



## Defense Contractor Kratos Announces Plan to Add 76 Jobs at its Birmingham Advanced Concepts Engineering Facility

July 19, 2022

SAN DIEGO, July 19, 2022 (GLOBE NEWSWIRE) -- San Diego Based Kratos Defense & Security Solutions, Inc. (NASDAQ: KTOS), a leading National Security Solutions provider announced plans today to expand its newly established business unit in Birmingham, Alabama. With the support of critical enhancement programs provided by the State of Alabama, Jefferson County and the City of Birmingham, Kratos expects to add 76 jobs and make approximately \$8.6 million in capital investments in its Birmingham facility over the next five years.

Kratos acquired the engineering division of Birmingham-based Southern Research in an \$80 million asset transaction in May. The acquisition establishes Kratos SRE, an advanced concept group within Kratos' Defense & Rocket Support Services (KDRSS) Division. SRE currently employs about 140 engineers, technicians and program support professionals conducting work in support of the space community, the Department of Defense and other national security customers.

The Kratos SRE Birmingham growth plan is part of the company's overall strategy to expand leading-edge technology capabilities in areas specifically related to hypersonics. The new positions, with an average annual salary of \$95,000, will be a mixture of engineers, technicians and support staff.

"We appreciate the support that Kratos has received from the State of Alabama and the Birmingham local government," said Dave Carter, President of KDRSS. "Training grants and other key incentives allow us to accelerate our capabilities expansion and enhance the already impressive workforce at Kratos SRE. The Birmingham advanced concepts business unit is a key enabler to expanding Kratos' leadership in hypersonics and other technology areas."

The growth plans for Kratos' Birmingham advanced concepts business unit were announced in conjunction with the 2022 Farnborough International Airshow, held just outside of London. Company representatives met with the Alabama team today at the "Made in Alabama" booth on the opening day of the high-profile trade event.

"Over many decades, the talented workforce in the Southern Research Engineering Division has made many important contributions to the nation's space program and critical national defense programs," said Greg Canfield, Secretary of the Alabama Department of Commerce. "I look forward to seeing the Birmingham Kratos SRE business unit continue their record of amazing accomplishments as Kratos makes investments in advanced concepts and expands their technical capabilities."

Kratos plans to continue enhancing SRE's industry-leading expertise in the testing and evaluation of how advanced materials behave in extreme environments to ensure the nation's industrial base is prepared to address the unique challenges associated with space, hypersonics, missiles, propulsion systems and more.

Kratos SRE also specializes in intelligence surveillance and reconnaissance (ISR) sensor development, electromechanical systems design, aerospace engineering and other technical disciplines.

"Kratos is the perfect home for my engineering team. From hypersonics to ISR applications, Kratos brings tremendous synergies across all of our technical platforms," said Michael Johns, former Southern Research Engineering Division Vice President and now Kratos SRE Senior Vice President. "We have long been the leader in understanding materials in extreme environments for applications, including hypersonics, but now as part of Kratos, we are able to support programs all the way through flight test and beyond, substantially increasing our total addressable market opportunity."

Local officials welcomed Kratos' expansion plans at the Birmingham facility.

"As Birmingham and Jefferson County continues to expand its aerospace and defense industry footprint, we welcome Kratos and its plans for new jobs and investment," Jefferson County Commissioner Steve Ammons said. "Southern Research's Engineering Division was a powerful leader in defense and strategic deterrence system development, and we will continue to support Kratos in its new and innovative solutions."

Emily Jerkins Hall, President and Chief Operating Officer of the Birmingham Business Alliance, said the organization is grateful that Kratos not only committed to staying in the city but also to growing there.

"Our team enjoyed working with Southern Research and the project team to help Kratos establish and scale their operations here," she said. "Their investment in our community will continue to make the Greater Birmingham Region an attractive destination for top engineering talent from around the globe."

### **About Kratos Defense & Security Solutions**

Kratos Defense & Security Solutions, Inc. (NASDAQ: KTOS) develops and fields transformative, affordable technology, platforms, and systems for United States National Security related customers, allies, and commercial enterprises. Kratos is changing the way breakthrough technology for these industries are rapidly brought to market through proven commercial and venture capital backed approaches, including proactive research and streamlined development processes. At Kratos, affordability is a technology, and we specialize in unmanned systems, satellite communications, cyber security/warfare, microwave electronics, missile defense, hypersonic systems, training, combat systems and next generation turbo jet and turbo fan engine development. For more information, go to [www.KratosDefense.com](http://www.KratosDefense.com).

### **About the Department of Commerce**

The Alabama Department of Commerce is the state's lead economic development agency, working with economic development allies throughout the state to fulfill the objectives of Accelerate Alabama, the state's strategic economic development growth plan. In addition to its business development activities, Commerce divisions promote exporting and international investment opportunities for Alabama businesses, assist small businesses, and

position the state as a location for film and television productions. Commerce is home to the state's primary non-education workforce development programs, including AIDT, a nationally known job-training agency.

**Notice Regarding Forward-Looking Statements**

Certain statements in this press release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are made on the basis of the current beliefs, expectations, and assumptions of the management of Kratos and are subject to significant risks and uncertainty. Investors are cautioned not to place undue reliance on any such forward-looking statements. All such forward-looking statements speak only as of the date they are made, and Kratos undertakes no obligation to update or revise these statements, whether as a result of new information, future events or otherwise. Although Kratos believes that the expectations reflected in these forward-looking statements are reasonable, these statements involve many risks and uncertainties that may cause actual results to differ materially from what may be expressed or implied in these forward-looking statements. For a further discussion of risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of Kratos in general, see the risk disclosures in the Annual Report on Form 10-K of Kratos for the year ended December 30, 2020, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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