



## **Kratos Receives \$50 Million Sole Source Contract Option Award for 65 Production BQM-177A Aerial Target Drones from U.S. Navy**

December 28, 2021

SAN DIEGO, Dec. 28, 2021 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq: KTOS), a leading National Security Solutions provider, announced today following the Government announcement, that Kratos Unmanned Aerial Systems (KUAS) has been awarded a \$50,917,490 contract modification (P00007) to a previously awarded firm-fixed-price contract (N0001920C0075). This modification exercises an option to procure 65 BQM-177A Subsonic Aerial Targets, 50 for the Navy, seven for the government of Japan, and eight for the government of Saudi Arabia, as well as associated technical and administrative data in support of full rate production lot three. The Naval Air Systems Command, Patuxent River, Maryland, is the contracting activity. Due to customer-related, competitive, security, and other considerations, no additional information will be provided.

**Steve Fendley, President of Kratos Unmanned Systems Division**, said, "The Kratos team is incredibly proud to receive this third consecutive full rate production option award supporting our U.S. Navy customer. We are also excited that 15 of these drone aircraft will support the U.S. Government's foreign allies. Throughout the challenges of the last two years, Kratos has remained focused on developing, producing, and delivering target and tactical drone systems to support the established and forecasted customer needs."

### **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](http://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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