Carrai Phillip D

10680 TREENA STREET, SUITE 600
SAN DIEGO CA 92131

KRATOS DEFENSE & SECURITY SOLUTIONS, INC. [ KTOS ]

2. Issuer Name and Ticker or Trading Symbol

3. Date of Earliest Transaction (Month/Day/Year)
08/05/2019

4. If Amendment, Date of Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

X Director (specify below)

10% Owner

X Officer (give title below)

President, STC Division

6. Individual or Joint/Group Filing (Check Applicable Line)

X Form filed by One Reporting Person

Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (Month/Day/Year)</th>
<th>3. Transaction Code</th>
<th>4. Securities Acquired (A) or Disposed Of (D) (Instr. 4, 5 and 6)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>08/05/2019</td>
<td>S</td>
<td>12,619(1)</td>
<td>$19,887(1)</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Common Stock</td>
<td>08/05/2019</td>
<td>I</td>
<td>16,889(1)</td>
<td>147,247(1)</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Common Stock</td>
<td>08/06/2019</td>
<td>S</td>
<td>966(1)</td>
<td>146,281(1)</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Common Stock</td>
<td>08/06/2019</td>
<td>S</td>
<td>51,538(1)</td>
<td>94,743(1)</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Common Stock</td>
<td>08/05/2019</td>
<td>S</td>
<td>12,379(1)</td>
<td>46,644(1)</td>
<td>I</td>
<td>by trust</td>
</tr>
</tbody>
</table>

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (Month/Day/Year)</th>
<th>4. Transaction Code (Instr. 4)</th>
<th>5. Number of Derivative Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)</th>
<th>6. Date Exercisable and Expiration Date (Month/Day/Year)</th>
<th>7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)</th>
<th>10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
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</tr>
</tbody>
</table>

Explanations:

1. Open market sale of Issuer's common stock made in accordance with Issuer's trading policies.

2. The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from $19.80 to $20.00 inclusive. The reporting person undertakes to provide to Issuer, any security holder of Issuer, the staff of the SEC, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in this footnote to this Form 4.

3. Transfer of common stock held through Issuer's 401(k) Plan, as valued based on 8/5/2019 Issuer common stock closing price.

4. The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from $19.305 to $19.375 inclusive. The reporting person undertakes to provide to Issuer, any security holder of Issuer, the staff of the SEC, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in this footnote to this Form 4.

5. The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from $19.15 to $19.40 inclusive. The reporting person undertakes to provide to Issuer, any security holder of Issuer, the staff of the SEC, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in this footnote to this Form 4.

6. The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from $19.76 to $19.835 inclusive. The reporting person undertakes to provide to Issuer, any security holder of Issuer, the staff of the SEC, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in this footnote to this Form 4.

7. Includes 13,837 shares purchased through Issuer's Employee Stock Purchase Plan and approximately 16,889 shares held in Issuer's 401(k) Plan.

8. Includes 13,837 shares purchased through Issuer's Employee Stock Purchase Plan.

9. Includes 12,871 shares purchased through Issuer's Employee Stock Purchase Plan.

10. Includes 6,921 shares purchased through Issuer's Employee Stock Purchase Plan and subsequently transferred to trust.

Phillip D. Carrai, by Eva Yee, Attorney-In-Fact

08/06/2019

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).