



Kratos' Aegis Readiness Assessment Vehicle Type B (ARAV-B) Medium-Range Ballistic Missile Target Successfully Engaged, Intercepted by U.S. Guided Missile Destroyers USS Bulkeley (DDG-84) and USS Thomas Hudner (DDG-116) Using Standard Missile 3 (SM-3)

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SAN DIEGO, June 12, 2025 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq: KTOS), a technology company in Defense, National Security and Global Markets, today announced its participation in NATO's At-Sea Demonstration (ASD)/Formidable Shield (FS) 25. This extensive live-fire exercise, the largest of its kind in the European theater, is hosted biennially by the U.S. 6th Fleet and executed by Naval Striking and Support Forces NATO.

This year's exercise comprised a series of live-fire events against unmanned air and surface systems, subsonic, supersonic, and ballistic targets. It incorporated multiple Allied ships, multi-national/multi-service ground-based air defenses, and aviation forces, working cohesively across battlespaces to deliver lethal effects, accomplish exercise objectives, and hone warfighting skills.

Kratos' Aegis Readiness Assessment Vehicle Type B (ARAV-B) medium range ballistic missile target participated during the exercise. Kratos launched the ARAV-B target on May 20, 2025, which flew a nominal trajectory and performed all planned events before being successfully engaged and intercepted by U.S. guided missile destroyers USS Bulkeley (DDG-84) and USS Thomas Hudner (DDG-116) using a Standard Missile 3 (SM-3).

Dave Carter, President of the Kratos Defense & Rocket Support Services Division, said, "Kratos is immensely proud of our dedicated team of professionals who consistently contribute to the success of events like Formidable Shield for users worldwide. Our team continues to deliver affordable, responsive, and reliable threat representative targets to our government customers and their allies."

Eric DeMarco, President and CEO of Kratos, said, "At Kratos, we deliver real, mission relevant products and systems to our customers, not powerpoints, renditions or imagination. We believe that affordability is a technology, and rather than pay dividends or buy back KTOS stock, we invest Kratos funds to rapidly develop and field National Security relevant hardware, innovating, and also saving our government customer and the U.S. taxpayer time and money compared to traditional approaches. Kratos' participation in Formidable Shield 25 is a recent example of the success and value creation of Kratos' strategy for our entire incredibly important stakeholder community."

The exercise, which commenced on May 3, 2025, involved approximately 6,900 personnel from across NATO member states. Kratos has been supporting the biennial Formidable Shield Exercise with aerial drone and ballistic missile targets since its inception in 2017, continually offering NATO forces opportunities to test and improve interoperability in the integrated air and missile defense (IAMD) environment.

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (NASDAQ: KTOS) is a technology, products, systems, 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, 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 upfront 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' primary business areas include virtualized ground systems for satellites and space vehicles; jet-powered unmanned aerial drone systems; advanced vehicles and rocket systems; propulsion systems for drones, missiles, loitering munitions, supersonic systems, spacecraft, 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 and augmented reality training systems for the warfighter. For more information, visit <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 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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