



Kratos Receives Sole Source; Single Award Multi-Year IDIQ Contract from Swedish FMV for High Performance Unmanned Aerial Jet Target Drone Systems

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SAN DIEGO, Nov. 07, 2018 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that it has received a sole source, single award contract from Swedish Defense Materiel Administration (FMV) for Kratos' MQM-178 Firejet aerial target aircraft and associated ground support equipment, spares, payloads, components, expendables, and support services. The first order under this new 3-year Indefinite Delivery Indefinite Quantity (IDIQ) contract award is expected in the next 60 days. Additionally, there are two 3-year exercisable option periods for a total potential contract performance term of 9 years. Annual buys are anticipated for Firejet Target aircraft plus associated products and services; making this the second international, sole-source, multi-year contract received in recent months for the Firejet system. Kratos is a leading provider of high performance, jet powered unmanned aerial drone systems for tactical and target threat representation purposes. Work under this contract will be performed at secure Kratos facilities, and customer locations.

At the high performance end of the low cost/affordable jet aerial target market, Kratos' Firejet delivers unmatched fighter-like performance and versatility, representing the most lethal airborne threats of the United States and its Allies' potential adversaries. Kratos' Firejet provides the opportunity for customers to test multiple weapon systems with a single flexible and affordable high performance unmanned aerial target drone system. Firejet supports both surface-to-air and air-to-air engagements with a combination of internal and external mission payloads. Part of the affordability equation for Firejet is the pneumatic launch method which substantially reduces per-flight costs as compared to the legacy larger target drone aircraft.

Steve Fendley, Unmanned Systems Division President of Kratos, said, "We're thrilled about this contract and associated opportunity to continue to support our valued customer, the Swedish FMV. The FMV is a global leader in Range operations, supporting friendly forces from all over the world that deploy to this international location for test and training activities. This partnership enables the FMV to increase their service provision to the global defense customer community, and it increases the availability of Kratos high performance aerial target drones even to customers whose mission rate would not support their in-country provision of an aerial target system – the epitome of a Win-Win-Win. This new contract marks yet another milestone in Kratos' already impressive penetration into international markets and helps secure our systems' position as a long-term target drone solution for the international community."

Eric Demarco, President and CEO of Kratos, said, "The global recapitalization of strategic weapon systems to address peer and near peer threats of the United States and our Allies, and the need to test and exercise these systems is driving significant increased demand for Kratos high performance target drone and ballistic missile target systems. We now have multiple long term target drone programs beginning, ramping or entering full rate production, all of which are expected to be key long term growth drivers for our company."

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (NASDAQ:KTOS) develops and fields transformative, affordable technology, platforms and systems for United States National Security related customers, allies and commercial enterprises. Kratos is changing the way breakthrough technology for these industries are rapidly brought to market through proven commercial and venture capital backed approaches, including proactive research and streamlined development processes. Kratos specializes in unmanned systems, satellite communications, cyber security/warfare, microwave electronics, missile defense, hypersonic systems, 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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