



Kratos Awarded New U.S. Air Force Program of \$17.6 Million to Develop and Test Jet UAS for Manned-Unmanned Teaming

October 26, 2021

SAN DIEGO, Oct. 26, 2021 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (NASDAQ:KTOS), a leading National Security Solutions provider, announced today that Kratos Unmanned Systems Division (KUSD) has been awarded a \$17,677,612, 12-month cost plus fixed-fee contract to design and develop an Off Board Sensing Station (OBSS) Unmanned Aerial System (UAS) in support of Air Force Research Laboratory's Autonomous Collaborative Platforms (ACP) technology maturation portfolio. Work under the program award will be performed at secure Kratos engineering and technology facilities located in Texas, California, and Oklahoma over the next 12 months.

The OBSS program includes an optional subsequent 15-month Manufacture and Demonstration period. With the base and option awards, total contract to Kratos would be \$49M.

Steve Fendley, President of Kratos Unmanned Systems Division, said, "Our industry leading high performance per cost family of tactical and target unmanned aerial systems continues to grow, further enabling our economies of scale across the life cycle of our entire unmanned systems portfolio. Kratos' range of UAS and quantities (mass to the fight) will help to maintain American dominance in the air by bending the cost curve to enable the U.S. to acquire and employ large numbers of aircraft that challenge our adversary and force them to recalculate their options. Our team is extremely proud to be selected to design and develop the OBSS platform."

The OBSS vehicle is intended to be an affordable, highly modular conventional takeoff and landing jet-powered UAS. The Kratos OBSS solution incorporates innovative manufacturing techniques that enhance its ability to not only provide significant performance for sensor extension missions for manned jet aircraft, but also will accommodate significant offensive weapons volume to also act as a weapons bay extension for manned aircraft. OBSS is a new addition to the Kratos family of low-cost Autonomous Collaborative Platforms (ACP) designed to employ weapons, sensors, and other effects that generate affordable, force multiplier combat power with a forward force posture. Kratos' industry leading digital engineering (DE) framework for high performance jet UAS will be used to develop, mature, leverage, and integrate system-ready technologies and supplement its DE framework with prudent early ground and flight demonstrations and experiments.

Eric DeMarco, President and CEO of Kratos Defense and Security Solutions, said, "Kratos is committed to disrupting the government contractor national security market by providing rapid, agile, affordable, and relevant systems to our defense customers. The recent selection of Kratos to develop next-generation OBSS aircraft for our partner, the U.S. Air Force, re-affirms our approach to treat affordability as a technology. Kratos Ghost Works, which played a significant role in the design of our OBSS system, has once again demonstrated that our real, proven, digital engineering process, methodology, assets, and infrastructure are optimized for affordable system development. At Kratos, we develop products, not just PowerPoint presentations, and we will continue to pursue affordable, innovative solutions to support our USAF customer in the current challenging budgetary environment."

Kratos Unmanned Systems Division is a leading provider of high performance unmanned aerial drone and target systems for threat representative target missions to exercise weapon, radar, and other systems; and tactical aerial drone systems for strike/ISR and force multiplication missions.

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 27, 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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