



Kratos Overview Briefing

22 October, 2020

Steve Fendley

President, Kratos Unmanned Systems Division

Kratos – The Affordable Alternative

- *The Recognized Affordable Alternative Aerospace/Defense Prime System, Product, and Technology Government Contractor*
- *The Demonstrated Leader in Rapid Development, Demonstration, and Fielding of High Technology, Affordable Systems*
- *Kratos Systems' Life Cycle Affordability is Enabled by our Application of "Leading Technology" not Unproven "Bleeding Technology" which = Reduced Cost and Schedule Risk and Accelerated Development and Fielding to the Warfighter*

KRATOS Overview



Technology and products supporting strategic and transformational national security programs, bringing disruptive solutions rapidly to market



\$700M+ Annually



3000+ Employees



60 Locations



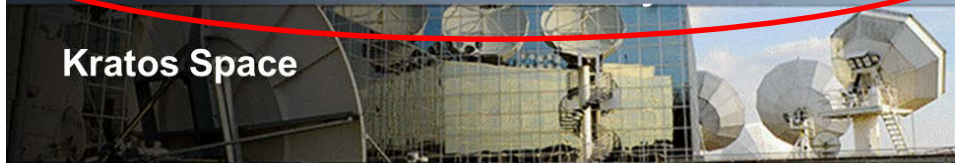
San Diego HQ

NASDAQ: KTOS

Unmanned Systems



Kratos Space



Cybersecurity



Strategic Programs and Modular Systems



Microwave Electronics

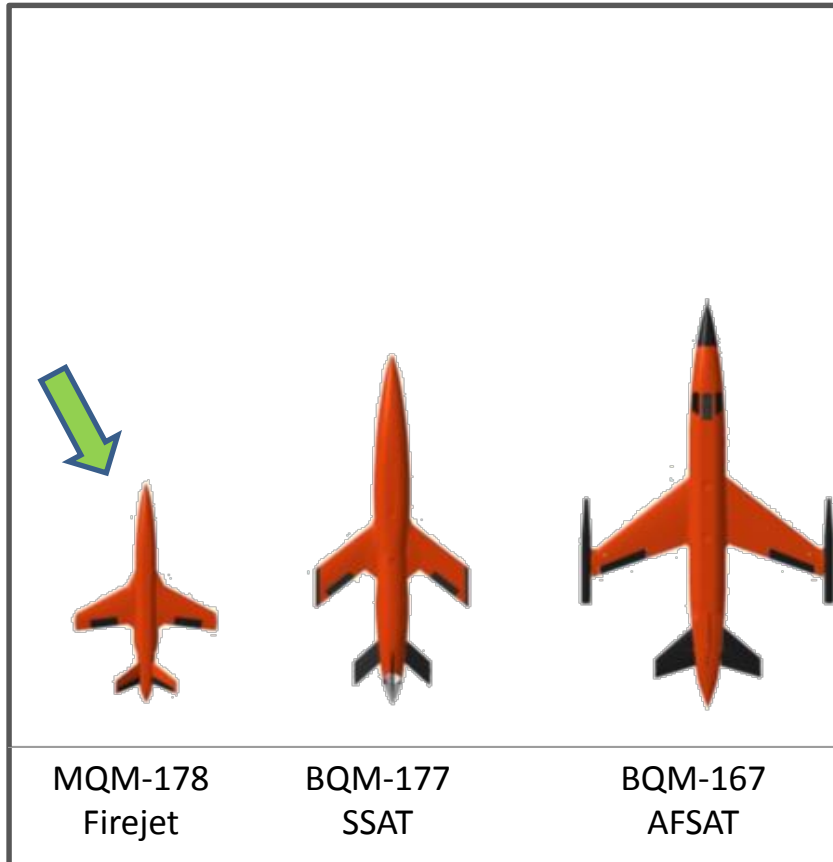


Training & Simulation

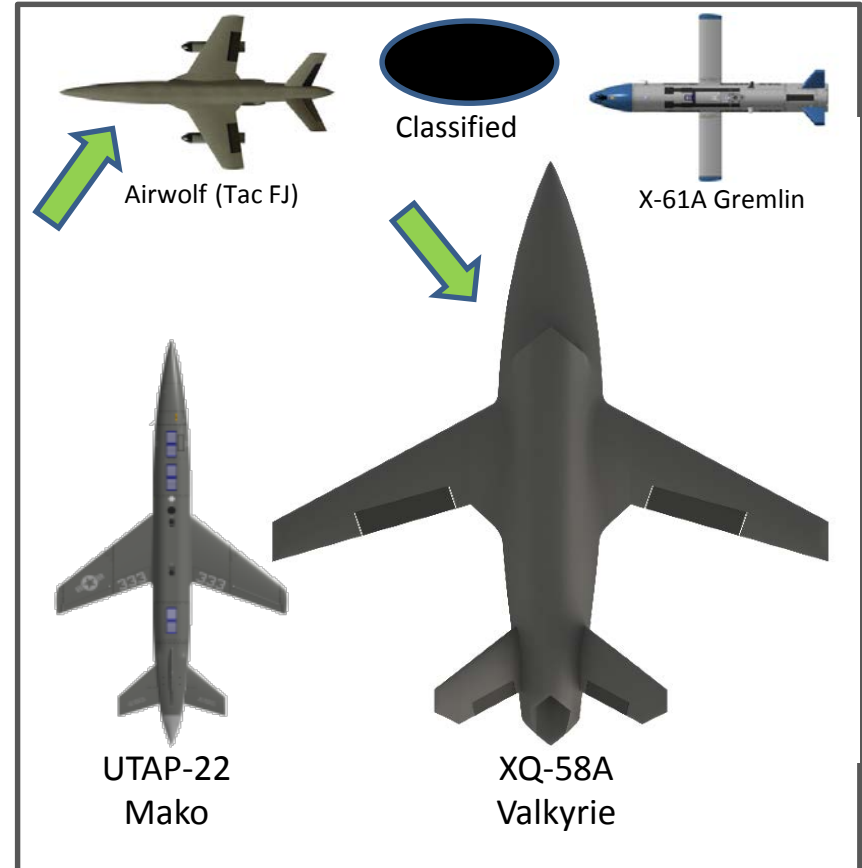


Kratos Drones

Aerial Target Systems



Unmanned Tactical Systems



We Manufacture Complete Unmanned Aircraft in OKC

Kratos UAS Company Overview

Kratos UAS is a defense contractor specializing in the design, manufacture, and operation of high performance, composite, jet-powered UAS

3 basic business areas

- **Aerial targets** to support weapon system development and training activities
- High Performance **Tactical UAS** to support contested environment strike and ISR missions
- **Specialty Composite Components Manufacturing**

Company Size

- ≈ 600 employees
- ≈ \$160M Revenue

Locations

- Sacramento/Roseville, CA
- Oklahoma City, OK
- Nowra, Australia



Roseville, CA Office Facility
~40,000 sf



Sacramento, CA
Production Facility
~160,000 sf (2 sites)



Nowra, Australia



Oklahoma City, OK
Manufacturing Facility
~ 151,000 sf

MQM-178 AERIAL TARGET



Firejet is an affordable and effective training solution for validating ground-based air-defense systems.

PNEUMATIC LAUNCH



The MQM-178 provides low recurring mission cost via portable, pneumatic launch solution.

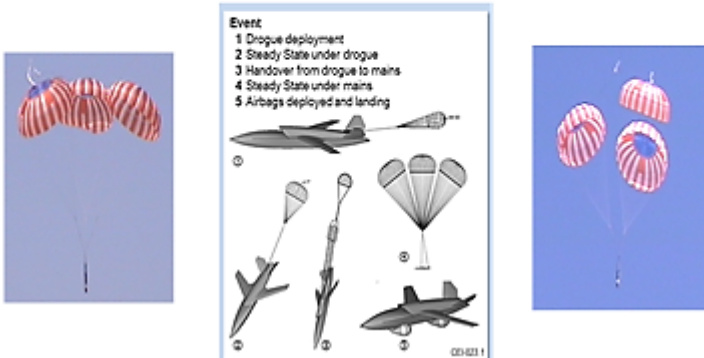
XQ-58A Valkyrie Tactical UAS



XQ-58A Transport, Launch and Recovery



- A parachute recovery system (PRS) has been integrated into the design of the vehicle to bring the vehicle back to the ground safely.
- The drogue parachute will receive a signal from the air vehicle to deploy at a specified time which will start the recovery process. A second signal will then deploy the three main parachutes which will reorient the vehicle and reduce the vehicle to the required landing velocity.



Kratos Oklahoma Timeline and Positive Impact

	Capability in place	Timing
✓	Hired First Employee	Q4 2017
✓	Opened OK City Systems Engineering Office	Q1 2018
✓	Identified Manufacturing Facility	Q2 2018
✓	Open Manufacturing Facility (101,000 sf)	Q4 2018
✓	First Assembled Vehicle (MQM-178 Firejet)	Q1 2019
✓	Low Rate Initial Production (LRIP)	Q3 2019
✓	Full up Production Line (MQM-178 Firejet)	Q1 2020
✓	Expanded Manufacturing Facility (added 50,000 sf)	Q3 2020
✓	2 nd Production Line Establishment (XQ-58A Valkyrie)	Q3 2020
	2 nd Full up Production Line (XQ-58A Valkyrie)	Q2 2021

Kratos Impact to Oklahoma

- Jobs, Jobs, Jobs
 - Factory in rate production
 - Planning nearly complete for production operations/facility
 - Production Facility in Q4 2018; Operational in Q1 2019
 - >350 employees over the next 5 years
- Wages
 - Average wages ~\$60,000
 - Technical, Professional, Manufacturing
- Capital investment
 - Initial Capital investment for infrastructure and equipment ~\$8M
 - Currently another ~\$10M in work

Why Oklahoma?

Trusted Relationships, Smart Business

- Federal, State, and City Political Support (before, during, AND after!)
- State and City Chamber Support (before, during, AND after!)
- Oklahoma Aerospace Growth and Focus
- Oklahoma Spaceport (Burns Flat) – UAV Flight Test Range for Kratos
- Mike Monroney Aeronautical Center
- Partnership opportunities with Tinker AFB and local Aerospace Companies
- Pool of qualified candidates / Cost and standard of living
- Quality Jobs Program
- Aerospace Industry Engineer Workforce Tax Credit
- Oklahoma City Incentive Package
- Sales Tax Exemptions

INCREDIBLE support and welcome from OK/OKC which has continued!!

Bottom Line

From a mid-2018 interview

“

All of the pieces in Oklahoma fit what we were looking for. We wanted a state that is supportive of the business we're in, supportive of the military, supportive of advancements of our capability testing, have a close proximity to military bases and have the potential for a flight test facility.

”

- Steve Fendley,
President Unmanned Systems Division,
Kratos Defense & Security Solutions Inc.

KRATOS
FROM STRENGTH TO SUCCESS

- Kratos is Proud to be in Oklahoma
- We are excited to have established our growth business here – Tactical Unmanned Aerial Systems
- We cannot thank the community, chambers, government officials, and industry partners enough