



Leidos Completes Acquisition of 1901 Group

January 14, 2021

RESTON, Va., Jan. 14, 2021 /PRNewswire/ -- [Leidos](#) Holdings, Inc. (NYSE: LDOS) ("Leidos"), a FORTUNE® 500 science and technology leader, today announced the completed acquisition of 1901 Group for approximately \$215 million in cash. The transaction was [previously announced on Dec. 10, 2020](#).



1901 Group is a leading provider for managed IT services and cloud solutions in the private and public market. It will operate as a wholly-owned subsidiary of Leidos. The acquisition adds nearly 400 IT, cloud and cyber specialists to the Leidos team. This will grow the company's deep bench of certified technical talent to support customers with their mission-critical needs.

Headquartered in Reston, Virginia, 1901 Group delivers leading cloud, cybersecurity and enterprise-scale digital modernization services. These and other capabilities improve performance and reduce costs. Founded in 2009, the company's spirit and name was inspired by the year 1901, when automation of the assembly line was invented. These factory floor principles serve as the foundation for the company's drive to modernize enterprise IT services.

"The addition of 1901 Group allows us to work together and leverage their impressive capabilities across the enterprise," said Leidos Chairman and CEO Roger Krone. "We are thrilled to incorporate their managed services and cloud computing techniques to provide our customers with the tools they need for digital modernization."

"This acquisition will further enable Leidos to achieve a differentiated and scaled defense business," said Leidos Defense Group President Gerry Fasano. "1901 Group will become a key corporate asset that we expect to generate future growth and accelerate innovative solutions for our customers."

"This is an exciting day for 1901 Group, as we officially become a part of the Leidos family," said 1901 Group Founder and CEO Sonu Singh. "We are confident this acquisition will provide new opportunities for our team. Combining our Enterprise IT Operations Centers and secure FedRAMP platform with the depth and scale of Leidos will allow us to provide customers with highly sought-after capabilities. We look forward to working together to transform IT service delivery."

Advisors

Holland & Knight LLP is serving as legal advisor to Leidos. Pillsbury Winthrop Shaw Pittman LLP is serving as legal advisor to 1901 Group, and Baird served as exclusive advisor to 1901 Group on this transaction.

About Leidos

Leidos is a Fortune 500® information technology, engineering, and science solutions and services leader working to solve the world's toughest challenges in the defense, intelligence, homeland security, civil, and health markets. The company's 38,000 employees support vital missions for government and commercial customers. Headquartered in Reston, Va., Leidos reported annual revenues of approximately \$11.09 billion for the fiscal year ended January 3, 2020. For more information, visit www.Leidos.com.

About 1901 Group

1901 Group is a leading provider of innovative IT services and solutions in the public and private sector market that delivers improved service delivery by leveraging our FedRAMP authorized Enterprise IT Operations Center (EITOC) to provide 24/7 support of end-users, complex IT infrastructure environments, and mission-critical systems. Headquartered in Reston, VA, 1901 Group has three offices in Virginia (Reston, Blacksburg, Abingdon), plus personnel in more than 26 locations across the United States. The 1901 Group family includes over 400 experts serving customers worldwide. We support a highly skilled workforce with a ratio of 2/1 technology certifications to engineers and have been recognized as one of Virginia's Fantastic 50 fastest growing businesses.

Cautionary Statement Regarding Forward-Looking Statements

The forward-looking statements contained in this release involve risks and uncertainties that may affect Leidos' operations, markets, products, services, prices and other factors as discussed in filings with the Securities and Exchange Commission (the "SEC"). Without limiting the foregoing, forward-looking statements often use words such as "believe," "anticipate," "plan," "expect," "estimate," "intend," "seek," "project", "target," "goal," "may," "will," "would," "could," "should," "can," "continue" and other words of similar meaning in connection with a discussion of the transaction or

future operating or financial performance or events. These risks and uncertainties include, but are not limited to, economic, competitive, legal, governmental and technological factors. Accordingly, there is no assurance that the expectations of Leidos will be realized. This release also contains statements about the proposed acquisition of 1901 Group that are based on assumptions currently believed to be valid but involve significant risks and uncertainties, many of which are beyond Leidos' control, which could cause Leidos' actual results to differ materially from these forward-looking statements with respect to the transaction, including risks relating to anticipated tax treatment, ability to retain key personnel, the dependency of the transaction on market conditions and the impact of a change in market conditions on the value to be received in the transaction, unforeseen liabilities, future capital expenditures, uncertainty as to the expected financial condition and economic performance of the company following the closing, including future revenues, expenses, earnings, indebtedness, losses, prospects, business strategies for the management, expansion and growth of the company following the closing, Leidos' ability to integrate the businesses successfully and to achieve anticipated synergies, and the risk that disruptions from the transaction will harm Leidos' business. While the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Leidos' consolidated financial condition, results of operations or liquidity. For a discussion identifying additional important factors that could cause actual results to vary materially from those anticipated in the forward-looking statements, see Leidos' filings with the SEC, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" in Leidos' annual report on Form 10-K for the year ended December 2019, and in its quarterly reports on Form 10-Q which are available at <http://www.Leidos.com> and at the SEC's web site at <http://www.sec.gov>. The forward-looking statements contained in this release are made only as of the date of this release. Readers are cautioned not to put undue reliance on forward-looking statements. Leidos assumes no obligation to provide revisions or updates to any forward-looking statements should circumstances change, except as otherwise required by securities and other applicable laws.

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