



U.S. State Department Approves a Second Kratos High Performance Tactical Unmanned Aerial System for International Marketing

March 21, 2018

SAN DIEGO, March 21, 2018 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that it has received U.S. State Department approval to market a second of the Company's High Performance Jet Tactical Unmanned Aerial Systems to certain North American, European, and Asia Pacific region countries. Kratos had announced that the U.S. State Department had recently approved Kratos Mako tactical UAS for International Marketing. Kratos Mako provides fighter-like performance and has flown in multiple large-scale military exercises and could soon be put into production for combat use. All Kratos Tactical UAS are highly maneuverable unmanned aircraft, capable of carrying and operating weapons and advanced sensor systems and are designed to function as a wingman to manned aircraft as a force multiplier in contested airspace, or be deployed independently or in groups of UAS.

Kratos works with most of these recently State Department approved nations on other programs, contracts, systems and products across the corporation, including certain existing Kratos High Performance Unmanned Aerial Target Drone customers. Kratos is recognized as being the industry leader in high-performance, low-cost jet aerial target systems that support the U.S. military and foreign ally military customers/users, with its primary customers including the United States Air Force, Navy, and Army. Kratos is currently under contract on multiple high performance jet powered tactical unmanned aerial drone systems. Kratos is an industry leader in the rapid development, demonstration, and fielding of technology leading systems and products for National Security at an affordable cost. Due to competitive and other considerations, no additional information will be provided.

Steve Fendley, Kratos' Unmanned Systems Division President, said, "This approval by the U.S. State Department to market a second Kratos tactical UAS in addition to Kratos Mako is representative of the global opportunity for high performance jet powered unmanned systems. Each Kratos tactical UAS incorporates true leading technology, capabilities and performance at an affordable cost. All of Kratos' UAS are runway independent, RATO/rail launched and parachute recovered, making Kratos systems ideal for distributed strategic and tactical locations worldwide."

Eric DeMarco, Kratos' President and CEO, said, "Over the past several years, consistent with Kratos stated strategic plan, we have made approximately \$85 million in investments to develop and field a suite of high performance UAS in which Kratos owns the intellectual property and related data package. These investments are now substantially complete and Kratos is in rate production on multiple separate unmanned aircraft with our current forecast to deliver over 100 jet UAS in 2018. Today's announcement of U.S. State Department approval for Kratos to market a second of our tactical UAS internationally demonstrates continued successful execution of our business plan to be the global leader in this class of system."

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (NASDAQ:KTOS) develops transformative, affordable technology for the Department of Defense and commercial customers. Kratos is changing the way breakthrough technology for these industries are brought to market through proactive research and a streamlined development process. Kratos specializes in unmanned systems, satellite communications, cyber security/warfare, microwave electronics, missile defense, training and combat systems. For more information go to 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, 2017 and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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