



Naval Air Systems Command Awards Kratos Additional \$59.3 Million for BQM-177A Subsonic Aerial Target Systems; Total Contract Value Exceeds \$175M

March 6, 2025 at 8:00 AM EST

SAN DIEGO, March 06, 2025 (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 \$59,338,010 for an additional 70 BQM-177A Subsonic Aerial Target (SSAT) aircraft through the exercise of the contract option for Full Rate Production (FRP) Lot 6. When combined with the base award and exercise of FRP Lot 5, the resulting overall value of FRP Lots 4 through 6 totals \$177,702,962. Total contract value if the remaining option for Lot 7 is exercised at the maximum production quantity will be \$227,647,890.

Steve Fendley, President of Kratos Unmanned Systems Division, said, "Since the first Full Rate Production contract award in October 2020, the world has undergone impactful economic and political shifts creating significant production challenges across our industry and increased need for development, test, and training associated with our country's current and upcoming weapons systems. On behalf of all the dedicated men and women at Kratos, we will collectively continue to do our utmost to support our warfighters with this high-fidelity threat surrogate."



BQM-177A Subsonic Aerial Target Systems

A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/e862f07c-7008-467a-b391-adb4eff2c3b8>

The majority of the work under this contract will be conducted in Kratos facilities in Sacramento, CA, and Fort Walton Beach, FL.

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (NASDAQ: KTOS) is a technology, products, system and software company addressing the defense, national security, and commercial markets. Kratos makes true internally funded research, development, capital and other investments, to rapidly develop, produce and field solutions that address our customers' mission critical needs and requirements. At Kratos, affordability is a technology, and we seek to utilize proven, leading edge approaches and technology, not unproven bleeding edge approaches or technology, with Kratos' approach designed to reduce cost, schedule and risk, enabling us to be first to market with cost effective solutions. We believe that Kratos is known as an innovative disruptive change agent in the industry, a company that is an expert in designing products and systems up front for successful rapid, large quantity, low cost future manufacturing which is a value add competitive differentiator for our large traditional prime system integrator partners and also to our government and commercial customers. Kratos intends to pursue program and contract opportunities as the prime or lead contractor when we believe that our probability of win (PWin) is high and any investment required by Kratos is within our capital resource comfort level. We intend to partner and team with a large, traditional system integrator when our assessment of PWin is greater or required investment is beyond Kratos' comfort

level. Kratos' primary business areas include virtualized ground systems for satellites and space vehicles including software for command & control (C2) and telemetry, tracking and control (TT&C), jet powered unmanned aerial drone systems, hypersonic vehicles and rocket systems, propulsion systems for drones, missiles, loitering munitions, supersonic systems, space craft and launch systems, C5ISR and microwave electronic products for missile, radar, missile defense, space, satellite, counter UAS, directed energy, communication and other systems, and virtual & augmented reality training systems for the warfighter. 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 29, 2024, 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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