



Sypris Wins Award for Cryptographic Program

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Follow-On Program for Secure Communications Infrastructure

TAMPA, Fla.--(BUSINESS WIRE)--Nov. 13, 2023-- 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. global defense contractor to manufacture and test embedded circuit card assemblies that will perform certain of the cryptographic functions for the Army Key Management System (AKMS). Production is expected to begin in 2024. 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. According to news sources, 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 certain of 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.

"This follow-on award is emblematic of our strong position as a long-standing electronics manufacturing services partner in this critical encrypted communications sector," said Mark R. Kane, Vice President & General Manager of Sypris Electronics. "Backlog on this program now extends into 2025, which we believe will help support the continuity of production and timely deliveries of this important product to our national security 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.

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: the fees, costs and supply of, or access to, debt, equity capital, or other sources of liquidity; 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 and electronic components, natural gas or utilities including increased cost relating to inflation; dependence on, retention or recruitment of key employees and highly skilled personnel and distribution of our human capital; 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; volatility of our customers' forecasts and our contractual obligations to meet current scheduling demands and production levels, 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; our failure to successfully complete final contract negotiations with regard to our announced contract "orders", "wins" or "awards"; significant delays or reductions due to a prolonged continuing resolution or U.S. government shut down reducing the spending on products and services; adverse impacts of new technologies or other competitive pressures which increase our costs or erode our margins; breakdowns, relocations or major repairs of machinery and equipment, especially in our Toluca Plant; the termination or non-renewal of existing contracts by customers; the costs and supply of insurance on acceptable terms and with adequate coverage; the costs of compliance with our auditing, regulatory or contractual obligations; health care or other benefit costs; our failure to successfully win new business or develop new or improved products or new markets for our products; war, geopolitical conflict, terrorism, or political uncertainty, including disruptions resulting from the Russia-Ukraine war arising out of international sanctions, foreign currency fluctuations and other economic impacts; 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; disputes or litigation involving governmental, supplier, customer, employee, creditor, stockholder, product liability, warranty or environmental claims; 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; our inability to patent or otherwise protect our inventions or other intellectual property rights from potential competitors or fully exploit such rights which could materially affect our ability to compete in our chosen markets; 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, 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; possible public policy response to a public health emergency, including U. S or foreign government legislation or restrictions that may impact our operations or supply chain; 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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