



Naval Air Systems Command Exercises Option for an Additional \$38.7 Million for Full Rate Production (Lot 2) of the BQM-177A Subsonic Aerial Target System

December 10, 2020

SAN DIEGO, Dec. 10, 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 Kratos has received an additional \$38,691,360 from the U.S. Navy for Lot 2 of its recently-awarded Full Rate Production (FRP) contract for an additional 48 BQM-177A Subsonic Aerial Targets (SSAT) and associated technical data.

Steve Fendley, President of Kratos Unmanned Systems Division, said, "The SSAT is an incredibly high-performance threat representation system consistently providing performance levels previously unachievable. The exercise of the FRP Lot 2 option secures the uninterrupted production of our SSAT system well into the Government's Fiscal Year (GFY) 2023. Concurrently, we have been part of the Navy's site activation plan and I couldn't be prouder of the part we played in supporting the first flight at the Pacific Missile Range Facility in Kauai, Hawaii last month. Under Captain Molly Boron's leadership, the NAVAIR-Kratos team is already halfway to its goal of achieving Full Operational Capability (FOC) in GFY21. Even under normal circumstances, achievement of FOC would be very challenging but to be making the progress we have during this pandemic is a testament both to the Navy's leadership and the commitment and perseverance of the Kratos team during these challenging times."

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. 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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A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/808deab5-0cb5-4a5b-a84e-d45cfb9b7e18>



Source: Kratos Defense & Security Solutions, Inc.

BQM-177A Subsonic Aerial Target System



SSAT