



Sypris Wins Award for Electronic Warfare System Upgrade

June 8, 2022

Multi-Year, Follow-On, Full-Rate Production Contract

TAMPA, Fla.--(BUSINESS WIRE)--Jun. 8, 2022-- Sypris Electronics, LLC, a subsidiary of Sypris Solutions, Inc. (Nasdaq/GM: SYPR), announced today that it has recently received a multi-year, follow-on award from a U.S. DOD contractor to produce and test multiple power supply modules for the upgrade of the electronic warfare suite of an important U.S. fighter aircraft program. Production is expected to transition to full-rate production beginning in 2022. Terms of the agreement were not disclosed.

The power supplies to be produced by Sypris will be incorporated into a suite that will replace the functionally obsolete self-protection system of existing aircraft. The upgrade is intended to significantly improve the aircraft's capability to autonomously and automatically detect, identify and locate radio frequency threats. Updating the electronic warfare suite is critical to the aircraft, which is scheduled to be in service through 2040.

According to news sources, the system will deliver fully integrated radar warning, situational awareness, geolocation, and self-protection capabilities to maximize mission effectiveness and survivability of the aircraft in highly contested environments. This advanced, all digital system enables deeper penetration against modern integrated defense systems and provides rapid response capabilities designed to protect the aircrew.

Further, the system will give current and future aircraft more survivability when operating near or in contested airspace. The system allows pilots to monitor, locate and jam enemy radars, as well as deceive them about the aircraft's position and heading, by collecting and processing electromagnetic energy and instantaneously creating a comprehensive, 360-degree picture of the battlespace.

"This multi-year, follow-on award advances our partnership on this mission critical, technically-advanced upgrade program," said Mark Kane, Vice President & General Manager of Sypris Electronics. "It is our honor to participate in the production of these advanced electronic systems for the warfighter. We are pleased to have this opportunity to expand and extend our relationship with this important customer."

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.

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. 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: 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; 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 or develop new or improved products or new markets for our products; volatility of our customers' forecasts, which may 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; cost, quality and availability or lead times of raw materials such as component parts or utilities including increased cost relating to inflation; the impact of the current coronavirus disease ("COVID-19") and economic conditions on our future operations; possible public policy response to the pandemic, including U.S. or foreign government legislation or restrictions that may impact our operations or supply chain; the cost, quality, timeliness, efficiency and yield of our operations and capital investments, including the impact of inflation, tariffs, product recalls or related liabilities, employee training, working capital, production schedules, cycle times, scrap rates, injuries, wages, overtime costs, freight or expediting costs; dependence on, retention or recruitment of key employees and highly skilled personnel and distribution of our human capital; the termination or non-renewal of existing contracts by customers; inaccurate data about markets, customers or business conditions; disputes or litigation involving governmental, supplier, customer, employee, creditor, product liability or warranty; 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 product liability claims, disasters, public health crises, losses or business risks; the costs of compliance with our regulatory or contractual obligations; 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; war, geopolitical conflict, terrorism, or political uncertainty, including disruptions resulting from the conflict between Russia and Ukraine arising out of international sanctions; cyber security threats and disruptions, including ransomware attacks on our systems and the systems of third-party vendors and other parties with which we conduct business, all of which may become more pronounced in the event of geopolitical conflicts and other uncertainties, such as the conflict in Ukraine; 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