



Kratos Acquires Jet Powered Unmanned Aerial System Engineering Leader 5-D Systems

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SAN DIEGO, Nov. 20, 2020 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (NASDAQ: KTOS), a leading National Security Solutions provider and industry-leading provider of high-performance, jet-powered unmanned aerial systems, announced today that it has acquired 5-D Systems, Inc., a CMMI Level 3 Systems and Software Engineering company with facilities in the Austin, Texas area and in Huntsville, Alabama. 5-D is well-known in the defense/aerospace industry for its more than 20 years of experience as a small business designing, developing, integrating, testing, modifying and supporting unmanned, manned, and optionally-piloted vehicles (OPV) / aviation systems; and also providing technical/logistics /program SETA / A&AS support on government sites.

In addition to developing systems for the Department of Defense and other major customers, 5-D has been a subcontractor/teammate of Kratos on many of its systems and programs including the XQ-58A and aerial target systems. 5-D's core philosophies align well with Kratos' affordability mantra and development/application of leading edge, rather than bleeding edge, technology.

5-D will be a company within the Kratos Unmanned Systems Division and will function as the Systems Engineering hub for the division, leveraging its systems/software engineers, CMMI Level 3 pedigree, and the technology rich resources available in the Austin area. With the Army Futures Command headquartered in Austin, and with major defense/aerospace primes, plus other key defense/aerospace agencies including the Defense Innovation Unit located in Austin and the surrounding area, Austin is a strategic location for DoD-focused technology development, as well as being geographically convenient in the center of the country. Kratos' tactical UAS production facility is in nearby Oklahoma City which will benefit from engineering capabilities now being available from Austin.

Eric DeMarco, President and CEO of Kratos, said, "Kratos is a technology company operating in the defense space. Establishment of an engineering-focused Kratos facility in Austin is a logical step and has been a strategic goal of the corporation for some time. The acquisition of this long-term teammate enables us to immediately achieve our goal, while seamlessly complementing and expanding our engineering team with capability and credentials to help with our continually growing unmanned tactical and target system development efforts. 5-D brings specific new capabilities to Kratos with their legacy manned conversion (Optionally Piloted Vehicle) and larger aircraft experience including the QF-4, with the associated runway takeoff and landing modes that have direct application on several Kratos pursuits. We are excited about being well-positioned with a Kratos technology center near several key customers and with the continuing expansion of our capability and experience in high performance unmanned jet drone systems."

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 is rapidly brought to market through proven commercial and venture capital backed approaches, including proactive research and streamlined development processes. At Kratos, affordability is a technology, and we specialize 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, please 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 29, 2019, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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