Kratos to Acquire Satellite Antenna Manufacturer ASC Signal for $35 Million

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Broadens Kratos' Solutions Across the Space Ground Segment and Brings Market-Leading Products to Anchor Kratos' Existing Antenna Systems Solutions

High-Performance Products and Manufacturing Capability Will Enable Kratos to Expand its Support for U.S. Defense Missions

SAN DIEGO, June 16, 2020 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq: KTOS), a leading National Security Solutions provider, announced today that it will acquire CPI ASC Signal Division, Inc. (ASC) from Communications & Power Industries LLC (CPI) for $35 million in cash. ASC is a manufacturer of high-performance, highly engineered antenna systems for satellite communications, radar, electronic warfare (EW), and high-frequency (HF) applications. The transaction is expected to close within the next 60 days, subject to normal and customary closing conditions and regulatory approvals.

The products, business and North American manufacturing operations that Kratos is acquiring bring 60 years of innovation in high performance antenna products used in a variety of mission-critical space applications ranging from Telemetry, Tracking & Command (TT&C) to Satellite Communications and Earth Sensing & Observation for military and commercial satellites in low (LEO), medium (MEO) and geostationary (GEO) orbits. With an expanded portfolio that now includes transportable and fixed earth station antennas ranging from 2.4-meter to 18-meter in diameter, radar antennas for air traffic control and weather applications, and lines of High-Frequency (HF) and specialty antennas, Kratos is well positioned to meet the current and future needs of the combined Kratos and ASC customer base.

Earth station antennas are in high and growing demand, especially as satellite capacity increases with the launch of more and more High-Throughput Satellites (HTS) and small satellite mega-constellations that require a substantial ground infrastructure to operate. In particular, they are a critical part of government strategic and tactical missions, especially for defense and intelligence operations, and are also used widely in the commercial world.

The acquisition brings numerous synergies to Kratos' core space business. To date, the part of Kratos focused on antennas has specialized in planning and implementing full-scale large, complex systems for which the antennas are just a part, and often employing antennas from multiple manufacturers. The ASC antennas will help expand that business, especially among U.S. government and national security customers, while Kratos' global reach and broad product portfolio will complement ASC's solutions. Kratos' space business offers a wide variety of products and solutions across the satellite ground segment, including RF infrastructure, systems management and mission assurance products that will bring system synergies to an expanded antenna offering and to ASC's existing customers.

"The addition of ASC provides an important building block for Kratos' continued growth as the industry's broadest supplier of advanced products across the ground segment," commented Phil Carrai, President of Kratos' Space, Training and Cybersecurity Division. "Beyond the strong product lines and North American manufacturing base, it brings the ability for us to advance our strategy of building important ground segment technologies directly into antennas and better integrating antennas into increasingly virtualized ground systems. In addition, the acquisition brings engineering expertise and a product platform for growing Kratos' solutions in the Q and V band markets that will become a critical part of the industry's future."

"Kratos has an extremely exciting vision for the future of dynamic ground systems, and we are inspired to become a part of it," said Tony Russell who led ASC and will run the Antenna/RF operating unit within Kratos. "Together, our united teams can accelerate that vision, and Kratos' global reach and space infrastructure expertise will help our combined customer base better achieve their missions in this rapidly evolving industry."

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, combat systems and next generation turbo jet and turbo fan engine development. 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 29, 2019, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

Press Contact:
Yolanda White
858-812-7302 Direct

Investor Information:
877-934-4687
investor@kratosdefense.com

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