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

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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.

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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.