

Kratos, RAFAEL Establish Prometheus Energetics Joint Venture



From Rafael Advanced Defense Systems Ltd.

SAN DIEGO, February 26, 2025 (GLOBE NEWSWIRE) – Kratos Defense & Security Solutions, Inc. (Nasdaq: KTOS), a technology company in the defense, national security and global markets, and RAFAEL Advanced Defense Systems Ltd., today announced an

approximate 50/50 partnership for the establishment of a U.S.-based merchant supplier of solid rocket motors (SRMs) and other energetics. The new joint venture, named Prometheus Energetics ("Prometheus"), is set to be headquartered on an approximate 500-acre site near the United States Navy and Army facility in Crane, Indiana.

Kratos and RAFAEL (through its U.S. based subsidiary RAFAEL USA) have jointly committed up to \$175 million in capital for the establishment of Prometheus and required property, plant, equipment and personnel needed for the new, state-of-the-art energetics manufacturing campus and facilities. After construction of the plant and once RAFAEL's technology transfer is completed and certified for operations, Prometheus is projected to begin production in 2027 of SRMs.

Eric DeMarco, President and CEO of Kratos Defense, said, "We believe Prometheus, once up and running at full rate production, will be a step function catalyst in value creation for Kratos' stakeholders and the U.S. defense industrial base, similar to Kratos' recent MACH-TB contract award—the largest single-award contract in Kratos history. Like other major Kratos investments such as Oriole, Zeus, and Erinyes, Prometheus responds to a critical need to strengthen the U.S. Industrial Base and will also provide tens of thousands of SRMs and casted warheads supporting both America's most reliable partner in the Middle East and United States national security related demand from a true SRM and energetics merchant supplier."

Yoav Tourgeman, President and CEO of RAFAEL Advanced Defense Systems Ltd., said:

"The establishment of Prometheus Energetics is a strategic leap forward, reinforcing RAFAEL's commitment to strengthening the U.S. defense industrial base while ensuring our allies and partners have access to the most advanced, combat-proven energetics solutions. This step constitutes a strategic vector

that combines business considerations in the American market with the increasing demand for energetic products, while significantly enhancing our ability to deliver resilient and reliable supply solutions to our customers. Through this joint venture, we are deepening our longstanding partnership with the United States, strengthening supply chain independence, and bolstering the critical capabilities needed to address evolving national security challenges.”