



Sypris Wins Award for Cryptographic Program

July 12, 2021

Army Key Management System for Secure Communications

TAMPA, Fla.--(BUSINESS WIRE)--Jul. 12, 2021-- Sypris Electronics, LLC, a subsidiary of Sypris Solutions, Inc. (Nasdaq/GM: SYPR), announced today that it has recently received a follow-on award from a U.S. DOD prime contractor to manufacture and test embedded circuit card assemblies that will perform certain cryptographic functions for the Army Key Management System ("AKMS"). Production is expected to begin in 2021. Terms of the agreement were not disclosed.

The AKMS is a fielded system that consists of three subsystems: local communications security management software ("LCMS"), automated communications engineering software ("ACES") and the simple key load device. Under the umbrella of our nation's Electronic Key Management System, the AKMS provides tactical units and sustaining bases with an organic key generation capability and an efficient secure electronic key distribution means.

The LCMS workstation provides automated key generation, distribution and communications security accounting. The ACES, which is the frequency management portion of AKMS, has been designated by the Military Communications Electronics Board as the joint standard for use by all services in development of frequency management and cryptographic net planning and signal operation instructions generation.

The embedded circuit card assemblies to be produced by Sypris will perform the cryptographic functions for a ruggedized, portable, hand-held simple key load device that will be used to securely receive, store and transfer data between compatible cryptographic and communications equipment. The device incorporates features that provide for the streamlined management of communications security key, electronic protection data and signal operation instructions.

"We are very pleased to receive this important follow-on award that leverages our history and core competencies in cyber security solutions," said Mark Kane, Vice President & General Manager of Sypris Electronics. "Our customer is a worldwide leader in providing system-wide security that protects the entire signal chain. We are pleased to have this opportunity to continue our relationship with this 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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Source: Sypris Electronics, LLC