



January 2, 2018

## **Kratos Receives Single Award \$93 Million Contract for High Performance Unmanned Aerial Drone Systems**

SAN DIEGO, Jan. 02, 2018 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that its Composite Engineering, Inc., subsidiary located in Roseville, California, part of Kratos Unmanned Systems Division (USD) was awarded a \$93 million firm-fixed-price contract to procure advanced subscale aerial drone systems, an unmanned target aircraft with launchers and associated ground equipment and spares. Bids were solicited via the internet with one received. Work locations and funding will be determined with each order, with an estimated completion date of Dec. 17, 2022. U.S. Army Contracting Command, Orlando, Florida, is the contracting activity (W900KK-18-D-0010). Kratos is a leading provider of high performance jet powered unmanned aerial drone systems for tactical and target drone threat representation missions. Work under this recent contract award will be performed at secure Kratos manufacturing facilities and at customer locations. Due to competitive, customer related and other considerations, no additional information will be provided related to this contract award.

Steve Fendley, President of Kratos Unmanned Systems Division, said, "We are proud to have been selected by this critically important national security customer for this single award production contract. The receipt of this contract is an outstanding ending to 2017 for our entire team, which has worked tirelessly to position KUSD as the preeminent provider of the highest performance unmanned aerial drone systems in the world."

Eric DeMarco, President and CEO of Kratos, said, "The receipt of this \$93 million contract award for Kratos unmanned aerial drone systems is another important milestone in the successful execution of our strategy in building the leading high performance UAS Company in the world. Over the past several years we have made significant investments to position Kratos as a leading technology and system provider in national security, and we expect additional important production program awards in the future as a result of these investments."

### **About Kratos Defense & Security Solutions**

Kratos Defense & Security Solutions, Inc. (NASDAQ:KTOS) develops transformative, affordable technology for the Department of Defense and commercial customers. Kratos is changing the way breakthrough technology for these industries are brought to market through proactive research and a streamlined development process. Kratos specializes in unmanned systems, satellite communications, cyber security/warfare, microwave electronics, missile defense, training and combat systems. For more information go to [www.kratosdefense.com](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 25, 2016, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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