

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): June 29, 2023

Mercury Systems, Inc.

(Exact Name of Registrant as Specified in its Charter)

Massachusetts
(State or Other Jurisdiction
of Incorporation)

000-23599
(Commission File Number)

04-2741391
(IRS Employer
Identification No.)

50 Minuteman Road, Andover, Massachusetts
(Address of Principal Executive Offices)

01810
(Zip Code)

Registrant's telephone number, including area code: (978) 256-1300

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01	MRCY	Nasdaq Global Select Market

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Chief Financial Officer

On June 29, 2023, Mercury Systems, Inc. (the “Company”) announced that David E. Farnsworth will be joining the Company as Executive Vice President, Chief Financial Officer, and Treasurer, on July 17, 2023.

Mr. Farnsworth, age 62, most recently served as the Chief Financial Officer of HawkEye 360, a radio frequency data analytics company from 2020 to 2023. Before joining HawkEye 360, Mr. Farnsworth was Vice President and Chief Financial Officer for Integrated Defense Systems of Raytheon Company from 2018 to 2020, where he had oversight of the financial activities for the \$6 billion business unit. Before that, he was CFO for the Intelligence, Information and Services segment of Raytheon.

There are no family relationships between Mr. Farnsworth and any director or executive officer of the Company, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

The Company and Mr. Farnsworth are parties to an offer letter (the “Letter Agreement”), a copy of which is filed as exhibit 10.1 hereto. Pursuant to the Letter Agreement, Mr. Farnsworth’s annual compensation will consist of a base salary of \$450,000, a target bonus opportunity under the Company’s annual incentive plan of 110% of base salary, and grants of long-term incentive awards with a target grant date value of \$1,500,000 (commencing with the annual grants to be made in August 2023).

In connection with his joining the Company, Mr. Farnsworth will also receive a sign-on bonus of \$200,000, subject to a 24-month payback obligation if he resigns or is terminated for cause, as well as new-hire long-term incentive awards under the Company’s 2018 Stock Incentive Plan with an aggregate value of \$3,000,000, which are intended to compensate Mr. Farnsworth for long-term incentive awards that he will forfeit upon his resignation from his current employer. The number of shares covered by the new hire awards (the “New Hire Shares”) will be determined by dividing \$3,000,000 by the average closing price of the Company’s common stock during the 30 calendar days prior to the grant date in August 2023. Such awards shall vest as follows: (i) one half will use time-based vesting in equal installments on each of the first three anniversaries of the grant date; and (ii) one half will use performance-based vesting, with an applicable portion of the performance-based shares vesting or forfeiting on the third anniversary of the grant date based on the achievement of specified performance criteria. In the event that Mr. Farnsworth is terminated without cause and such termination is not in connection with a change in control, 100% of the New Hire Shares shall automatically vest if his termination occurs within eight months after his start date, with such vesting amount reduced to 75% for terminations within 12 months thereafter (in each case, net of any New Hire Shares previously vested and assuming target performance in the case of performance-based shares) and any remaining portion of the New Hire Shares shall be forfeited.

In addition to Mr. Farnsworth’s annual and new-hire compensation under the Letter Agreement, the Company will enter into separate agreements with Mr. Farnsworth on his start date with respect to both change in control and non-change in control severance consistent with terms that are currently in effect for the Company’s other Executive Vice Presidents. Mr. Farnsworth will also be provided with a \$12,000 annual allowance for personal tax and financial planning services on the same terms as are provided to all other executives.

Effective with Mr. Farnsworth joining the Company, Michelle M. McCarthy will cease her interim duties as Chief Financial Officer and Treasurer while continuing in her role as the Company’s Senior Vice President, Chief Accounting Officer. For her extended service as interim Chief Financial Officer and Treasurer, the Human Capital and Compensation Committee has approved a cash payment in the amount of \$215,000 and a \$200,000 restricted stock award to be granted in mid July 2023 subject to time-based vesting in equal annual installments during the four years following the grant date, with the number of shares covered by such award to be determined by dividing \$200,000 by the average closing price of the Company’s common stock during the 30 calendar days prior to the grant date.

Board of Directors Appointment

The Board of Directors has appointed Roger A. Krone, former Chairman and CEO of Leidos, as an independent director in Class II of the Board, effective June 28, 2023, for a term expiring at the 2023 annual meeting of shareholders (the “2023 Annual Meeting”). The Board has determined that Mr. Krone is independent under the listing standards of The Nasdaq Stock Market. With the addition of Mr. Krone, the size of the Board has expanded to ten members, four of which have joined in the last year.

Effective June 30, 2023, Mr. Krone will be granted a restricted stock award pursuant to the Company’s Compensation Policy for Non-Employee Directors. Pursuant to the policy, new non-employee directors are granted equity awards in connection with their first election to the Board. This award consists of shares of restricted stock with a value equal to \$225,000 divided by the average closing price of the Company’s common stock during the 30 calendar days prior to the date of grant. This award vests as to 50% of the covered shares on each of the first two anniversaries of the date of grant. Non-employee directors also receive a cash retainer of \$65,000 per year, paid quarterly in arrears.

Mr. Krone does not have any direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Item 7.01 Regulation FD Disclosure.

In a press release dated June 29, 2023, furnished as exhibit 99.1 hereto, the Company announced that David E. Farnsworth will be joining the Company as Executive Vice President, Chief Financial Officer, and Treasurer, starting on July 17, 2023, and that the Company has appointed Roger A. Krone, former Chairman and CEO of Leidos, as a Class II director to stand for re-election at the 2023 Annual Meeting.

The press release is furnished as exhibit 99.1 hereto. The information provided in Item 7.01 of this Current Report on Form 8-K and the attached exhibit 99.1 shall not be deemed ‘filed’ for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise be subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01 Other Events.

On June 28, 2023, the Company’s Board of Directors updated the composition of the Board committees in connection with the recent appointments of Gerard J. DeMuro and Roger A. Krone to the Board. The committees of the Board are constituted as follows:

Audit Committee: Barry R. Nearhos (Chair), Gerard J. DeMuro, Lisa S. Disbrow, William K. O’Brien, and Debora A. Plunkett

Human Capital and Compensation Committee: Mary Louise Krakauer (Chair), Orlando P. Carvalho, Lisa S. Disbrow, Howard L. Lance, and Debora A. Plunkett

Government Relations Committee: Lisa S. Disbrow (Chair), Mary Louis Krakauer, Howard L. Lance, and Debora A. Plunkett

M&A and Finance Committee: Orlando P. Carvalho (Chair), Roger A. Krone, Howard L. Lance, Barry R. Nearhos, and William K. O’Brien

Nominating and Governance Committee: William K. O’Brien (Chair), Orlando P. Carvalho, Roger A. Krone, Howard L. Lance, and Barry R. Nearhos

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

[10.1 Letter Agreement, dated June 20, 2023, between the Company and David E. Farnsworth](#)

[99.1 Press Release, dated June 29, 2023, of Mercury Systems, Inc.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: June 29, 2023

MERCURY SYSTEMS, INC.

By: /s/ Christopher C. Cambria
Christopher C. Cambria
Executive Vice President, General Counsel, and Secretary



David Farnsworth

June 20, 2023

Dear Dave:

On behalf of Mercury Systems, Inc. (the "Company"), we are pleased to offer you the opportunity to serve as Executive Vice President, Chief Financial Officer and Treasurer, reporting directly to me at our offices in Andover, MA. We anticipate that your start date will occur no later than July 17, 2023. Your annual compensation is valued at \$2,445,000, composed of:

- base salary at an annual rate of \$450,000;
- a target bonus opportunity of 110% of your annual base salary (or \$495,000); and
- annual grants of long-term incentive ("LTI") awards with a target grant date value of \$1,500,000.

Base salary compensation is payable in bi-weekly installments and, as regarding all components of your compensation, is subject to applicable tax withholding.

You will be eligible to participate in our annual incentive plan beginning with our 2024 fiscal year, which will commence on July 1, 2023. Annual incentive bonuses for each fiscal year are typically paid to plan participants in August, following the end of the fiscal year. Payouts range from 0% to 150% of target bonus opportunities based on the Company's financial performance against pre-established goals, as determined by the Human Capital and Compensation Committee (the "HC3") of the Company's Board of Directors.

LTI awards are typically granted to eligible employees in August of each year. Your initial LTI awards, which will be granted to you following your start date, are referred to as "New Hire" awards and are described further below. For your position, the current composition of LTI awards is an equally weighted mix of (1) restricted stock awards ("RSAs"), which vest in equal annual increments over the three-years following the grant date, and (2) performance-based stock awards ("PSAs"), which vest on the third anniversary following the grant date.

In order to receive annual bonus payments or vested shares under LTI awards, you must be actively employed and in good standing at Mercury at the time such payments or vestings occur, subject to any exceptions (such as death, disability or termination in connection with a change in control) that may be provided for under the plans or related documents governing these awards. In addition, as a direct report to the Chief Executive Officer, all compensation amounts and awards set forth in this letter are subject to approval and/or ratification by the HC3.

In addition to your annual compensation described above, you will receive a sign-on bonus of \$200,000, which will be paid as soon as practicable following your start date with Mercury. In the event that prior to the second anniversary following your start date, you either resign or are terminated by Mercury for cause, you agree to repay Mercury 100% of this sign-on bonus (or, if

such resignation or termination occurs after the first anniversary of your start date, 50% of this sign-on bonus) within ten business days after such resignation or termination.

Furthermore, and in connection with the commencement of your employment with us, you will receive an initial, one-time grant of LTI awards ("New Hire Awards") with an aggregate grant date target value of \$3,000,000, consisting of an equally weighted mix of RSAs and PSAs. These awards will be granted on or about August 17. On the same date, you will also receive your annual grant of LTI awards for the 2024 fiscal year, with an aggregate grant date target value of \$1,500,000, as referenced above.

The number of shares underlying your New Hire Awards will be calculated based on the average closing price of Mercury's common stock during the 30 calendar days prior to the date of grant. The performance period that will apply to the PSAs granted as New Hire Awards will be the three-year fiscal period ended on (or about) July 3, 2026, and any shares earned under these awards will vest on the three-year anniversary following the grant date.

As an Executive Vice President, you will receive severance benefits in the event that your employment is terminated by Mercury without cause or by you for good reason. These benefits will be enhanced in the event the termination occurs within 18 months after a change in control of the Company (or during a protected period triggered by a potential change in control event if, for the benefits below other than accelerated LTI vesting, a change in control actually occurs within 18 months after the potential change in control triggering event). The benefits to which you would be entitled under these circumstances include the following:

<u>Benefit</u>	<u>Ordinary Severance</u>	<u>Change in Control Severance</u>
Cash Severance	<ul style="list-style-type: none"> • 12-months of base salary continuation • Lump-sum payment of target bonus 	<ul style="list-style-type: none"> • Lump-sum payment of one and one-half times (1.5x) target cash compensation (which is the sum of base salary and target bonus)
Outplacement	<ul style="list-style-type: none"> • Up to \$30,000 in services 	<ul style="list-style-type: none"> • Up to \$45,000 in services
Subsidized Healthcare	<ul style="list-style-type: none"> • Up to 12 months of coverage at same cost as similarly situated employees 	<ul style="list-style-type: none"> • Up to 18 months of coverage at same cost as similarly situated employees
Accelerated LTI Vesting	N/A	<ul style="list-style-type: none"> • Full acceleration of outstanding LTI awards • If termination occurs after a change in control, performance awards pay out at 100% of target (or if greater, at actual performance through the last fiscal quarter prior to the change in control)

In addition to these benefits, in the event you are terminated by Mercury without cause and such termination is not in connection with a change in control, you will receive accelerated vesting (inclusive of any such shares that have previously vested) on:

- 100% of your New Hire Award shares, if such termination occurs within the first eight months following your start date; and
- 75% of your New Hire Award shares, if such termination occurs within the following twelve months thereafter.

For the purpose of this provision, accelerated vesting of any shares underlying PSAs shall be applied as if the applicable performance conditions governing the awards have been satisfied at target levels.

As a direct report to the Chief Executive Officer, you will be subject to a stock ownership guideline requiring you to hold Mercury stock worth at least 300% of your annual base salary, and you will not be permitted to buy or sell Mercury stock outside of quarterly trading windows. In addition, your annual bonus and LTI compensation will be subject to a clawback policy allowing Mercury to recoup and/or cancel your awards under certain terms and conditions set forth in the Company's policy, as may be amended from time to time.

Upon your effective employment, you will be eligible to participate in the following broad-based plans as may be maintained by Mercury from time to time, together with a variety of voluntary benefit programs:

<u>Benefit</u>	<u>Additional Information</u>
Medical, dental and vision plans	Choice of PPO or High Deductible options with HSA funding as applicable
Employer-paid insurance	Includes basic life, short- and long-term disability and AD&D coverage
Mercury Systems 401(k) Plan	Company match of up to 6% of eligible compensation
Employee Stock Purchase Plan	Allows purchase of Mercury stock every six months at a 15%+ discount
Flexible Vacation Policy	Vacation is not limited to a specific accrual of earned time
Tuition Reimbursement	Reimbursement of 100% of tuition up to the IRS nontaxable limit

In addition to the above-referenced benefits, as a direct report to our Chief Executive Officer, you will be entitled to receive a \$12,000 annual allowance for personal tax and financial planning services, beginning in our 2024 fiscal year.

The Company reserves the right to amend, modify or terminate, in its sole discretion, any of the terms of your employment at any time, including any benefit and compensation plans; provided, that notwithstanding the foregoing: (a) the Company shall enter into separate agreements with you on your start date with respect to both change in control and non-change in control severance in the forms set forth as Exhibits 10.5.1 and 10.9 to the Company's Annual Report on Form 10-K for the 2022 fiscal year; and (b) the Company shall grant you on a timely basis the sign-on bonus and New Hire Awards described in this letter. If there is any conflict with the benefit

information in this letter and the plan documents relating to your benefits, the plan documents control.

The offer of employment set forth in this letter is contingent upon, among other things, the following:

- **Completion of Employment Eligibility Verification Form I-9**, including submittal of original documents verifying your employment eligibility and identity
- **Proof of U.S. citizenship**, including submittal of original passport or birth certificate and drivers' license
- **Satisfactory results of a background and reference check**
- **Execution of Mercury's standard confidentiality agreement (attached)**

Upon accepting this offer, you represent that you are not party to any written or unwritten contract, agreement, policy or other legal obligation with your current employer or any former employer that would preclude you from performing the various duties associated with your position at Mercury. If you are a party to any agreement or if you are under any other obligations that could potentially restrict your work for Mercury (such as, for example, Employment Agreements, Non-Disclosure Agreements, Non-Solicitation Agreements, Non-Compete Agreements, Retention Agreements, or any other restrictions on your work imposed by the U.S. Government and/or your current or any former employers), it is your responsibility to advise Mercury of any and all such restrictions prior to accepting this offer so that Mercury can, among other things, assess whether any such restrictions may impact and/or interfere with your anticipated duties for Mercury. Mercury expects you to, and requires that you, adhere fully to any such lawful and enforceable agreements or obligations to your current or former employers in connection with your employment by Mercury, including the protection of any proprietary or confidential information belonging to your current or former employers. If you would like clarification of any potential disclosures or obligations, please contact us before signing this offer. You understand that the foregoing acknowledgments and representations are conditions of this offer of employment.

This offer is also conditioned upon your agreement to follow Mercury policies as they relate to the proper safeguarding of trade secrets or other confidential or proprietary information of any previous employer (collectively, "Confidential Information"). Specifically, you agree not to bring any Confidential Information of your current employer, or any former employer, with you to Mercury or to use any such Confidential Information in connection with your employment with Mercury, and you agree not to expose, including by written or verbal communication, any Mercury personnel, or individuals acting in conjunction with Mercury, to any Confidential Information of your current or any former employers in any format.

This offer will remain open until Thursday, June 22, which should provide you with an adequate period in which to consider it. Please confirm your acceptance of the offer by returning a signed copy of both this letter and the attached confidentiality agreement by e-mail to our Chief Human Resources Officer, Steve Ratner.

Your acceptance of this offer does not guarantee employment for any fixed term. Should you accept this offer and, upon satisfactory completion of the conditions set forth above, commence employment with the Company, you will be an "at will" employee, which means that either you or the Company may discontinue your employment at any time and for any reason, with or without advance notice. This letter supersedes any prior verbal representations that may have been made to you.

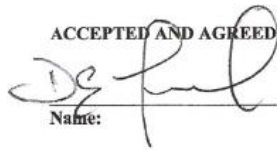
Dave, we look forward to your joining the Mercury team.

Very Truly Yours,



Mark Aslett
President and Chief Executive Officer

ACCEPTED AND AGREED:


Name:

06/22/2023
Date:



Mercury Systems Announces Appointments of Chief Financial Officer and Independent Director

*Finance and Technology Leader, David Farnsworth, Named CFO
Former Chairman and CEO of Leidos, Roger Krone, Appointed to Board*

ANDOVER, Mass. – June 29, 2023 – Mercury Systems, Inc. (NASDAQ: MRCY, www.mrcy.com), a technology company that delivers processing power for the most demanding aerospace and defense missions, today announced the continuation of its previously announced Board of Directors and leadership refreshment process, with the appointments of:

- David Farnsworth as Chief Financial Officer, effective July 17, 2023. Mr. Farnsworth brings decades of experience as a financial expert within the technology defense industry. He was previously the CFO of HawkEye 360, and prior to that, Vice President and CFO of Raytheon's Integrated Defense Systems business and its Intelligence, Information and Services segment.
- Roger Krone, former Chairman and Chief Executive Officer of Leidos, as an independent director, effective June 28, 2023. He will also serve as a member of the Board's Nominating and Governance Committee. Mr. Krone is an experienced public company director, currently serving on the Board of Lear Corporation and previously serving on the Boards of BorgWarner and United Launch Alliance.

William K. O'Brien, Chairman of the Board, said, "Roger's appointment, coupled with the recent addition of Jerry DeMuro, brings immense industry expertise and proven track records of strategic oversight and growth to our boardroom. As the Board continues to oversee the refinement and implementation of the Company's strategy, Jerry and Roger's respective experience will be invaluable to our efforts."

Bill Ballhaus, Interim President and Chief Executive Officer, said, "David is a standout leader with deep program knowledge and insight, and a successful track record that demonstrates his ability to deliver results while leading sophisticated financial operations. We are excited for him to bring his passion for the customer to Mercury as we enhance our focus on operational excellence and execution of our strategy. The Board, leadership team and I are greatly appreciative of the support provided by Michelle McCarthy in recent months as she seamlessly stepped into the role of Interim CFO, and we look forward to continuing to work closely with her."



Mr. Farnsworth said, “Mercury is embarking on an important and exciting next chapter, and I am pleased to join the team. The Company has a unique position in the market, and I am ready to get to work alongside Bill and the leadership team to advance the efforts already underway to get closer to our customers and deliver value for all stakeholders.”

As previously announced, Michelle McCarthy, who has served as Interim CFO since January 2023, will remain in her role as Senior Vice President and Chief Accounting Officer.

About David Farnsworth

Mr. Farnsworth most recently served as Chief Financial Officer of HawkEye 360, a radio frequency data analytics company operating a first-of-its-kind commercial satellite constellation. He previously held several roles within Raytheon, including as Vice President and CFO of its Integrated Defense Systems business, CFO of its Intelligence, Information and Services segment, CFO of its Technical Services business and at Raytheon Corporate headquarters, where he worked directly with the CEO and COO to spearhead strategic initiatives.

Mr. Farnsworth currently serves on the Board of Directors of Merrimack Valley Credit Union, a state-chartered community credit union, and on the Board of USA Diving, the national governing body for the sport of diving. He previously served on the Board of Thales-Raytheon Systems Company, an aerospace and defense company.

Mr. Farnsworth holds a bachelor’s degree from the Wharton School at the University of Pennsylvania and a master’s degree in business administration from Boston University.

About Roger Krone

Mr. Krone previously served as the Chairman and CEO at Leidos, a leading Fortune 500 science and technology company focused on the software, hardware, and complex integrated system solutions of large- and small-scale defense, civil and health applications, from 2014 until his retirement earlier in 2023. Mr. Krone spent over 15 years at Boeing, where he served in several leadership positions, including President of its Network & Space Systems business, and was previously a Vice President at McDonnell Douglas Corporation, which was later acquired by Boeing. Mr. Krone began his career at General Dynamics Corporation.

Mr. Krone currently serves on the Board of Directors of Lear Corporation. He previously served on the Board of Directors of BorgWarner and United Launch Alliance. Mr. Krone holds a Bachelor of Science in aerospace engineering from the Georgia Institute of Technology, a Master of Science in aerospace engineering from the University of Texas at Arlington and a Master’s in Business Administration from the Harvard School of Business.



Mercury Systems – Innovation that Matters® by and for People Who Matter

Mercury Systems is a technology company that pushes processing power to the tactical edge, making the latest commercial technologies profoundly more accessible for today's most challenging aerospace and defense missions. From silicon to system scale, Mercury enables customers to accelerate innovation and turn data into decision superiority. Mercury is headquartered in Andover, Massachusetts, and has 24 locations worldwide. To learn more, visit mrcy.com. (Nasdaq: MRCY)

Forward-Looking Safe Harbor Statement

This press release contains certain forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including those relating to the Company's focus on enhanced execution of the strategic plan under a refreshed Board and leadership team. You can identify these statements by the words "may," "will," "could," "should," "would," "plans," "expects," "anticipates," "continue," "estimate," "project," "intend," "likely," "forecast," "probable," "potential," and similar expressions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include, but are not limited to, continued funding of defense programs, the timing and amounts of such funding, general economic and business conditions, including unforeseen weakness in the Company's markets, effects of continued geopolitical unrest and regional conflicts, competition, inflation, changes in technology and methods of marketing, delays in completing engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, changes in, or in the U.S. government's interpretation of, federal export control or procurement rules and regulations, changes in, or in the interpretation or enforcement of, environmental rules and regulations, market acceptance of the Company's products, shortages in or delays in receiving components, supply chain delays or volatility for critical components such as semiconductors, production delays or unanticipated expenses including due to performance quality issues or manufacturing execution issues, the impact of the COVID-19 pandemic and supply chain disruption, inflation and labor shortages, among other things, on program execution and the resulting effect on customer satisfaction, inability to fully realize the expected benefits from acquisitions, restructurings, and value creation initiatives such as 1MPACT, or delays in realizing such benefits, challenges in integrating acquired businesses and achieving anticipated synergies, effects of shareholder activism, increases in interest rates, changes to industrial security and cyber-security regulations and requirements and impacts from any cyber or insider threat events, changes in tax rates or tax regulations, such as the deductibility of internal research and development, changes to interest rate swaps or other cash flow hedging arrangements, changes to generally accepted accounting principles, difficulties in retaining key employees and customers, which difficulties may be impacted by the termination of the Company's announced strategic review initiative, unanticipated challenges with the transition of the Company's Chief Executive Officer and Chief Financial Officer roles, unanticipated costs under fixed-price service and system integration engagements, and various other factors beyond our control. These risks and uncertainties also include such additional risk factors as are discussed in the



Company's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended July 1, 2022 and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

INVESTOR CONTACT

Nelson Erickson
Senior Vice President, Strategy and Corporate Development
Nelson.Erickson@mrcy.com

MEDIA CONTACT

Turner Brinton
Senior Director of Corporate Communications
Turner.Brinton@mrcy.com
