



March 13, 2017

KeyW Enters into Employment Agreements with Four Employees of Sotera Defense Solutions

Agreements in Connection with KeyW's Plan to Acquire the Company

HANOVER, Md., March 13, 2017 (GLOBE NEWSWIRE) -- The [KeyW Corporation](#) ("KeyW"), a wholly-owned subsidiary of The KeyW Holding Corporation (NASDAQ:KEYW) ("Holdings"), announced today that in connection with its [definitive agreement to acquire Sotera Defense Solutions](#) (Sotera), KeyW entered into employment agreements with four Sotera employees. The employment agreements provide for grants of inducement equity awards outside of Holdings' Amended and Restated 2013 Stock Incentive Plan, in accordance with NASDAQ Listing Rule 5635(c)(4). The agreements and grants were authorized by the Compensation Committee of Holdings' Board of Directors, as inducements material to the four individuals entering into employment with KeyW following the closing of the acquisition. The inducement grants, which are issuable upon commencement of the individuals' employment, consist of an aggregate of 20,000 restricted shares of Holdings' common stock as a retention incentive inducement, and up to an aggregate of 200,000 shares of Holdings' common stock as a long-term incentive inducement that will be granted during the five-year period following commencement of employment, in the amounts set forth below, provided Holdings' stock price exceeds the applicable target share prices set forth below for at least 30 consecutive trading days:

| <u>Target Price Per Share</u> | <u>Long-Term Incentive Shares</u> |
|-------------------------------|-----------------------------------|
| \$13.00 | 25,000 |
| \$16.00 | 25,000 |
| \$20.00 | 50,000 |
| \$25.00 | 50,000 |
| \$30.00 | 50,000 |

The issuance and vesting of the inducement shares will be contingent upon the individuals' continued employment with KeyW, subject to acceleration upon certain events.

ABOUT SOTERA

[Sotera](#) is an agile, mid-sized national security technology company that delivers innovative systems, solutions and services in support of the critical missions and programs of Civilian Agencies, Department of Defense, Intelligence Community, Department of Homeland Security, federal law enforcement agencies and other parts of the federal government charged with ensuring the safety and security of our nation. Our over 1,100 employees remain focused on delivering essential enterprise IT, cyber security systems and operations, data fusion and analytics, intelligence analysis, and C5ISR solutions to our customers throughout the Federal Government.

ABOUT KeyW

[KeyW](#) is a total solutions provider for the Intelligence, Cyber and Counterterrorism communities' toughest challenges. We support the collection, processing, analysis and dissemination of information across the full spectrum of their missions. We employ and challenge more than 1,000 of the most talented professionals in the industry with solving such complex problems as preventing cyber threats, transforming data into intelligence and combating global terrorism.

Forward-Looking Statements: Statements made in this press release that are not historical facts constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include but are not limited to: statements about our future expectations, plans and prospects; statements about expected bid activity, customer wins and increased organization efficiency; statements regarding our pending acquisition of Sotera Defense Systems; our full-year 2017 revenue and adjusted EBITDA margin estimates under the heading "Financial Outlook" and other statements containing the words "estimates," "believes," "anticipates," "plans," "expects," "will," "potential," "opportunities," and similar expressions. Our actual results, performance or achievements or industry results may differ materially from those expressed or implied in these forward-looking statements. These statements involve numerous risks and uncertainties, including but not limited to, those risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on

March 15, 2016 and our subsequent Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2016, June 30, 2016 and September 30, 2016 filed with the SEC on May 10, 2016, August 9, 2016 and November 2, 2016, respectively, as required under the Securities Act of 1934, as amended, our prospectus supplement, dated and filed with the SEC on January 27, 2017, with respect to our prospectus, dated December 22, 2016 included in our registration statement amendment on Form S-3/A (Registration No. 333-215115) filed with the SEC on December 21, 2016, and other filings that we make with the SEC from time to time. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements. KeyW is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise, unless required by law.

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