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Saxena White P.A. Files Securities Fraud Class Action Against Telos Corporation

BOCA RATON, Fla., Feb. 07, 2022 (GLOBE NEWSWIRE) -- Saxena White P.A. has filed a securities fraud class action lawsuit (the "Class Action") in the United States District Court for the Eastern District of Virginia against the Telos Corporation ("Telos" or the "Company") (NASDAQ: TLS) and certain of its executive officers (collectively, "Defendants"). The Class Action asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and SEC Rule 10b-5 promulgated thereunder on behalf of all persons or entities who purchased Telos common stock between November 19, 2020 and November 12, 2021, inclusive (the "Class Period"), and were damaged thereby (the "Class"). The Class Action is captioned: *The Firemen's Retirement System of St. Louis v. Telos Corporation, et al.*, No. 1:22-cv-00135 (E.D. Va.).

Telos is an Ashburn, Virginia based company that focuses on developing and implementing cyber, cloud, and enterprise security technology and products. In July 2020, the Company announced a lucrative ten-year contract to provide services to the Transportation Security Administration ("TSA") and TSA PreCheck® that would commence in 2021. A few months later, Telos announced another significant ten-year contract to provide services to the Centers for Medicare and Medicaid ("CMS") that also would commence in 2021. On the heels of securing these two contracts that would generate a substantial portion of the Company's future revenue, Telos held its initial public offering ("IPO") on November 19, 2020, after the Company's stock had traded over-the-counter for several years. Through the IPO, Telos sold 17.2 million shares at \$17.00 per share for gross proceeds of \$292.6 million.

The Class Action alleges that, during the Class Period, Defendants made materially false and misleading statements and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose that: (1) the TSA and CMS contracts, which constituted a majority of the Company's future revenues, were not on track to commence as represented at the end of 2021 and in 2022; (2) Defendants lacked a reasonable basis and sufficient visibility to provide and affirm the Company's 2021 guidance in the face of the uncertainty surrounding the TSA and CMS contracts; (3) COVID- and hacking scandal-related headwinds were throwing off the timing for performance of the TSA and CMS contracts and their associated revenues; (4) as a result, the guidance provided by Defendants was not in fact "conservative"; (5) as a result of the delays, Telos would be forced to dramatically reduce its revenue estimates; and (6) as a result of the foregoing, Defendants' statements about Telos' business, operations, and prospects, were materially false and/or misleading and/or lacked a reasonable basis.

The truth emerged during Telos' third quarter 2021 earnings call on November 15, 2021, causing Telos' stock price to fall and investors to suffer substantial losses. On that call, Telos announced that it was not expecting the TSA PreCheck contract "to deliver meaningful sales this year." The Company also disclosed that it was not including revenue from the CMS contract in the Company's 2022 outlook. In response to these revelations, Telos' stock price fell \$6.84 per share, or more than 28 percent.

If you purchased Telos common stock during the Class Period and were damaged thereby, you are a member of the "Class" and may be able to seek appointment as lead plaintiff. If you wish to apply to be lead plaintiff, a motion on your behalf must be filed with the U.S. District Court for the Eastern District of Virginia no later than April 8, 2022. The lead plaintiff is a court-appointed representative for absent members of the Class. You do not need to seek appointment as lead plaintiff to share in any Class recovery in the Class Action. If you are a Class member and there is a recovery for the Class, you can share in that recovery as an absent Class member.

You may contact Lester Hooker (lhooker@saxenawhite.com), an attorney and Director at Saxena White P.A., to discuss your rights regarding the appointment of lead plaintiff or your interest in the Class Action. You also may retain counsel of your choice to represent you in the Class Action.

You may obtain a copy of the Complaint and inquire about actively joining the Class Action at www.saxenawhite.com.

Saxena White P.A., with offices in Florida, New York, California, and Delaware, is a leading national law firm focused on prosecuting securities class actions and other complex litigation on behalf of injured investors. Currently serving as lead counsel in numerous securities fraud class actions nationwide, Saxena White has recovered billions of dollars on behalf of injured investors.

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