



## **Kratos Awarded Unmanned Aerial Target Drone Systems Contract with \$93.3 Million Potential Value**

May 24, 2018

### **Kratos to Provide High Performance Target Drones and Related Services under this 5 Year Multiple Award IDIQ Contract Vehicle**

SAN DIEGO, May 24, 2018 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that its Kratos Defense & Rocket Support Services Division (DRSS) has been awarded a prime contract for the Aerial Target Systems 2 (ATS-2), Multiple Award Indefinite Delivery Indefinite Quantity (IDIQ) Contract. This is a combined firm-fixed-price, cost-plus-fixed-fee delivery order contract with a ceiling of \$93.3 million, and a 5 year period of performance.

ATS-2 contract tasks will encompass requirements for research, development, test and evaluation (RDT&E), commercial-off-the-shelf (COTS) and non-commercial materials, technical flight, engineering field support, logistical and technical support associated with unmanned aerial target drone system programs managed by the U.S. Army's Target Management Office (TMO). The TMO is a Division of the Department of the Army's Program Executive Office for Simulation, Training and Instrumentation (PEO STRI), Project Office for Instrumentation, Targets and Threat Simulators (PM ITTS). This competitive DRSS win is a follow-on contract to Kratos' previously held Aerial Target Systems IDIQ contract, under which Kratos provides to the U.S. Army certain of the highest performance unmanned aerial target drone systems in the world. DRSS is an industry leader in unmanned aerial systems and support, ballistic missile defense targets, hypersonic systems, and high power directed energy systems. Work under this contract will be performed at various secure Kratos facilities and at government locations.

Dave Carter, President of the Kratos Defense & Rocket Support Services (KDRSS) Division, said, "This contract award is an important milestone in our commitment to continue providing superior aerial targets, technical, logistic and engineering support to the TMO and warfighter. We are proud to be selected to continue providing Kratos high technology solutions and supporting RDT&E efforts to serve the Army in this capacity. "

Eric DeMarco, President and CEO of Kratos, said, "This competitive prime contract win is a most recent example of Kratos' industry leading position in the rapid development, demonstration and fielding of high performance, technologically advanced systems at an affordable cost. We believe, as a result of the investments we have made over the past several years which are now winding down, that Kratos has the right products at an affordable price point to address our customers' requirements."

#### **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](http://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.



Source: Kratos Defense & Security Solutions, Inc.