



Kratos Receives \$17.8 Million Contract Modification Related to XQ-58A Valkyrie from USAF Research Laboratory

December 21, 2020

SAN DIEGO, Dec. 21, 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 a \$17,776,055 award from the U.S. Air Force Research Laboratory (AFRL) for work in support of the government's Low Cost Attributable Aircraft Technology (LCAAT) efforts, including as related to the XQ-58A Valkyrie.

Steve Fendley, President of Kratos Unmanned Systems Division, said, "Kratos is pleased to announce our continued efforts in support of AFRL in the LCAAT arena. Our work will continue evolving the capability set and further substantiate the viability and utility of these emerging unmanned technologies."

Eric Demarco, President and CEO of Kratos, said, "Over the past several years Kratos has taken a commercial, venture-backed approach by investing in and producing high performance, technology leading systems, including affordable, unmanned aerial tactical drones prior to requirement or formal program of record. Today, Kratos has four affordable, reusable, expendable, or attributable drones flying which we can discuss, including Valkyrie, Mako, Gremlins (under Prime Contractor Dynetics), and Air Wolf, each of which is made in America and, we believe, provides Kratos an industry leading position in a large, new opportunity area."

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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