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

1. Name and Address of Reporting Person:
   Carrai Phillip D
   10680 TREENA STREET, SUITE 600
   SAN DIEGO CA 92131

2. Issuer Name and Ticker or Trading Symbol:
   KRATOS DEFENSE & SECURITY SOLUTIONS, INC. [ KTOS ]

3. Date of Earliest Transaction (Month/Day/Year):
   01/01/2020

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

5. Relationship of Reporting Person(s) to Issuer:
   Director
   X Officer (give title below)
   Other (specify below)
   President, STC Division

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

<table>
<thead>
<tr>
<th>Title of Security (Instr. 3)</th>
<th>Transaction Date (Month/Day/Year)</th>
<th>Deemed Execution Date, if any (Month/Day/Year)</th>
<th>Transaction Code (Instr. 8)</th>
<th>Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</th>
<th>Amount (A) or (D)</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>01/01/2020</td>
<td></td>
<td>M</td>
<td>22,500</td>
<td>A</td>
<td>$0</td>
</tr>
<tr>
<td>Common Stock</td>
<td>01/01/2020</td>
<td></td>
<td>F</td>
<td>6,981</td>
<td>D</td>
<td>18.01</td>
</tr>
<tr>
<td>Common Stock</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Title of Derivative Security (Instr. 3)</th>
<th>Conversion or Exercise Price of Derivative Security</th>
<th>Transaction Date (Month/Day/Year)</th>
<th>Deemed Execution Date, if any (Month/Day/Year)</th>
<th>Transaction Code (Instr. 8)</th>
<th>Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</th>
<th>Date Exercisable and Expiration Date (Month/Day/Year)</th>
<th>Title of Securities Underlying Derivative Security (Instr. 3 and 4)</th>
<th>Amount or Number of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted Stock Units</td>
<td>(1)</td>
<td>01/01/2020</td>
<td></td>
<td>M</td>
<td>22,500</td>
<td>(2) (2)</td>
<td>Common Stock</td>
<td>22,500</td>
</tr>
<tr>
<td>Restricted Stock Units</td>
<td>(1)</td>
<td>01/03/2020</td>
<td></td>
<td>A</td>
<td>50,000</td>
<td>(3) (3)</td>
<td>Common Stock</td>
<td>50,000</td>
</tr>
</tbody>
</table>

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 22,500 RSUs vest on January 1, 2020.
3. 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.
4. 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.
5. Includes 11,073 shares purchased through Issuer's Employee Stock Purchase Plan.

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