Parsons to Acquire BlackSignal Technologies

July 30, 2024

Acquisition enhances Parsons' cybersecurity, electronic warfare, and artificial intelligence capabilities

CHANTILLY, Va., July 30, 2024 (GLOBE NEWSWIRE) -- Parsons Corporation (NYSE:PSN) announced today that it has entered into a definitive agreement to acquire BlackSignal Technologies, LLC, a Razor's Edge portfolio company, in an accretive deal valued at $200 million. Parsons anticipates that the acquisition will close in August 2024.

BlackSignal is a next-generation digital signal processing, electronic warfare, and cybersecurity provider built to counter near-peer threats. This acquisition will expand Parsons' customer base across the Department of Defense and Intelligence Community and significantly strengthen Parsons' positioning with full-spectrum cyber and electronic warfare, while adding new capabilities in the counterspace radio frequency domain: markets anticipated to grow more than 10% annually with double digit margin expectations. BlackSignal uses artificial intelligence and machine learning to create innovative signal processing techniques that detect and disrupt difficult-to-access command and control systems and platforms.

The transaction is consistent with Parsons' strategy of acquiring high-growth companies with greater than 10% revenue growth and adjusted EBITDA margins. BlackSignal will be integrated into Parsons' Defense & Intelligence business unit.

"Parsons' acquisition of BlackSignal will represent a strategic enhancement to our cyber and intelligence and electronic warfare capabilities, reinforcing our commitment to quickly delivering mission-essential solutions that address our customer's national security requirements," said Carey Smith, Parsons' chair, president, and chief executive officer. "Our purpose-built Federal Solutions portfolio is addressing national security threats from near-peer adversaries that are becoming increasingly aggressive with rapidly evolving advanced technologies. I am excited that we will welcome BlackSignal's accomplished team into Parsons."

Headquartered in Chantilly, Va., BlackSignal's culture of innovation and disruption delivers differentiated solutions to address national security challenges related to near-peer threats for the Defense Department and Intelligence Community. The company's space, cyber, electronic warfare, and digital signal processing capabilities include full-spectrum cyber solutions and tool development; space-based, artificial intelligence-enhanced signal processing; and tactical communication and intelligence systems.

"There is complete alignment with our culture and values, and we share a common passion for supporting our nation's most pressing security challenges while promoting a people-first culture," said Ned Zimmer, chief executive officer of BlackSignal. "This partnership will be a force multiplier for our warfighters, accelerate our business growth, and expand our customer base, while providing exciting new opportunities for our employees. I am excited about our future together and to become part of the Parsons team."

The $200 million cash purchase price represents a 10.5x multiple on the forecasted 2025 EBITDA before considering revenue or cost synergies. Parsons expects that BlackSignal will generate approximately $95m of revenue in 2025e and be accretive to Parsons' revenue growth, adjusted EBITDA margins, and adjusted EPS. The transaction is expected to close in August 2024, subject to customary closing conditions. Parsons was advised by Raymond James and BlackSignal was advised by Baird.

About Parsons

Parsons (NYSE: PSN) is a leading disruptive technology provider in the national security and global infrastructure markets, with capabilities across cyber and intelligence, space and missile defense, transportation, environmental remediation, urban development, and critical infrastructure protection. Please visit parsons.com and follow us on LinkedIn and Facebook to learn how we're making an impact.

Forward-Looking Statements

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are based on our current expectations, beliefs and assumptions, and are not guarantees of future performance. Forward-looking statements are inherently subject to uncertainties, risks, changes in circumstances, trends, and factors that are difficult to predict, many of which are outside of our control. Accordingly, actual performance, results, and events may vary materially from those indicated in the forward-looking statements, and you should not rely on the forward-looking statements as predictions of future performance, results, or events. Numerous factors could cause actual future performance, results and events to differ materially from those indicated in the forward-looking statements, including, among others: any issue that compromises our relationships with the U.S. federal government or its agencies or other state, local, or foreign governments or agencies; any issues that damage our professional reputation; changes in governmental priorities that shift expenditures away from agencies or programs that we support; our dependence on long-term government contracts, which are subject to the government's budgetary approval process; the size of our addressable markets and the amount of government spending on private contractors; failure by us or our employees to obtain and maintain necessary security clearances or certifications; failure to comply with numerous laws and regulations; changes in government procurement, contract or other practices or the adoption by governments of new laws, rules, regulations, and programs in a manner adverse to us; the termination or nonrenewal of our government contracts, particularly our contracts with the U.S. federal government; our ability to compete effectively in the competitive bidding process and delays, contract terminations, or cancellations caused by competitors' protests of major contract awards received by us; our ability to generate revenue under certain of our contracts; any inability to attract, train, or retain employees with the requisite skills, experience, and security clearances; the loss of members of senior management or failure to develop new leaders; misconduct or other improper activities from our employees or subcontractors; our ability to realize the full value of our backlog and the timing of our receipt of revenue under contracts included in backlog; changes in the mix of our contracts and our ability to accurately estimate or otherwise recover expenses, time and resources for our contracts; changes in estimates used in recognizing revenue; internal system or service failures and security breaches; and inherent uncertainties and potential adverse developments in legal proceedings, including litigation, audits, reviews, and investigations, which may result in materially adverse judgments, settlements, or other unfavorable outcomes. These factors are not exhaustive and additional factors could adversely affect our business and financial performance. For a

discussion of additional factors that could materially adversely affect our business and financial performance, see the factors included under the caption "Risk Factors" in our Registration Statement on Form S-1 and our other filings with the Securities and Exchange Commission. All forward-looking statements are based on currently available information and speak only as of the date on which they are made. We assume no obligation to update any forward-looking statement made in this presentation that becomes untrue because of subsequent events, new information or otherwise, except to the extent we are required to do so in connection with our ongoing requirements under federal securities laws.

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