



Kratos Receives \$57.6 Million Contract for 70 BQM-177A Aerial Targets

March 18, 2024 at 8:00 AM EDT

SAN DIEGO, March 18, 2024 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (NASDAQ: KTOS), a Technology Company in the Defense, National Security and Global Markets and industry-leading provider of high-performance, jet-powered unmanned aerial systems, announced today that its Unmanned Systems Division has received a \$57,673,542 modification to a previously awarded firm-fixed-price contract. This modification exercises options to procure full rate production Lot Five of the BQM-177A Surface Launched Aerial Targets to provide for the production and delivery of 70 BQM-177A Surface Launched Aerial Targets and 70 Rocket-Assisted Takeoff attachment kits, as well as associated technical and administrative data in support of weapons system test, and evaluation and fleet training for the Navy.



Kratos BQM-177A Shipboard Launch

A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/d9916314-cd45-49cf-b0e0-d22296646070>

Steve Fendley, President of Kratos Unmanned Systems Division, said, "It's exciting to be a major part of this critically important capability for the U.S. Navy with our BQM-177A Sub-Sonic Aerial Target (SSAT) aircraft system (target). The 177A continues to push the envelope delivering leading edge realistic threat-representative capabilities to support today's peer-level threat environment. We look forward to the increased production rate and continuing to evolve the system with our customer as the threats evolve."

Greg Crewse, Program Manager for the Navy's Aerial Targets program office (PMA-208), said , "In partnership with the Navy Aerial Targets program office, Kratos Defense and the BQM-177A Air Vehicle are true assets to the Navy and, together, we have the opportunity to engage in critical training exercises that will prepare our personnel to face a multitude of scenarios in a challenging, cost-effective test environment prior to engaging real-world threats, should the need arise. As recent real-world events have proven, these target presentations are growing ever more critical to prepare our warfighters to go into harm's way – and prevail."

About Kratos Defense & Security Solutions, Inc.

Kratos Defense & Security Solutions, Inc. (NASDAQ: KTOS) is a technology, products, system and software company addressing the defense, national security, and commercial markets. Kratos makes true internally funded research, development, capital and other investments, to rapidly develop, produce and field solutions that address our customers' mission critical needs and requirements. At Kratos, affordability is a technology, and we seek to utilize proven, leading-edge approaches and technology, not unproven bleeding edge approaches or technology, with Kratos' approach designed to reduce cost, schedule and risk, enabling us to be first to market with cost effective solutions. We believe that Kratos is known as an innovative disruptive change agent in the industry, a company that is an expert in designing products and systems up front for successful rapid, large quantity, low-cost future manufacturing which is a value-add competitive differentiator for our large traditional prime system integrator partners and also to our government and commercial customers. Kratos intends to pursue program and contract opportunities as the prime or lead contractor when we believe that our probability of win (PWin) is high, and any investment required by Kratos is within our capital resource comfort level. We intend to partner and team with a large, traditional system integrator when our assessment of PWin is greater or required investment is beyond Kratos' comfort level. Kratos' primary business areas include virtualized ground systems for satellites and space vehicles including software for command & control (C2) and telemetry, tracking and control (TT&C), jet powered unmanned aerial drone systems, hypersonic vehicles and rocket systems, propulsion systems for drones, missiles, loitering munitions, supersonic systems, space craft and launch systems, C5ISR and microwave electronic products for missile, radar, missile defense, space, satellite, counter UAS, directed energy, communication and other systems, and virtual & augmented reality

training systems for the warfighter. For more information, visit www.KratosDefense.com.

Notice Regarding Forward-Looking Statements

Certain statements in this press release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are made on the basis of the current beliefs, expectations and assumptions of the management of Kratos and are subject to significant risks and uncertainty. Investors are cautioned not to place undue reliance on any such forward-looking statements. All such forward-looking statements speak only as of the date they are made, and Kratos undertakes no obligation to update or revise these statements, whether as a result of new information, future events or otherwise. Although Kratos believes that the expectations reflected in these forward-looking statements are reasonable, these statements involve many risks and uncertainties that may cause actual results to differ materially from what may be expressed or implied in these forward-looking statements. For a further discussion of risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of Kratos in general, see the risk disclosures in the Annual Report on Form 10-K of Kratos for the year ended December 31, 2023, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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Source: Kratos Defense & Security Solutions, Inc.

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