



Sypris Wins Electronic Warfare Program

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Completion of Test & Evaluation Phase Leads to Full-Rate Production

System to Add Electronic Attack Capability to Defend Navy Ships

TAMPA, Fla.--(BUSINESS WIRE)--Jun. 3, 2021-- Sypris Electronics, LLC, a subsidiary of Sypris Solutions, Inc. (Nasdaq/GM: SYPR), announced today that it has recently received a full-rate production award from a U.S. DOD prime contractor to manufacture and test multiple electronic power supply modules for a large mission-critical U.S. Navy program. Production is expected to begin in the second half of 2021. Terms of the agreement were not disclosed.

The program is an electronic warfare improvement program for the U.S. Navy. The upgrade will provide the capability to actively jam incoming missiles that threaten a warship, cue decoys and adapt quickly to evolving threats. The improvements to the electronic attack portion will provide integrated countermeasures against radio frequency-guided threats and extended frequency range coverage according to the Navy.

The system is software-defined, meaning that, unlike analog radars of the past, the transmitters and receivers can easily adjust to send and receive different waveforms and allow the system to be more easily adaptable.

The adaptability for active electronic attack comes as foreign aggressors are developing several new classes of missiles simultaneously at a significant rate. Systems like this program and new directed energy weapons are part of the Navy's bet to improve the odds of survival in conflict without having to invest in expensive new missile systems.

The system's game-changing capability for non-kinetic electronic attack options has the potential to do much more. From advanced communications to multi-role waveforms, the multi-function applications of the system will provide enhanced mission capabilities to the U.S. Navy Fleet while presenting opportunities for future reductions in cost, size, weight, and power according to the U.S. Naval Institute.

"This award provides for the transition to full-rate production from low-rate initial production now that the operational test and evaluation phase has been successfully completed," said Jim Long, Vice President & General Manager of Sypris Electronics. "Our customer is a worldwide leader in creating and delivering military radar, sensors and related products. We are excited to have this opportunity to grow our relationship with this important customer."

Sypris Electronics is a trusted provider of electronic solutions, addressing customers' needs for building complex, mission-critical electronic and electro-mechanical devices and integrated systems. Backed by 50 years of experience, Sypris' engineering and manufacturing services span our customers' product life cycle all within a culture of continuous improvement and Six Sigma/Lean thinking. Partners from multiple agencies and Tier One companies in Military (DOD), Space, Medical, Undersea, and Industrial markets team with Sypris to deliver high-reliability electronics built with strict adherence to regulated requirements. For more information, please visit www.sypriselectronics.com.

Forward-Looking Statements

This press release contains "forward-looking" statements within the meaning of the federal securities laws. Forward-looking statements include our plans and expectations of future financial and operational performance. Such statements may relate to projections of the company's revenue, earnings, and other financial and operational measures, our liquidity, our ability to mitigate or manage disruptions posed by COVID-19, and the impact of COVID-19 and economic conditions on our future operations, among other matters.

Each forward-looking statement herein is subject to risks and uncertainties, as detailed in our most recent Form 10-K and Form 10-Q and other SEC filings.

Briefly, we currently believe that such risks also include the following: the impact of COVID-19 and economic conditions on our future operations; possible public policy response to the pandemic, including legislation or restrictions that may impact our operations or supply chain; our failure to successfully complete final contract negotiations with regard to our announced contract "orders", "wins" or "awards"; our failure to successfully win new business; the termination or non-renewal of existing contracts by customers; our failure to achieve and maintain profitability on a timely basis by steadily increasing our revenues from profitable contracts with a diversified group of customers, which would cause us to continue to use existing cash resources; the cost, quality, timeliness, efficiency and yield of our operations and capital investments, including the impact of tariffs, employee training, working capital, production schedules, cycle times; dependence on, retention or recruitment of key employees and distribution of our human capital; disputes or litigation involving governmental, supplier, customer, employee, creditor, warranty claims; our inability to develop new or improved products or new markets for our products; cost, quality and availability or lead times of raw materials and electronic components; our reliance on a few key customers, third party vendors and sub-suppliers; inventory valuation risks including excessive or obsolescent valuations or price erosions of raw materials or component parts on hand or other potential impairments, non-recoverability or write-offs of assets or deferred costs; failure to adequately insure or to identify product liability, environmental or other insurable risks; unanticipated or uninsured disasters, public health crises, losses or business risks; volatility of our customers' forecasts, scheduling demands and production levels which negatively impact our operational capacity and our effectiveness to integrate new customers or suppliers, and in turn cause increases in our inventory and working capital levels; the costs of compliance with our auditing, regulatory or contractual obligations; our inability to patent or otherwise protect our inventions or other intellectual property from potential competitors; adverse impacts of new technologies or other competitive pressures which increase our costs or erode our margins; U.S. government spending on products and services, including the timing of budgetary decisions; changes in licenses, security clearances, or other legal rights to operate, manage our work force or import and export as needed; cyber security threats and disruptions; inaccurate data about markets, customers or business conditions; or unknown risks and uncertainties. We undertake no obligation to update our forward-looking statements,

except as may be required by law.

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