



Kratos to Manufacture Elroy Air Chaparral Autonomous Cargo Aircraft in Expanded California Facility

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Elroy Air Recently Announced a Demand Pipeline Exceeding 1,400 Aircraft

Kratos to Increase Current Sacramento Workforce of 450+ High-Tech Employees as Production of Elroy Air's Autonomous Cargo Aircraft Accelerates

SAN DIEGO, July 20, 2026 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (NASDAQ: KTOS), a Technology Company in the Defense, National Security and Global Markets, today announced that it will manufacture Elroy Air's Chaparral autonomous cargo aircraft in its expanding Sacramento, California production facility, supporting increasing demand across commercial logistics and defense markets while expecting to further grow its regional workforce of 450 high-tech employees by more than 50 as Chaparral production ramps.

The Chaparral is a hybrid-electric, vertical takeoff and landing (VTOL) autonomous cargo aircraft designed to transport more than 500 pounds of payload with a maximum range of up to 450 miles without requiring traditional airport infrastructure. The system is designed to support commercial middle-mile logistics while also providing a flexible, autonomous resupply capability for military operations.

The announcement marks the transition from strategic manufacturing partner to production execution following Elroy Air's recent announcement of its planned public listing and continued commercial momentum. Kratos is the exclusive U.S. manufacturer of the Chaparral aircraft and will fulfill all U.S. customer orders, with the first production aircraft planned for late 2026. Recent expansion of Kratos' Sacramento manufacturing operations provides the production capacity necessary to support anticipated increases in aircraft deliveries.

Located within driving distance of Elroy Air's headquarters, the expanded Sacramento facility strengthens collaboration between the two companies while increasing manufacturing capacity for one of the industry's most advanced autonomous cargo aircraft. The expansion will drive additional hiring across aircraft technicians, composite manufacturing specialists, assemblers, engineers, production operations, quality assurance, and program management positions, bringing Kratos' Sacramento-area workforce to more than 500 employees.

Steve Fendley, President of Kratos' Unmanned Systems Division, said, "At Kratos, we have built our business around rapidly transitioning advanced unmanned aircraft from development into affordable, scalable production. Chaparral represents another example of Kratos leveraging its proven manufacturing capability, established supply chain, and experienced workforce to help bring an innovative aircraft into production at scale. As demand continues to build, our expanding Sacramento facility is well positioned to support both commercial and defense customers while creating additional high-value aerospace jobs in California."

Dr. Andrew Clare, CEO of Elroy Air, said, "Demand for Chaparral is accelerating across defense, rapid response and commercial logistics and meeting it requires manufacturing at scale. Partnering with Kratos lets us build American-made autonomous cargo drones right here in California, at the pace our customers need."

Elroy Air [recently announced a demand pipeline exceeding 1,400 aircraft](#) representing more than \$5 billion in potential revenue opportunities from leading logistics and aviation companies, including Bristow Group, Barq Group, SLI, and FedEx. The company has also supported defense programs with the U.S. Army, U.S. Marine Corps, and U.S. Air Force for more than six years, demonstrating the growing dual-use market opportunity for the Chaparral platform. The company also recently announced plans to become a publicly traded company, positioning it to accelerate commercial-scale production.

Kratos continues to expand its national manufacturing footprint to meet increasing demand for affordable, mission-ready unmanned systems supporting U.S. and allied defense priorities, while enabling the production of innovative dual-use technologies serving both commercial and government customers.

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 and follow Kratos on [LinkedIn](#) and [X](#).

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 28, 2025, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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