



Sypris Wins Award for Cryptographic Program

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Follow-On Program for Secure Communications Infrastructure

TAMPA, Fla.--(BUSINESS WIRE)--Jun. 23, 2025-- Sypris Electronics, LLC, a subsidiary of Sypris Solutions, Inc. (Nasdaq/GM: SYPR), announced today it has received a follow-on award from a leading U.S. defense contractor to manufacture and test embedded circuit card assemblies that will support cryptographic functions for the U.S. Army's Key Management System (AKMS). Production is scheduled to begin in 2026. Terms of the agreement were not disclosed.

The AKMS, a core component of the National Security Agency's Electronic Key Management System, provides tactical units and base commands with organic key generation and secure, electronic key distribution capabilities. The system includes three integrated subsystems: Local Communications Security Management Software (LCMS), Automated Communications Engineering Software (ACES), and the Simple Key Loader (SKL).

The LCMS provides automated key generation, distribution, and communications security accounting. The ACES subsystem, which manages frequency allocations, has been designated by the Military Communications Electronics Board as the joint standard for frequency management and cryptographic net planning across all military services.

The embedded circuit card assemblies to be produced by Sypris will support cryptographic processing within a ruggedized, handheld SKL device. This next-generation solution enables secure receipt, storage, and transfer of key material between cryptographic and communications systems. The device will serve as the cryptographic engine for all future electronic key loading and field key management systems.

"This follow-on award reinforces Sypris's reputation as a reliable and long-standing electronics manufacturing partner in the secure communications sector," said Mike Sedgwick, Vice President & General Manager of Sypris Electronics. "Our backlog on this program now extends through 2026, providing production continuity and supporting the U.S. Government's Cryptographic Modernization Initiative with timely deliveries of this critical technology."

Sypris Electronics is a trusted provider of complex, mission-critical electronic solutions for customers in the Defense, Space, Deep Sea Communications, and Industrial sectors. With over 50 years of experience, the company specializes in manufacturing electronics for high-cost-of-failure applications. For more information, 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; 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 or require us to sell assets to fund operating losses; 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; cost, quality and availability or lead times of raw materials such as component parts (especially electronic components), natural gas or utilities including increased cost relating to inflation, as well as the impact of proposed or imposed tariffs by the U.S. government on imports to the U.S. and/or the imposition of retaliatory tariffs by foreign countries; our reliance on a few key customers, third party vendors and sub-suppliers; risks of foreign operations, including foreign currency exchange rate risk exposure, which could impact our operating results; 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 shutdown reducing the spending on products and services that Sypris Electronics provides; 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; 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; adverse impacts of new technologies or other competitive pressures which increase our costs or erode our margins; the costs and supply of insurance on acceptable terms and with adequate coverage; unanticipated or uninsured product liability claims, disasters, public health crises, losses or business risks; breakdowns, relocations or major repairs of machinery and equipment; the costs of compliance with our auditing, regulatory or contractual obligations; pension valuation, health care or other benefit costs; dependence on, retention or recruitment of key employees and highly skilled personnel and distribution of our human capital; 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, or disruptions resulting from the Russia-Ukraine war or the Israel and Gaza conflict, including arising out of international sanctions, foreign currency fluctuations and other economic impacts; labor relations; strikes; union negotiations; disputes or litigation involving governmental, supplier, customer, employee, creditor, stockholder, premises liability, personal injury, product liability, warranty or environmental claims; failure to adequately insure or to identify product liability, environmental or other insurable risks; costs associated with environmental or other claims relating to properties previously owned; 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; our ability to maintain compliance with the Nasdaq listing standards minimum closing bid price; risks related to owning our common stock,

including increased volatility; 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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