



Air Force Awards Kratos Sole Source \$21.7 Million Contract for Full Rate Production (Lot 19) of the BQM-167A Target

March 7, 2023

SAN DIEGO, March 07, 2023 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (NASDAQ: KTOS), a Technology Company in the Defense, National Security and Global Markets and industry-leading provider of high-performance, jet-powered unmanned aerial systems, announced today that Kratos has received a \$21,738,865.71 Firm Fixed Price delivery order for Lot 19 procurement of 17 aircraft, mission kits, certain flight consumables, and technical data for the BQM-167A Air Force Subscale Aerial Targets (AFSATs) under the five-year base contract. Air Force Life Cycle Management Center, Eglin AFB, Florida, is the contracting activity.



Kratos / USAF BQM-167A AFSAT in Flight with Extremal Mission Payloads. is available at
<https://www.globenewswire.com/NewsRoom/AttachmentNg/af64b885-665d-4051-8a36-e00fd4e44203>

Steve Fendley, President of Kratos Unmanned Systems Division, said, "Kratos' affordable target systems provide an incredibly high-performance-to-cost ratio and key, high-performance and threat-representative capabilities to support USAF training and test needs. We have shared a great partnership and team approach with the USAF throughout our nearly 20 years of working together on target systems. Kratos is excited that our system maturity warrants and enables the long-term contract and proud that the Air Force has this confidence in our target systems and personnel."

Work will be performed at a Kratos manufacturing facility. Total contract value if the options for Lots 17-21 and spares are all exercised at the maximum production quantities is \$374,043,801.76.

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (NASDAQ:KTOS) is a Technology Company that develops and fields transformative, affordable systems, products and solutions for United States National Security, our allies and global commercial enterprises. At Kratos, Affordability is a Technology, and Kratos is changing the way breakthrough technology is rapidly brought to market – at a low cost – with actual products, systems, and technologies rather than slide decks or renderings. Through proven commercial and venture capital backed approaches, including proactive, internally funded research and streamlined development processes, Kratos is focused on being First to Market with our solutions, well in advance of competition. Kratos is the recognized Technology Disruptor in our core market areas, including Space and Satellite Communications, Cyber Security and Warfare, Unmanned Systems, Rocket and Hypersonic Systems, Next-Generation Jet Engines and Propulsion Systems, Microwave Electronics, C5ISR and Virtual and Augmented Reality Training Systems. For more information, 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 25, 2022, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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Source: Kratos Defense & Security Solutions, Inc.

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