) and the unaudited condensed consolidated balance sheet of NEPSI as of September 30, 2020, which has been derived from its underlying accounting records.

The unaudited pro forma condensed consolidated statement of operations for the six months ended September 30, 2020 is presented as if the Acquisition had occurred on April 1, 2020 and is based upon the unaudited condensed consolidated statement of operations of AMSC for the six months ended September 30, 2020 (as filed with the SEC in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2020) and the unaudited condensed consolidated statement of operations of NEPSI for the six months ended September 30, 2020, which has been derived from its underlying accounting records.

The unaudited pro forma condensed consolidated statement of operations for the year ended March 31, 2020 is presented as if the Acquisition had occurred on April 1, 2019 and is based upon the audited consolidated statement of operations of AMSC for the year ended March 31, 2020 (as filed with the SEC in its Annual Report on Form 10-K for the year ended March 31, 2020) and the audited consolidated statement of operations of NEPSI for the year ended December 31, 2019 (included in Exhibit 99.1 to this Current Report on Form 8-K/A).

The unaudited pro forma condensed consolidated statements of operations reflect only pro forma adjustments that are (i) directly attributable to the Acquisition, (ii) factually supportable, and (iii) expected to have a continuing impact on the results of the combined company beyond twelve months and have not been adjusted to reflect any operating efficiencies that may be realized by AMSC as a result of the Acquisition. AMSC expects to incur certain charges and expenses related to integrating the operations of AMSC and NEPSI. AMSC is assessing the combined operating structure, business processes, and other assets of these businesses and is developing a combined strategic operating plan. The objective of this plan will be to enhance productivity and efficiency of the combined operations. The unaudited pro forma condensed consolidated statements of operations do not reflect such charges and expenses.

The unaudited pro forma condensed consolidated financial information are for illustrative purposes only, are hypothetical in nature and do not purport to represent what our results of operations, balance sheet or other financial information would have been if the Acquisition had occurred as of the dates indicated. The unaudited pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable, including an allocation of the purchase price based on an estimate of fair value and excluding certain non-recurring charges as disclosed. These estimates are preliminary and are based on information currently available and could change significantly. The unaudited pro forma condensed consolidated financial information and the accompanying notes should be read in conjunction with the historical consolidated financial statements, including the related notes, of AMSC included in its Annual Report on Form 10-K for the year ended March 31,2020 and its Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 and the audited consolidated financial statements of NEPSI included in Exhibit 99.1 and Exhibit 99.2 to this Current Report on Form 8-K/A.

AMERICAN SUPERCONDUCTOR CORPORATION
UNAUDITED CONDENSED COMBINED PRO FORMA BALANCE SHEET
September 30, 2020

	AMSC As Reported	NEPSI As Reported	Pro Forma Adj for Acquisition		Combined Pro Forma
ASSETS					
Current assets:					
Cash and cash equivalents	$ 41,246	$ 122	$ (250)	(m)	$ 41,118
Marketable securities	10,191	-	-		10,191
Accounts receivable, net	16,810	1,452	-		18,262
Inventory	14,155	3,183	992	(a)	18,330
Prepaid expenses and other current assets	3,496	-	-		3,496
Restricted cash	508	-	-		508
Total current assets	86,406	4,757	742		91,905
Property, plant and equipment, net	8,140	2,073	242	(b)	10,455
Intangibles, net	3,309	-	7,300	(i)	10,609
Right-of-use assets	3,907	-	-		3,907
Goodwill	1,719	-	34,392	(l)	36,111
Restricted cash	5,782	-	-		5,782
Deferred tax assets	1,631	-	-		1,631
Other assets	333	-	-		333
Total assets	$ 111,227	$ 6,830	$ 42,676		$ 160,733
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable and accrued expenses	$ 18,470	$ 1,207	$ 312	(d)	$ 19,989
Contingent consideration	-	-	5,320	(c)	5,320
Other liabilities	-	250	(250)	(m)	-
Lease liability, current portion	568	-	-		568
Deferred revenue, current portion	13,547	3,043	(343)	(e)	16,247
Total current liabilities	32,585	4,500	5,039		42,124
Deferred revenue, long term portion	8,409	-	-		8,409
Lease liability, long term portion	3,430	-	-		3,430
Deferred tax liabilities	352	-	1,725	(f)	2,077
Other liabilities	31	-	-		31
Total liabilities	44,807	4,500	6,764		56,071
Stockholders' equity:					
Common stock	234	279	(270)	(g)	243
Additional paid-in capital	1,055,548	-	38,545	(g)	1,094,093
Treasury stock	(3,336)	(1)	1	(g)	(3,336)
Accumulated other comprehensive loss	(262)	-	-		(262)
Retained Earnings	(985,764)	2,052	(2,364)	(g)	(986,076)
Total stockholders' equity	66,420	2,330	35,912		104,662
Total liabilities and stockholders' equity	$ 111,227	$ 6,830	$ 42,676		$ 160,733

AMERICAN SUPERCONDUCTOR CORPORATION
UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF OPERATIONS
For the Fiscal Year Ended March 31, 2020

	Year Ended March 31, 2020				
	AMSC As Reported	NEPSI As Reported	Pro Forma Adj for Acquisition		Combined Pro Forma
Revenues	$ 63,838	$ 28,780	$ (365)	(h)	$ 92,253
Cost of revenues	54,393	20,850	(65)	(h) (i)	75,178
Gross margin	9,445	7,930	(300)		17,075
Operating expenses:					
Research and development	9,565	-	-		9,565
Selling, general and administrative	22,669	2,570	1,269	(d) (i)	26,508
Amortization of acquisition-related intangibles	340	-	-		340
Total operating expenses	32,574	2,570	1,269		36,413
Operating profit/(loss)	(23,129)	5,360	(1,569)		(19,338)
Change in fair value of warrants	4,648	-	-		4,648
Interest income, net	1,327	13	-		1,340
Other (expense)/income, net	253	71	-		324
Income (loss) before income tax expense (benefit)	(16,901)	5,444	(1,569)		(13,026)
Income tax expense (benefit)	195	-	(410)	(j)	(215)
Net income (loss)	$ (17,096)	$ 5,444	$ (1,159)		$ (12,811)
Net loss per common share					
Basic	$ (0.81)				$ (0.59)
Diluted	$ (1.03)				$ (0.79)
Weighted average number of common shares outstanding					
Basic	20,985		874	(k)	21,859
Diluted	21,069		874		21,943

AMERICAN SUPERCONDUCTOR CORPORATION
UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF OPERATIONS
For the Six Months Ended September 30, 2020

	Six Months Ended September 30, 2020				
	AMSC As Reported	**NEPSI As Reported**	**Pro Forma Adj for Acquisition**		**Combined Pro Forma**
Revenues	$ 42,329	$ 12,337	$ -		$ 54,666
Cost of revenues	31,768	8,986	150	(i)	40,904
Gross margin	10,561	3,351	(150)		13,762
Operating expenses:					
Research and development	5,218	-	-		5,218
Selling, general and administrative	11,524	2,397	790	(d) (i)	14,711
Amortization of acquisition-related intangibles	242	-	-		242
Total operating expenses	16,984	2,397	790		20,171
Operating profit/(loss)	(6,423)	954	(940)		(6,409)
Interest income, net	320	5	-		325
Other (expense)/income, net	(646)	341	-		(305)
Income (loss) before income tax expense (benefit)	(6,749)	1,300	(940)		(6,389)
Income tax expense (benefit)	380	-	(246)	(j)	134
Net income (loss)	$ (7,129)	$ 1,300	$ (694)		$ (6,523)
Net loss per common share					
Basic	$ (0.33)				$ (0.29)
Diluted	$ (0.33)				$ (0.29)
Weighted average number of common shares outstanding					
Basic	21,775		874	(k)	22,649
Diluted	21,775		874		22,649

1. NEPSI ACQUISITION

On October 1, 2020, American Superconductor Corporation, a Delaware corporation ("AMSC" or the "Company"), completed the acquisition (the "Acquisition") of Northeast Power Systems, Inc. ("NEPSI"), a New York corporation, and of Northeast Power Realty, LLC, a New York limited liability company, which holds the real property that serves as NEPSI's headquarters, pursuant to a Stock Purchase Agreement (the "Stock Purchase Agreement") dated October 1, 2020 between the Company and Frank J. Steciuk, Paul B. Steciuk and Peter A. Steciuk (together, the "Selling Stockholders"). Pursuant to the Stock Purchase Agreement, the Company purchased from the Selling Stockholders all of the issued and outstanding shares of NEPSI and membership interests of Northeast Power Realty, LLC, for which the Company paid the Selling Stockholders: (a) $26,000,000 in cash, and (b) 873,657 shares of the Company's common stock, $0.01 par value per share, that were paid and issued, respectively, at closing. Additionally, the Company has agreed to pay the Selling Stockholders up to an additional 1,000,000 shares of Common Stock, $0.01 par value per share, upon the achievement of specified revenue objectives during varying periods of up to four years following the closing. As a result of this transaction, NEPSI is a wholly-owned subsidiary of the Company.

The estimated fair value of the common stock issued was determined using $14.23 per share, which was the closing price on the day that the Company acquired NEPSI.

The following table summarizes the preliminary purchase price allocation at October 1, 2020 ($ in thousands):

Cash and Cash Equivalents	$	122
Net Working Capital (excl. Inventory and Deferred Revenue)		(5)
Inventory		4,175
Property Plant and Equipment		2,315
Deferred Revenue		(2,700)
Deferred Tax Liability		(1,725)
Net tangible assets/(liabilities)		2,183
Backlog		600
Trade name		600
Customer Relationships		6,100
Net identifiable intangible assets/(liabilities)		7,300
Assembled workforce		600
Goodwill		33,792
Total purchase consideration	$	43,874

This purchase price allocation is preliminary and has not been finalized in that the analysis on the assets and liabilities acquired, primarily the tax related liability and contingent consideration, may require further adjustments to our purchase accounting that could result in a measurement adjustment that would impact our reported net assets and Goodwill as of October 1, 2020. Material changes, if any, to the preliminary allocation summarized above will be reported once the related uncertainties are resolved, but no later than October 1, 2021. The $1.7 million of deferred tax liability is primarily related to intangibles. We have concluded that, based on the standard set forth in ASC 740, *Accounting for Income Taxes*, it is more likely than not that we will realize the expenses from these deferred tax liabilities.

The excess of the purchase price over estimated fair values assigned to the identifiable tangible and intangible assets acquired and liabilities assumed is $33.8 million, which represents the amount of non-deductible goodwill resulting from the NEPSI acquisition. In accordance with ASC 350, *Intangible - Goodwill and Other Assets*, we will test goodwill for impairment on an annual basis and between annual tests if we become aware of any events occurring or changes in circumstances that would indicate a reduction in the fair value of the goodwill below its carrying amount.

2. BASIS OF PRO FORMA PRESENTATION

The unaudited condensed combined pro forma balance sheet as of September 30, 2020 gives pro forma effect to the Acquisition as if the Acquisition had occurred on September 30, 2020. The Acquisition will be accounted for by the purchase method of accounting pursuant to which the purchase price is allocated among the acquired tangible and intangible assets and assumed liabilities in accordance with estimates of their fair values on the date of acquisition. The unaudited condensed combined pro forma balance sheet as of September 30, 2020 was prepared by combining the Company's historical unaudited condensed combined pro forma balance sheet as of September 30, 2020 with NEPSI's historical unaudited combined balance sheet as of September 30, 2020. Additionally, the Company may issue additional common shares in future periods upon the achievement of specified revenue objectives, which if earned, will result in an increase to the purchase price.

The unaudited condensed combined pro forma statement of operations for the last full fiscal year was prepared by combining the Company's historical audited statement of operations for the fiscal year ended March 31, 2020 with NEPSI's historical audited statement of operations for the fiscal year ended December 31, 2019. The unaudited condensed combined pro forma statement of operations for the six months ended September 30, 2020 was prepared by combining the Company's historical unaudited statement of operations for the six months ended September 30, 2020 with NEPSI's historical unaudited statement of operations for the six months ended September 30, 2020. The unaudited condensed combined pro forma statements of operations for the twelve months ended March 31, 2020 and the six months ended September 30, 2020 give pro forma effect to the Acquisition as if the transaction had occurred on April 1, 2019 or April 1, 2020, respectively.

The pro forma adjustments represent the Company's preliminary determination of purchase accounting adjustments and are based upon available information and certain assumptions that Company believes to be reasonable under the circumstances. The pro forma adjustments and certain assumptions are described in the accompanying notes. The allocation of the purchase price is preliminary and may be revised upon the completion of the review of the fair value accounting and tax impacts from acquisitions, which is in progress. The final allocation of purchase price could differ materially from estimated allocated amounts included in these pro forma financial statements. The unaudited condensed combined pro forma financial information presented below does not purport to be indicative of the financial position or results of operations of the Company had such transactions actually been completed as of the assumed dates and for the periods presented, or which may be obtained in the future.

The following summarizes the preliminary estimated purchase price paid to NEPSI and used in the allocation to account for Acquisition:

Cash Payment	$	26.000 million
Issuance of 873,657 shares of Company's Common Stock	$	12.432 million
Earnout payment	$	5.320 million
Cash on hand	$	0.122 million

The value of the proceeds from the issuance of the shares of the Company's common stock, for purposes of determining the accounting purchase price, was determined based on the closing price on the day of the acquisition of NEPSI.

3. PRO FORMA ADJUSTMENTS

The following pro forma adjustments (including eliminations) are included in the unaudited condensed combined pro forma balance sheet and statements of operations:

(a) To record adjustments to NEPSI's inventory to reflect the fair value of inventory, primarily work in progress, at the date of Acquisition. The related expense has not been included as an adjustment to cost of revenue in the pro forma statements of operations because its impact is not expected to recur beyond twelve months from the date of the Acquisition.

(b) To record an adjustment to NEPSI's property, plant and equipment to reflect the fair value of property, plant and equipment at the date of Acquisition. The related depreciation expense has not been included as an adjustment to operating expenses in the pro forma statements of operations because its impact is not expected to be material.

(c) To record the preliminary adjustment for the estimated contingent consideration in the acquisition for the potential earnout tied to achieving stated revenue objectives.

(d) To record an increase in accounts payable and related expenses for the estimated acquisition transaction costs incurred as of September 30, 2020.

(e) To record an adjustment to deferred revenue for customer deposits to reflect the fair value as of September 30, 2020.

(f) To record preliminary estimated deferred tax liabilities related to the non-deductible identifiable intangible assets, at 26.14% reflecting the federal and state of New York effective tax rate.

(g) To record the elimination of NEPSI's historical retained earnings and equity accounts, impact of the purchase accounting adjustments for fair value of the acquired tangible and intangible assets and to reflect $26 million in cash and the fair value of the equity issuance of 873,657 shares of Common Stock for the consideration transferred.

(h) To record the elimination of product sales and the related costs of revenue from NEPSI to the Company. The amount of sale was $365,000 for the fiscal year ended March 31, 2020. There were no sales between the Company and NEPSI for the six month period ended September 30, 2020.

(i) To record the fair value of identifiable intangible assets and amortization expense associated with acquired intangible assets for the fiscal year ended March 31, 2020 and the six months ended September 30, 2020.

	Purchase Price Allocation	Estimated Useful Life (years)	Expense allocated for 12 months	Expense allocated for 6 months
Intangible asset				
Contractual relationships / backlog	$ 600,000	2	$ 300,000	$ 150,000
Total Cost of revenues amortization of intangible	600,000		300,000	150,000
Customer relationships	6,100,000	7	871,429	435,714
Trade names and trademarks	600,000	7	85,714	42,857
Total Selling, general and administrative amortization of intangibles	6,700,000		957,143	478,571
Total costs in excess of tangible assets	$ 7,300,000		$ 1,257,143	$ 628,571

(j) To record an estimated income tax benefit on pro forma adjustments to income related to the Acquisition, at 26.14% effective tax rate.

(k) To reflect an increase in the weighted average shares outstanding for the period after giving effect to the issuance of AMSC common stock in connection with the Acquisition.

(l) To record the estimated value of goodwill acquired, which is estimated as the difference between the purchase price of $43.9 million and the estimated fair value of identifiable assets and liabilities. The goodwill recorded represents the anticipated incremental value of future cash flow potential attributable to the ability to grow the Grid business product lines though NEPSI leveraging its customer base and trade name.

(m) To eliminate a deposit received by NEPSI from the Company.