



November 29, 2016

## **B. Riley & Co. Acts as Joint Book-Running Manager on \$80.5 Million Public Offering for Kratos Defense & Security Solutions, Inc.**

LOS ANGELES, Nov. 29, 2016 /PRNewswire/ -- B. Riley & Co., LLC (B. Riley), a full service investment bank and a wholly-owned subsidiary of B. Riley Financial, Inc. (NASDAQ: RILY), acted as a joint book-running manager in the underwritten public offering of 11.67 million shares of common stock for Kratos Defense & Security Solutions, Inc. (Kratos).



Kratos priced the 11.67 million shares of its common stock at \$6.00 per share. In addition, the underwriters exercised their option to purchase an additional 1,750,500 shares resulting in gross proceeds of approximately \$80.5 million. The offering closed on November 23, 2016.

### **About Kratos Defense & Security Solutions, Inc.**

Kratos Defense & Security Solutions, Inc. (NASDAQ: KTOS) is a mid-tier government contractor at the forefront of the Department of Defense's Third Offset Strategy. Kratos is a leading technology, intellectual property and proprietary product and solution company focused on the United States and its allies' national security. Kratos is the industry leader in high performance unmanned aerial drone target systems used to test weapon systems and to train the warfighter, and is a provider of high performance unmanned combat aerial systems for force multiplication and amplification. Kratos is also an industry leader in satellite communications, microwave electronics, cyber security/warfare, missile defense and combat systems. Kratos has primarily an engineering and technically oriented work force of approximately 2,800. Substantially all of Kratos' work is performed on a military base, in a secure facility or at a critical infrastructure location. Kratos' primary end customers are National Security related agencies.

### **About B. Riley & Co., LLC**

B. Riley & Co., LLC is a leading investment bank which provides corporate finance, research, and sales & trading to corporate, institutional and high net worth individual clients. The firm is nationally recognized for its highly ranked proprietary equity research. B. Riley & Co., LLC is a member of FINRA and SIPC.

B. Riley Financial, Inc. (NASDAQ: RILY) is a publicly traded, diversified financial services company which takes a collaborative approach to the capital raising and financial advisory needs of public and private companies and high net worth individuals. The company also makes proprietary investments in other businesses where B. Riley Financial, Inc. is uniquely positioned to leverage its expertise and assets in order to maximize value. The Company operates through several wholly-owned subsidiaries, including B. Riley & Co., LLC ([www.brileyco.com](http://www.brileyco.com)), Great American Group, LLC ([www.greatamerican.com](http://www.greatamerican.com)), Great American Capital Partners ([www.gacapitalpartners.com](http://www.gacapitalpartners.com)) and B. Riley Capital Management, LLC (which includes B. Riley Asset Management and B. Riley Wealth Management, [www.brileywealth.com](http://www.brileywealth.com)). Since the acquisition of United Online, Inc. ([www.unttd.com](http://www.unttd.com)) in July 2016, B. Riley Financial, Inc. also provides internet access services under the NetZero and Juno brands.

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