



## Sypris Wins Electronic Warfare Program

February 1, 2022

### Multi-year Follow-on Contract; Significant Increase in Volume

#### System to Add Electronic Attack Capability to Defend Navy Ships

TAMPA, Fla.--(BUSINESS WIRE)--Feb. 1, 2022-- Sypris Electronics, LLC, a subsidiary of Sypris Solutions, Inc. (Nasdaq/GM: SYPR), announced today that it has recently entered into a multi-year follow-on contract with a U.S. DOD prime contractor to produce and test electronic power supply modules for a large, mission-critical U.S. Navy program. The contract calls for a significant increase in production volume from existing levels beginning in 2022. Terms of the contract 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 U.S. Navy.

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

The adaptability for active electronic attack comes as foreign aggressors are simultaneously developing several new classes of missiles at a significant rate. Systems like this program and new directed energy weapons are part of the U.S. Navy's efforts to enhance the useful life of deployed missile systems.

The system's game-changing capability for non-kinetic electronic attack options can be further deployed in additional critical areas. 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.

"We are pleased to have solidified our long-term partnership on this important program," said Mark R. Kane, Vice President & General Manager of Sypris Electronics. "The opportunity to expand our role as a critical solution provider for our customer and the U.S. Navy is certainly a privilege for Sypris. We look forward to delivering this important technology for years to come."

Sypris Electronics is a trusted provider of engineering and manufacturing services for complex, mission-critical electronic solutions for customers in the Defense, Space, Deep Sea Communications, and Industrial markets. Backed by over 50 years of experience, the Company specializes in producing electronics for high-cost-of-failure applications. For more information, please visit [www.sypriselectronics.com](http://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; the impact of potential U.S. Government COVID-19 vaccine mandates on our ability to attract and retain employees and on our business and results of operations; 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; cost, quality and availability or lead times of raw materials such as electronic components; 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, scrap rates, wages, overtime costs, freight or expediting costs; dependence on, retention or recruitment of key employees and distribution of our human capital; disputes or litigation involving governmental, supplier, customer, employee, warranty claims; our inability to develop new or improved products or new markets for our products; 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, the costs of compliance with our auditing, regulatory or contractual obligations; labor relations; strikes; pension valuation, health care or other benefit costs; 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 that Sypris Electronics provides, 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; 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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