



Kratos Receives \$338 Million Sole Source Contract Award for Target Drones from U.S. Air Force

September 13, 2021

SAN DIEGO, Sept. 13, 2021 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (NASDAQ: KTOS), a leading National Security Solutions provider, announced today that Kratos Unmanned Aerial Systems has been awarded a \$338,071,466 Firm Fixed-Price, Cost-Plus-Fixed-Fee, and Time-and-Material contract for BQM-167A Air Force Subscale Aerial Target (AFSAT) lots 17-21 production, out-of-warranty-repairs (OWR), and contractor logistics support (CLS). Work will be performed at a Kratos manufacturing facility. At the time of award funds in the amount of \$30,499,362 were obligated. Air Force Life Cycle Management Center, Eglin Air Force Base, Florida, is the contracting activity.

Steve Fendley, President of Kratos Unmanned Systems Division, said, "This five-year contract represents a milestone in our target system business and reduces the administrative burden on both the USAF and Kratos by enabling multiple years of target delivery and support to be combined into a single contract – smart and efficient business. It also enables Kratos and the USAF to place even more focus on our ultimate mission, which is high performance threat representation for training and defensive system development. We have shared a great partnership and team approach with the USAF throughout our nearly 20 years of working together on target systems. We are excited that our system maturity warrants and enables the long-term contract, and proud that the USAF has this confidence in our target systems and personnel."

Eric DeMarco, President and CEO of Kratos Defense and Security Solutions, said, "Our entire organization is focused on providing affordable, disruptive and technology-leading products and systems to support United States National Security. We anticipate the award of multiple strategic contracts during the second half of this year."

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 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 30, 2020, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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