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VSE Aviation Announces \$125 Million Business & General Aviation Engine Accessories Distribution Agreement Extension

ALEXANDRIA, Va.--(BUSINESS WIRE)-- VSE Corporation (NASDAQ: VSEC), a leading provider of distribution and maintenance, repair and overhaul (MRO) services for land, sea and air transportation assets in the public and private sectors, today announced that it has entered into a 5-year extension to an existing distribution agreement (the "Agreement") valued at approximately \$125 million with a global aircraft engine manufacturer ("OEM").

Under the terms of the Agreement, VSE Aviation will remain the worldwide exclusive distributor of new fuel control systems and associated spare parts to the business and general aviation as well as rotorcraft markets for a leading global OEM. VSE expects to support more than 15,000 aircraft currently in operation worldwide with on-demand, flight-critical components on a 24/7 basis to support scheduled engine overhaul activity, line maintenance and AOG (aircraft on-ground) events. The agreement excludes Japan-based customers.

The Agreement and partnership, which was initially scheduled to terminate in 2024, has been extended through 2029. VSE currently expects total working capital investments under the extended Agreement to decline versus historical levels, with no impact to current customer support levels. Annual revenue contributions under the Agreement are anticipated to approximate the prior-year period.

"This contract extension further solidifies our successful, long-term relationship with a valued global OEM partner, one who values our technical expertise, services capabilities and depth of experience managing complex global distribution programs," stated John Cuomo, President and CEO of VSE Corporation. "We are pleased by the opportunity to further support this OEM and look forward to leveraging our unique value proposition as a supplier of choice to our growing global base of BG&A customers."

"At a strategic level, VSE Aviation continues to build a multi-year pipeline of higher-value contractual revenue with both new and existing partners," stated Ben Thomas, VSE Aviation President. "The continuation of this important, decades long OEM relationship serves to strengthen our core business, while further positioning us to become the leading integrated supplier of flight-critical systems and MRO services to the global business and general aviation market."

ABOUT VSE CORPORATION

VSE is a leading provider of aftermarket distribution and repair services for land, sea and air transportation assets for government and commercial markets. Core services include maintenance, repair and overhaul (MRO) services, parts distribution, supply chain management and logistics, engineering support, and consulting and training services for global commercial, federal, military and defense customers. VSE also provides information technology and energy consulting services. For additional information regarding VSE's services and products, visit us at www.vsecorp.com.

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements. These forward-looking statements, which are included in accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, may involve known and unknown risks, uncertainties and other factors that may cause VSE's actual results to vary materially from those indicated or anticipated by such statements. Many factors could cause actual results and performance to be materially different from any future results or performance, including, among others, the risk factors described in our reports filed or expected to be filed with the SEC. Any forward-looking statement or statement of belief speaks only as of the date of this press release. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results.

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