Mercury Signs New Hardware Production Agreement with AV to Support U.S. Space Force's SCAR Program

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ANDOVER, Mass., Aug. 19, 2025 (GLOBE NEWSWIRE) -- Mercury Systems, Inc. (NASDAQ: MRCY, www.mrcy.com), a technology company that delivers mission-critical processing to the edge, today announced a new production agreement with AeroVironment, Inc. ("AV") (NASDAQ: AVAV) to support the U.S. Space Force's Satellite Communication Augmentation Resource (SCAR) program.

AV was awarded the $1.4 billion SCAR contract in 2022 by the Space Rapid Capabilities Office (RCO), a direct reporting unit of the Space Force. The program leverages AV's BADGER system, a multi-band deployable ground communications system that simplifies space mission operations through agile, re-configurable beamforming tiles. The Space RCO and AV have completed every development milestone for this complex technology and are now focused on integrating and delivering the first BADGER unit this year.

Mercury provides a field-programmable gate array (FPGA)-based signal acquisition and digital beamforming solution for BADGER based on its Quartz RFSoC and Navigator® Design Suite commercial product offerings. The company has been producing hardware for the first four BADGER systems under an initial contract awarded in 2023. The new production agreement signed in April will support two additional BADGER systems.

AV's BADGER system



AV's BADGER system, a multi-band deployable ground communications system that simplifies space mission operations through agile, re-configurable beamforming tiles (photo: AV)

"We are proud to extend our partnership with AV for this critical national security mission," said Ken Hermanny, Mercury's Senior Vice President of Signal Technologies. "By leveraging a suite of commercial technologies from the Mercury Processing Platform, AV is integrating and producing this game-changing capability at exceptional speed and scale."

"The SCAR program will soon transform our nation's satellite command and control capabilities–a major milestone for securing our strategic advantage in the space domain," said Mary Clum, Executive Vice President of AV's Space and Directed Energy Mission Systems group. "To answer the urgent calls for this critical technology and deliver our BADGER systems with speed and scale, AV has focused significant internal investments on supply chain readiness and manufacturing. Mercury has been a key partner in these efforts, leaning forward to accelerate production and support the Space Force's mission needs."

Mercury Systems – Innovation that matters®
Mercury Systems is a technology company that delivers mission-critical processing power to the edge, making advanced technologies profoundly more accessible for today's most challenging aerospace and defense missions. The Mercury Processing Platform allows customers to tap into innovative capabilities from silicon to system scale, turning data into decisions on timelines that matter. Mercury's products and solutions are deployed in more than 300 programs and across 35 countries, enabling a broad range of applications in mission computing, sensor processing, command and control, and communications. Mercury is headquartered in Andover, Massachusetts, and has more than 20 locations worldwide. To learn more, visit mrcy.com. (Nasdaq: MRCY)

Forward-Looking Safe Harbor Statement
This press release contains certain forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including those relating to the Company's focus on enhanced execution of the Company's strategic plan. You can identify these statements by the words "may," "will," "could," "should," "would," "plans," "expects," "anticipates," "continue," "estimate," "project," "intend," "likely," "forecast," "probable," "potential," and similar expressions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include, but are not limited to, continued funding of defense programs, the timing and amounts of such funding, general economic and business conditions, including unforeseen weakness in the Company's markets, effects of any U.S. federal government shutdown or extended continuing resolution, effects of geopolitical unrest and regional conflicts, competition, changes in technology and methods of marketing, delays in or cost increases related to completing development, engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, changes in, or in the U.S. government's interpretation of, federal export control or procurement rules and regulations, including tariffs, changes in, or in the interpretation or enforcement of, environmental rules and regulations, market acceptance of the Company's products, shortages in or delays in receiving components, supply chain delays or volatility for critical components, production delays or unanticipated expenses including due to quality issues or manufacturing execution issues, adherence to required manufacturing standards, capacity underutilization, increases in scrap or inventory write-offs, failure to achieve or maintain manufacturing quality certifications, such as AS9100, failure to achieve or maintain qualified business systems, such as those required by the DFARS, the impact of supply chain disruption, inflation and labor shortages, among other things, on program execution and the resulting effect on customer satisfaction, inability to fully realize the expected benefits from acquisitions, restructurings, and operational efficiency initiatives or delays in realizing such benefits, challenges in integrating acquired businesses and achieving anticipated synergies, effects of shareholder activism, increases in interest rates, changes to industrial security and cyber-security regulations and requirements and impacts from any cyber or insider threat events, changes in tax rates or tax regulations, changes to interest rate swaps or other cash flow hedging arrangements, changes to generally accepted accounting principles, difficulties in retaining key employees and customers, litigation, including the dispute arising with the former CEO over his resignation, unanticipated costs under fixed-price service and system integration engagements, and various other factors beyond our control. These risks and uncertainties also include such additional risk factors as are discussed in the Company's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended June 27, 2025 and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to update any forward-looking

statement to reflect events or circumstances after the date on which such statement is made.

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A photo accompanying this announcement is available at https://www.globenewswire.com/NewsRoom/AttachmentNg/7ae91799-c942-4d03-9d2a-379be5778632