**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

<table>
<thead>
<tr>
<th>1. Name and Address of Reporting Person *</th>
<th>2. Issuer Name and Ticker or Trading Symbol</th>
<th>5. Relationship of Reporting Person(s) to Issuer (Check all applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MILLS THOMAS E IV</td>
<td>KRATOS DEFENSE &amp; SECURITY SOLUTIONS, INC. [KTOS]</td>
<td>Director 10% Owner X Officer (give title below) Other (specify below) President, MS Division</td>
</tr>
</tbody>
</table>

**SAN DIEGO CA 92131**

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

1. Each Restricted Stock Unit (RSU) represents a contingent right to receive one share of Issuer’s common stock.
2. RSUs were granted and previously reported on a Form 4 filed January 5, 2015, where 15,000 RSUs vest on December 31, 2019.
3. Shares withheld in a net transaction to satisfy the minimum tax liability, in accordance with Issuer’s trading policies, in connection with shares vested as reported in this Form 4.
4. RSUs vest ratably on each of the first five anniversaries of the date of grant, unless earlier vested or terminated pursuant to the terms of the RSU agreement.
5. Includes approximately 9,471 shares held through Issuer's 401(k) Plan.

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**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>2A. Deemed Execution Date, if any (Month/Day/Year)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed Of (D) (Instr. 3 and 4)</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>12/31/2019</td>
<td>M</td>
<td></td>
<td>A</td>
<td>0</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Common Stock</td>
<td>12/31/2019</td>
<td>F</td>
<td>4,113</td>
<td>D</td>
<td>$18.01</td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>

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

(e.g., puts, calls, warrants, options, convertible securities)

<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>3A. Deemed Execution Date, if any (Month/Day/Year)</th>
<th>4. Transaction Code (Instr. 8)</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>
<tr>
<td>Restricted Stock Units</td>
<td>(1)</td>
<td>12/31/2019</td>
<td>M</td>
<td>(A) (D)</td>
<td>15,000</td>
<td>15,000</td>
<td>Common Stock</td>
<td>15,000</td>
<td>0</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Restricted Stock Units</td>
<td>(1)</td>
<td>01/03/2020</td>
<td>A</td>
<td>(A) (D)</td>
<td>15,000</td>
<td>15,000</td>
<td>Common Stock</td>
<td>15,000</td>
<td>15,000</td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>

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**Explanation of Responses:**

1. Each Restricted Stock Unit (RSU) represents a contingent right to receive one share of Issuer's common stock.
2. RSUs were granted and previously reported on a Form 4 filed January 5, 2015, where 15,000 RSUs vest on December 31, 2019.
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5. Includes approximately 9,471 shares held through Issuer's 401(k) Plan.

**Signature of Reporting Person**

Thomas E. Mills, by Eva Yee, Attorney-In-Fact

Date: 01/03/2020

**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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.