

December 8th, 2020

Re: 2020 Year-end Customer Letter

Dear Valued Mercury Customer,

As we close out this historic year, I'd like to take a moment to express my gratitude and continued confidence in our future. It is heartening to see the potential of vaccines on the horizon eventually bringing the pandemic to an end, but in the meantime, we continue to focus on the health and safety of our teams while delivering the uncompromised products and solutions you expect from Mercury.

Our business remains strong. After completing our fiscal year 2020 with record operating and financial performance, our positive momentum continues in fiscal 2021. We recently announced [first-quarter results](#), which exceeded our expectations for revenue and profitability, and we remain on track for the year.

This week, after a yearlong hiatus in M&A as we navigated COVID-19, we reached an [agreement to acquire](#) Physical Optics Corporation (POC), a leading designer, developer and integrator of advanced technologies primarily focused on avionics and mission subsystems for aerospace and defense. With POC, we have the opportunity to scale our avionics and mission business consistent with our long-standing strategy of expanding content and capabilities to better serve our customers. We look forward to formally welcoming POC to our One Mercury team in the new year.

Since its onset, our leadership team and COVID-19 task force has remained tireless and diligent in adapting and evolving our industry-leading response to the pandemic, with the primary goal of ensuring the safety and livelihood of our employees, so that we can best serve you. I am especially grateful that our manufacturing facilities have remained open (not missing a single day) and committed to delivering products and services with the quality and timeliness our customers require.

While nearly half of our team continues to work remotely, we have begun to supplement our weekly on-site testing and rigid safety protocols with a series of pilot programs to allow our customer-facing teams to more effectively collaborate with you. We are all missing our valuable pre-COVID in-person meetings and interactions, so we are committed to continuing to explore and invest in safe and innovative ways to reinvent how we work.

Finally, I'd like to highlight several recent recognitions of our team, illustrating the power of our One Mercury culture and values:

- Mercury was named one of *Fortune's 100 Fastest-Growing Companies*. As I said at the time of the announcement, I could not be more proud of how our team has stretched the limits of creativity and perseverance to honor our commitment to deliver innovative technology solutions;
- Our manufacturing capabilities are stronger than ever, as exhibited by the Arizona Manufacturing Council naming our Advanced Microelectronics Center in Phoenix *Medium Manufacturer of the Year*; and
- Just last month, our corporate headquarters in Andover, MA, was named one of the *Best Places to Work in 2020* by *The Boston Globe*.

I enter the holiday season with tremendous gratitude for our team and our customers, with pride in our accomplishments and optimism for fiscal and calendar 2021. From the technologies we develop, to where we work, to how we manufacture, we are guided by our Purpose – Innovation That Matters, By and For People Who Matter – as we serve you and endeavor to achieve our vision to make the world a safer, more secure place for all.

Thank you for your continued support, I wish you a happy, safe and healthy holiday season.

Sincerely,

A handwritten signature in black ink, appearing to read "M Aslett". The signature is fluid and cursive, with a large initial "M" and a stylized "A".

Mark Aslett
President & CEO