Kratos Awarded Phase 1 for AN/SPY-1 Organic Sustainment Capability for the U.S. Navy

October 6, 2025

Projected Initial Ceiling Across Program Phases $175 Million

155,000-Square-Foot Indiana Radar Integration Complex Will Deliver Next-Generation Readiness for Naval Surface Fleet

SAN DIEGO, Oct. 06, 2025 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq: KTOS), a technology company in defense, national security, and global markets, announced today that it has been awarded Phase 1 to begin developing an organic sustainment capability for the U.S. Navy's AN/SPY-1 radar systems. Known internally to Kratos as Project Anaconda, the single-award agreement has an initial total projected ceiling of $175 million across multiple phases.



A photo accompanying this announcement is available at https://www.globenewswire.com/NewsRoom/AttachmentNg/3a81fd3f-604f-44dd-b027-4da8722fe005

The AN/SPY-1 radar remains one of the most critical assets in the Navy's fleet, enabling ballistic missile defense, integrated air and missile warfare, and persistent maritime domain awareness across Aegis-equipped cruisers and destroyers. With many systems projected to remain in service through 2065, the Navy has prioritized building long-term, organic sustainment and depot-level support capacity to ensure uninterrupted fleet readiness.

Central to Kratos' solution is the new, Kratos owned and operated, state-of-the-art Indiana Radar Integration Complex (IRIC), strategically located within 1.5 miles of Naval Surface Warfare Center (NSWC) Crane. The 155,000-square-foot facility is expected to be operational in 2027 providing the U.S. Navy with a dedicated infrastructure for AN/SPY-1 sustainment and modernization.

Under Phase 1, Kratos will lead a cross-industry team to:

- Establish the foundation for the IRIC at NSWC Crane, a purpose-built facility to support AN/SPY-1 battle sparing, testing, and prototyping
- Develop initial organic repair, overhaul, and modernization processes for AN/SPY-1 transmitter, signal processor, and antenna subsystems
- Advance digital engineering, artificial intelligence–enabled data management, and prototype sustainment technologies
- Coordinate closely with NSWC Crane, Program Executive Office Integrated Warfare Systems, and Navy fleet stakeholders to ensure alignment with fleet sustainment priorities and readiness

"This strategic award validates Kratos' proven approach of making significant internal investments in national security-focused infrastructure and capabilities to generate significant value for all Kratos stakeholders, including the United States," said **Eric**

DeMarco, President and CEO of Kratos. “The AN/SPY-1 program and our new IRIC represent the intersection of Kratos’ core philosophies: rapidly developing affordable, real-world solutions for critical defense needs, while providing true long-term value to our government customers, the U.S. taxpayer, and our entire stakeholder community. We anticipate that the Anaconda program will generate multi-decade value for both the United States Navy and Kratos.”

“Kratos’ MACH-TB contract award, the establishment of Prometheus Energetics LLC, and now the AN/SPY-1 sustainment contract award demonstrate Kratos’ commitment to pursuing business in the Crane region,” said **Dave Carter, President of Kratos Defense and Rocket Support Services Division**. “Like our investments in Oriole, Zeus, Erinyes, and Prometheus, this initiative will rapidly provide the competency needed to sustain warfighter capabilities. Kratos is proud to be a member of the Indiana Uplands community.”

“Phase 1 at Crane sets the stage for the Navy’s first organic sustainment capability for the AN/SPY-1 radar,” said **Roger A. Becker, Indiana site director for Kratos**. “By combining advanced prototyping, workforce development, and strong industry-government collaboration, we are building a foundation that will ensure readiness is delivered through 2065.”

The contract will be executed in multiple phases, with additional work authorized as milestones are achieved. This phased approach allows the Navy and Kratos to mitigate risk, accelerate key capabilities, and scale sustainment infrastructure to meet long-term fleet requirements.

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.

Press Contact:
Claire Cantrell
claire.cantrell@kratosdefense.com

Investor Information:
877-934-4687
investor@kratosdefense.com

Source: Kratos Defense & Security Solutions, Inc.

Project Anaconda



Indiana Integration Complex