



Naval Air Systems Command Awards Follow-On Contractor Logistics Support & Engineering Services Contract Valued at up to \$19.1 Million to Kratos Defense for the BQM-177A Subsonic Aerial Target System

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SAN DIEGO, March 17, 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 was awarded \$3,399,506 from the U.S. Navy for the base year of its next Contractor Logistics Support and Engineering Services contract supporting BQM-177A aerial target system operations.



BQM-177A Subsonic Aerial Target System

A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/095b7d6b-55d5-4d17-aaf4-c3d33254ebfc>

Steve Fendley, President of Kratos Unmanned Systems Division, said, "Often underestimated, logistics represents the behind-the-scenes enabler to system readiness. This contract illustrates the Navy's commitment to readiness, and we're equally committed to delivering readiness of the BQM-177A system and the critical capability it provides to the Navy for missions throughout each year."

If all four option years awarded under this contract are exercised, this contract has a potential value of \$19,118,645 with work conducted primarily in Kratos facilities in Sacramento and at Point Mugu, CA.

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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