

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 1415
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 1198 6a(2) 1540 6b 2 6c 151 6d 1693 6e 5 6f 1698 6g 1584 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3D 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) (4) <input checked="" type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2020 Form M-1 annual report. If the plan was not required to file the 2020 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

**SCHEDULE C
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Service Provider Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2020

This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan <u>QTC MANAGEMENT, INC. RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>QTC MANAGEMENT, INC.</u>	D Employer Identification Number (EIN) <u>95-3948968</u>	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... Yes No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

THE VANGUARD GROUP, INC.

23-1945930

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

THE VANGUARD GROUP, INC.

23-1945930

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 16 25 37 52	RECORDKEEPER	60134	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
THE VANGUARD GROUP, INC.	64	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
DODGE & COX 94-1441976	10 BPS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2020 This Form is Open to Public Inspection.
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For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan <u>QTC MANAGEMENT, INC. RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN)	<u>003</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>QTC MANAGEMENT, INC.</u>	D Employer Identification Number (EIN) <u>95-3948968</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: LEIDOS, INC. MASTER TRUST

b Name of sponsor of entity listed in (a): LEIDOS, INC.

c EIN-PN <u>95-3630868-005</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>55202424</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2020 This Form is Open to Public Inspection
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For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</u>	
A Name of plan <u>QTC MANAGEMENT, INC. RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>QTC MANAGEMENT, INC.</u>	D Employer Identification Number (EIN) <u>95-3948968</u>

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets	(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions	1b(1)	
(2) Participant contributions.....	1b(2)	
(3) Other	1b(3)	
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	
(2) U.S. Government securities	1c(2)	
(3) Corporate debt instruments (other than employer securities):		
(A) Preferred	1c(3)(A)	
(B) All other	1c(3)(B)	
(4) Corporate stocks (other than employer securities):		
(A) Preferred	1c(4)(A)	
(B) Common	1c(4)(B)	
(5) Partnership/joint venture interests	1c(5)	
(6) Real estate (other than employer real property)	1c(6)	
(7) Loans (other than to participants)	1c(7)	
(8) Participant loans	1c(8)	985567
(9) Value of interest in common/collective trusts	1c(9)	1015629
(10) Value of interest in pooled separate accounts	1c(10)	
(11) Value of interest in master trust investment accounts	1c(11)	45682563
(12) Value of interest in 103-12 investment entities	1c(12)	55202424
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	
(15) Other.....	1c(15)	

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	1d(1)	
(2)	Employer real property.....	1d(2)	
e	Buildings and other property used in plan operation.....	1e	
f	Total assets (add all amounts in lines 1a through 1e).....	1f	46668130 56218053
Liabilities			
g	Benefit claims payable.....	1g	
h	Operating payables.....	1h	
i	Acquisition indebtedness.....	1i	
j	Other liabilities.....	1j	
k	Total liabilities (add all amounts in lines 1g through 1j).....	1k	0 0
Net Assets			
l	Net assets (subtract line 1k from line 1f).....	1l	46668130 56218053

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

		(a) Amount	(b) Total
Income			
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers.....	2a(1)(A)	1638856
	(B) Participants.....	2a(1)(B)	4930930
	(C) Others (including rollovers).....	2a(1)(C)	168823
(2)	Noncash contributions.....	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	6738609
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	
	(B) U.S. Government securities.....	2b(1)(B)	
	(C) Corporate debt instruments.....	2b(1)(C)	
	(D) Loans (other than to participants).....	2b(1)(D)	
	(E) Participant loans.....	2b(1)(E)	52507
	(F) Other.....	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	52507
(2)	Dividends: (A) Preferred stock.....	2b(2)(A)	
	(B) Common stock.....	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	0
(3)	Rents.....	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds.....	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	
	(B) Other.....	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		6799113
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		13590229

Expenses

e Benefit payment and payments to provide benefits:

(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	3982492	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3982492

f Corrective distributions (see instructions).....

g Certain deemed distributions of participant loans (see instructions).....

h Interest expense.....

i Administrative expenses: (1) Professional fees

(2) Contract administrator fees	2i(1)		
(3) Investment advisory and management fees	2i(2)		
(4) Other.....	2i(3)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(4)	57814	
	2i(5)		57814

j Total expenses. Add all **expense** amounts in column (b) and enter total.....

	2j		4040306
--	----	--	---------

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....

	2k		9549923
--	----	--	---------

l Transfers of assets:

(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ELLIOTT DAVIS, LLC

(2) EIN: 57-0381582

d The opinion of an independent qualified public accountant is **not attached** because:

(1) This form is filed for a CCT, PSA, or MTIA. (2) It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a		X	

		Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		15000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.).....	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	4m	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.....	4n	X		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... Yes No
 If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2020 This Form is Open to Public Inspection.
--	---	---

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan <u>QTC MANAGEMENT, INC. RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>QTC MANAGEMENT, INC.</u>	D Employer Identification Number (EIN) <u>95-3948968</u>	

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....

1	
---	--

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 23-2186884

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....

3	
---	--

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	
b Enter the amount contributed by the employer to the plan for this plan year	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? Yes No N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? Yes No N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... Increase Decrease Both No

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? Yes No

11 a Does the ESOP hold any preferred stock? Yes No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) Yes No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? Yes No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14b	
c The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....	15a	
b The corresponding number for the second preceding plan year.....	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year.....	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment.

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment.....

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
 0-3 years 3-6 years 6-9 years 9-12 years 12-15 years 15-18 years 18-21 years 21 years or more

c What duration measure was used to calculate line 19(b)?
 Effective duration Macaulay duration Modified duration Other (specify): _____

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? Yes No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:
 Yes.
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
 No. Other. Provide explanation _____

**QTC Management, Inc.
Retirement Savings Plan**

Report on Financial Statements

For the year ended December 31, 2020

QTC Management, Inc. Retirement Savings Plan

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Independent Auditor's Report

Plan Administrator
QTC Management, Inc. Retirement Savings Plan
San Dimas, California

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of QTC Management, Inc. Retirement Savings Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, the related statement of changes in net assets available for benefits for the year ended December 31, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL's) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Vanguard Fiduciary Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's assets and executes transactions. The plan administrator has obtained certifications from the trustee of the Plan as of December 31, 2020 and 2019, and for the year ended December 31, 2020, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Report on Supplemental Schedule

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2020, is required by the DOL’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan’s management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive style with a large, sweeping initial "E".

Greenville, South Carolina
September 28, 2021

QTC Management, Inc. Retirement Savings Plan

Statements of Net Assets Available for Benefits

As of December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Investment in Leidos, Inc. Master Trust at fair value (see Note 5)	\$ 51,492,862	\$ 45,534,993
Investment in Leidos, Inc. Master Trust at contract value (see Note 5)	<u>3,709,562</u>	<u>147,570</u>
Total Investments	<u>55,202,424</u>	<u>45,682,563</u>
Receivables		
Notes receivable from participants	<u>1,015,629</u>	<u>985,567</u>
Total receivables	<u>1,015,629</u>	<u>985,567</u>
Net assets available for benefits	<u>\$ 56,218,053</u>	<u>\$ 46,668,130</u>

See Notes to Financial Statements

QTC Management, Inc. Retirement Savings Plan

Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2020

Additions:

Investment income	
Plan interest in Leidos, Inc. Master Trust	\$ 6,799,113
Total investment income	<u>6,799,113</u>
Interest income on notes receivable from participants	<u>52,507</u>
Contributions	
Participants	4,930,930
Company	1,638,856
Rollovers	168,823
Total contributions	<u>6,738,609</u>
Total additions	<u>13,590,229</u>

Deductions:

Benefits paid to participants	3,982,492
Administrative expenses	57,814
Total deductions	<u>4,040,306</u>
Net increase	9,549,923

Net assets available for benefits, beginning of year

46,668,130

Net assets available for benefits, end of year

\$ 56,218,053

See Notes to Financial Statements

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 1. Description of the Plan

The following description of the QTC Management, Inc. Retirement Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution plan covering all employees of QTC Management Inc. (the "Company"), except employees governed by a collective bargaining agreement and leased employees, who have completed one month of service and are age eighteen or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Leidos, Inc. Retirement Plans Committee is the Plan's named fiduciary for purposes of Section 402(a) of ERISA.

Investment funds:

As of December 31, 2020 and 2019, the Plan held interest in the Leidos, Inc. Master Trust ("Master Trust").

Contributions:

Each year, participants may contribute up to 90 percent of their eligible compensation as defined in the Plan. Participants who have attained the age of 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless that affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 2 percent of eligible compensation and their contributions invested in a designated balanced fund until changed by the participant. The Company contributes 50 percent up to 4 percent of eligible compensation that a participant contributes to the Plan. Additional profit sharing amounts may be contributed at the option of the Company's board of directors. There were no discretionary profit sharing contributions during the year ended December 31, 2020. Contributions are subject to certain Internal Revenue Service (IRS) limitations.

Participant accounts:

Each participant's account is credited with the participant's contributions, Company contributions, and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting:

Participants are immediately vested in their voluntary contributions and Company matching contributions plus actual earnings thereon. Vesting in the Company's profit sharing contributions portion plus earnings thereon is based on a participant's years of continuous service. A participant is fully vested in the profit sharing contributions after six years of credited service.

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 1. Description of the Plan, Continued

Payment of benefits:

On termination of service, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount or other installment options as provided by the Plan. Hardship distributions are permitted upon demonstration of financial hardship. All fully vested balances are available for distribution after the participant reaches the age of 59 ½.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security ("CARES") Act was signed into law. Qualified individuals are those diagnosed with coronavirus ("COVID-19") or have a spouse or dependent who have been diagnosed, or who experience "adverse financial consequences" as a result of a quarantine, furlough, lay-off, reduction in work hours, business closure, the lack of child care, or other factors due to the COVID-19 pandemic.

The Plan elected to adopt the provisions of the CARES Act. Section 2202(a) of the CARES Act allows for qualified individuals to take up to \$100,000 in coronavirus-related distributions with repayment terms of up to three years. Participants were able to request coronavirus-related distributions under the CARES Act from May 12, 2020 to December 31, 2020. The distributions without tax withholding made during 2020 may be returned to the Plan within three years, or if not returned, will be subject to ordinary taxation. Qualified individuals could also request a delay of note receivable repayments for repayments that occurred between May 12, 2020 and December 31, 2020. If a delay was granted, the participant's note was reamortized and included any interest accrued during the period of delay. In addition, pursuant to the CARES Act, qualified individuals who were currently receiving required minimum distributions had their 2020 payment automatically waived and participants who were due to receive the first required distribution in 2020 had their distribution automatically waived. The ability to waive a required minimum distribution and delay in note repayments and take a coronavirus-related distribution under the CARES Act ceased as of December 31, 2020.

Notes receivable from participants:

The Plan has adopted the loan provisions provided under the CARES Act. For the period March 27, 2020 through September 22, 2020, participants may borrow from their account a minimum \$1,000 up to a maximum equal to the lesser of \$100,000 or 100 percent of their vested account balance.

With the exception of the period noted above, participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 reduced by the highest outstanding loan balance during the preceding twelve month period or 50 percent of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined monthly by the plan administrator. Principal and interest is paid ratably through regular payroll deductions.

Forfeited accounts:

At December 31, 2020 and 2019, forfeited nonvested accounts totaled \$102,141 and \$31,762, respectively. These accounts will be used first to reduce future employer contributions, second to offset plan administrative expenses, and third allocated to participants. No forfeitures were used during 2020.

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 2. Summary of Significant Accounting Policies

Basis of accounting:

The Plan's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Investment transactions are accounted for on their trade dates.

Accounting estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires Plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions and deductions during the reporting periods. Actual results may differ from those estimates.

Investment valuation and income recognition:

Investments are held by the Leidos, Inc. Master Trust as of December 31, 2020 and 2019 as follows:

Investment in Master Trust – Primarily reported at fair value. Fair value is the price that would have been received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Master Trust invests in a common collective trust fund which holds synthetic guaranteed investment contracts (GICs) that are reported at contract value. The synthetic GICs simulate the performance of guaranteed investment contracts through an issuer's guarantee of a specific interest rate (the wrapper contract) and a portfolio of financial instruments which include intermediate bond funds and money market funds. Contract value is the relevant measurement attributable to a GIC because it is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Master Trust invests in mutual funds, common collective trusts, Leidos Holdings, Inc. common stock and the stable value fund mentioned above.

Investment Gains and Losses – Realized gains and losses on sales of investments are calculated as the difference between the fair value of the investments upon sale and the fair value of the investments at purchase. Unrealized appreciation or depreciation is calculated as the difference between the fair value of the investments at the end of the year and the fair value of the investments at the beginning of the year or at purchase if purchased during the year.

Interest income is recorded on the accrual basis of accounting. Dividends are recorded on the ex-dividend date.

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 2. Summary of Significant Accounting Policies, Continued

Notes receivable from participants:

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2020 or 2019. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Payment of benefits:

Benefits are recorded when paid.

Expenses:

Administrative expenses of the Plan are paid by the Company or Plan participants as provided in the Plan document.

Subsequent events:

The Plan has evaluated subsequent events through September 28, 2021, the date the financial statements were available to be issued.

Recently issued accounting pronouncements:

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to Disclosure Requirements for Fair Value Measurement*, to improve the effectiveness of disclosures in the notes to the financial statements. ASU 2018-13 is effective for all entities for fiscal years beginning after December 15, 2019. The Plan adopted this ASU for the year ended December 31, 2020. The adoption did not have a material impact on the financial statements.

Note 3. Trustee Certifications

The following is a summary of the Plan's asset information as of December 31, 2020 and 2019, and for the year ended December 31, 2020, included throughout the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by the trustee and furnished to the plan administrator. The plan administrator has obtained certifications from the trustee that the information provided to the plan administrator by the trustee related to the following assets is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to information which appears throughout the financial statements and supplemental schedule related to the following assets:

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 3. Trustee Certifications, Continued

	<u>2020</u>	<u>2019</u>
Investments:		
Plan interest in Leidos, Inc. Master Trust at fair value	\$ 51,492,862	\$ 45,534,993
Plan interest in Leidos, Inc. Master Trust at contract value	3,709,562	147,570
Notes receivable from participants	<u>1,015,629</u>	<u>985,567</u>
	<u>\$ 56,218,053</u>	<u>\$ 46,668,130</u>

The trustee also certified to the completeness and accuracy of \$6,799,113 of Plan interest in Leidos, Inc. Master Trust investment income and \$52,507 of interest income on notes receivable from participants for the year ended December 31, 2020.

Note 4. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period.

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 4. Fair Value Measurements, Continued

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Common stock – Investments in shares of Leidos Holdings, Inc. common stock, which is publicly traded on the New York Stock Exchange, is recorded at its publicly-traded quoted market price as of December 31, 2020 and 2019.

Common collective trusts – Valued at NAV. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

The following table sets forth by level, within the fair value hierarchy, the assets at fair value of the Master Trust as of December 31, 2020 and 2019.

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 841,035,655	\$ -	\$ -	\$ 841,035,655
Common stock	<u>742,591,795</u>	-	-	<u>742,591,795</u>
Total assets in the fair value hierarchy	<u>\$ 1,583,627,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,583,627,450</u>
Investments measured at NAV (a)				<u>7,440,622,086</u>
Investments at fair value				<u>\$ 9,024,249,536</u>

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Mutual funds (b)	\$ 1,673,638,322	\$ -	\$ -	\$ 1,673,638,322
Common stock (b)	<u>733,279,049</u>	-	-	<u>733,279,049</u>
Total assets in the fair value hierarchy	<u>\$ 2,406,917,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,406,917,371</u>
Investments measured at NAV (a)				<u>5,338,749,101</u>
Investments at fair value				<u>\$ 7,745,666,472</u>

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 4. Fair Value Measurements, Continued

- (a) Investments measured at NAV per share or its equivalent are not classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits. These investments, which represent the Master Trust's investments in common collective trusts, have no unfunded commitments, have a daily redemption frequency and do not have a redemption notice period.
- (b) 2019 Master Trust balances have been recast to reclassify the money market fund out of the total for common stock.

We evaluate the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2020 and 2019, there were no significant transfers in or out of Levels 1, 2, or 3. The Master Trust did not have any Level 2 or Level 3 investments for the years ended December 31, 2020 or 2019.

Note 5. Plan Interest in Master Trust

As of September 30, 2019 the Plan moved all of its investments into the Leidos, Inc. Master Trust. The Plan's investments are included in the investments of the Master Trust. Each participant in the retirement plan directs their investments into the funds within the Master Trust. The Plan's record keeper maintains supporting records for the purpose of allocating net assets and net gains and losses of each of the investments of the Plans and to each participant's account based on participant direction. The Master Trust also includes investment assets of the Leidos, Inc. Retirement Plan, the Leidos BioMedical Research Capital Accumulation Plan, and the Leidos BioMedical Research Employee Savings Plan.

The following table presents the investments and other assets and liabilities of the Master Trust, and the Plan's interest in the Master Trust, as of December 31, 2020 and 2019:

	<u>Master Trust Balances</u>		<u>Plan's Interest in Master Trust Balances</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Mutual funds (a)	\$ 841,035,655	\$ 1,673,638,322	\$ 967,686	\$ 45,534,993
Leidos Holdings, Inc. common stock	742,591,795	733,279,049	-	-
Common collective trusts	<u>7,440,622,086</u>	<u>5,338,749,101</u>	<u>50,525,176</u>	<u>-</u>
Total investments at fair value	9,024,249,536	7,745,666,472	51,492,862	45,534,993
Stable value fund at contract value	<u>594,549,716</u>	<u>498,304,192</u>	<u>3,709,562</u>	<u>147,570</u>
Total investments	<u>\$ 9,618,799,252</u>	<u>\$ 8,243,970,664</u>	<u>\$ 55,202,424</u>	<u>\$ 45,682,563</u>

- (a) 2019 Master Trust balances have been recast to reclassify the money market fund out of the total for common stock.

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 5. Plan Interest in Master Trust, Continued

The following table sets forth the changes in net assets for the Master Trust for the year ended December 31, 2020:

Net appreciation in fair value of investments	\$ 1,225,330,654
Interest and dividend income	<u>20,269,353</u>
Total investment income	<u>1,245,600,007</u>
Net transfers	129,228,581
Master Trust net assets	
Beginning	<u>8,243,970,664</u>
Ending	<u>\$ 9,618,799,252</u>

During 2020, the Plan received an allocation of .5% on the net investment income in the Master Trust. Investment income is allocated to each plan based on the plan's specific interest attributed to the underlying assets of the Master Trust.

Note 6. Related-Party and Party in Interest Transactions

Certain Plan investments are managed by an affiliate of Vanguard Fiduciary Trust Company. Vanguard Fiduciary Trust Company is the trustee as defined by the Plan and, therefore, these transactions qualify as party in interest transactions. Fees paid to the trustee were \$57,814 for the year ended December 31, 2020. The Company pays directly any other fees related to the Plan's operations.

Note 7. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their profit sharing contributions.

Note 8. Tax Status

The Company has adopted the Plan based on a volume submitter plan document sponsored by The Vanguard Group and has received an opinion letter from the IRS dated February 21, 2019 that states that the form of the volume submitter plan is acceptable under Section 401 of the Internal Revenue Code ("IRC"). The plan administrator has not requested a determination letter from the IRS on the Plan. Although the Plan has been amended since receiving the opinion letter, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

On March 11, 2020, the World Health Organization classified the COVID-19 outbreak as a pandemic. As a result of COVID-19, there has been heightened market risk and volatility associated with the pandemic, and this could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits. Because of the uncertainty of the markets during this time, Plan management is unable to estimate the total impact of the pandemic.

Note 10. Subsequent Events

On August 16, 2019, the Company acquired QTC Commercial Services ("QTCCS"), First Rehabilitation Resources ("FRR"), and Comprehensive Medical Assessment ("CMA"), and subsequently merged the assets the qualified retirement plans sponsored by those organizations into the Master Trust on various dates in January 2021. As a result of the merger, all assets of the QTCCS and FRR plans, totaling \$10,888,856 and \$5,723,243 respectively, were transferred into the Master Trust on January 4, 2021. All assets of the CMA plan, totaling \$256,383, were transferred into the Master Trust on January 19, 2021.

QTC Management, Inc. Retirement Savings Plan
Schedule H, Line 4i - Schedule of Assets (Held at End of Year) EIN 95-3948968, Plan No. 003
As of December 31, 2020

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Notes receivable:				
*	Notes receivable from participants	4.25% to 6.50%		\$ 1,015,629
				<u>\$ 1,015,629</u>

* Indicates a party-in-interest to the Plan

**QTC Management, Inc.
Retirement Savings Plan**

Report on Financial Statements

For the year ended December 31, 2020

QTC Management, Inc. Retirement Savings Plan

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Independent Auditor's Report

Plan Administrator
QTC Management, Inc. Retirement Savings Plan
San Dimas, California

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of QTC Management, Inc. Retirement Savings Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, the related statement of changes in net assets available for benefits for the year ended December 31, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL's) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Vanguard Fiduciary Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's assets and executes transactions. The plan administrator has obtained certifications from the trustee of the Plan as of December 31, 2020 and 2019, and for the year ended December 31, 2020, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Report on Supplemental Schedule

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2020, is required by the DOL’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan’s management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



Greenville, South Carolina
September 28, 2021

QTC Management, Inc. Retirement Savings Plan**Statements of Net Assets Available for Benefits****As of December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Assets		
Investment in Leidos, Inc. Master Trust at fair value (see Note 5)	\$ 51,492,862	\$ 45,534,993
Investment in Leidos, Inc. Master Trust at contract value (see Note 5)	<u>3,709,562</u>	<u>147,570</u>
Total Investments	<u>55,202,424</u>	<u>45,682,563</u>
Receivables		
Notes receivable from participants	<u>1,015,629</u>	<u>985,567</u>
Total receivables	<u>1,015,629</u>	<u>985,567</u>
Net assets available for benefits	<u>\$ 56,218,053</u>	<u>\$ 46,668,130</u>

See Notes to Financial Statements

QTC Management, Inc. Retirement Savings Plan

Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2020

Additions:

Investment income	
Plan interest in Leidos, Inc. Master Trust	\$ 6,799,113
Total investment income	<u>6,799,113</u>
Interest income on notes receivable from participants	<u>52,507</u>
Contributions	
Participants	4,930,930
Company	1,638,856
Rollovers	168,823
Total contributions	<u>6,738,609</u>
Total additions	<u>13,590,229</u>

Deductions:

Benefits paid to participants	3,982,492
Administrative expenses	57,814
Total deductions	<u>4,040,306</u>
Net increase	9,549,923

<i>Net assets available for benefits, beginning of year</i>	<u>46,668,130</u>
<i>Net assets available for benefits, end of year</i>	<u><u>\$ 56,218,053</u></u>

See Notes to Financial Statements

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 1. Description of the Plan

The following description of the QTC Management, Inc. Retirement Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution plan covering all employees of QTC Management Inc. (the "Company"), except employees governed by a collective bargaining agreement and leased employees, who have completed one month of service and are age eighteen or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Leidos, Inc. Retirement Plans Committee is the Plan's named fiduciary for purposes of Section 402(a) of ERISA.

Investment funds:

As of December 31, 2020 and 2019, the Plan held interest in the Leidos, Inc. Master Trust ("Master Trust").

Contributions:

Each year, participants may contribute up to 90 percent of their eligible compensation as defined in the Plan. Participants who have attained the age of 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless that affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 2 percent of eligible compensation and their contributions invested in a designated balanced fund until changed by the participant. The Company contributes 50 percent up to 4 percent of eligible compensation that a participant contributes to the Plan. Additional profit sharing amounts may be contributed at the option of the Company's board of directors. There were no discretionary profit sharing contributions during the year ended December 31, 2020. Contributions are subject to certain Internal Revenue Service (IRS) limitations.

Participant accounts:

Each participant's account is credited with the participant's contributions, Company contributions, and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting:

Participants are immediately vested in their voluntary contributions and Company matching contributions plus actual earnings thereon. Vesting in the Company's profit sharing contributions portion plus earnings thereon is based on a participant's years of continuous service. A participant is fully vested in the profit sharing contributions after six years of credited service.

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 1. Description of the Plan, Continued

Payment of benefits:

On termination of service, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount or other installment options as provided by the Plan. Hardship distributions are permitted upon demonstration of financial hardship. All fully vested balances are available for distribution after the participant reaches the age of 59 ½.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security ("CARES") Act was signed into law. Qualified individuals are those diagnosed with coronavirus ("COVID-19") or have a spouse or dependent who have been diagnosed, or who experience "adverse financial consequences" as a result of a quarantine, furlough, lay-off, reduction in work hours, business closure, the lack of child care, or other factors due to the COVID-19 pandemic.

The Plan elected to adopt the provisions of the CARES Act. Section 2202(a) of the CARES Act allows for qualified individuals to take up to \$100,000 in coronavirus-related distributions with repayment terms of up to three years. Participants were able to request coronavirus-related distributions under the CARES Act from May 12, 2020 to December 31, 2020. The distributions without tax withholding made during 2020 may be returned to the Plan within three years, or if not returned, will be subject to ordinary taxation. Qualified individuals could also request a delay of note receivable repayments for repayments that occurred between May 12, 2020 and December 31, 2020. If a delay was granted, the participant's note was reamortized and included any interest accrued during the period of delay. In addition, pursuant to the CARES Act, qualified individuals who were currently receiving required minimum distributions had their 2020 payment automatically waived and participants who were due to receive the first required distribution in 2020 had their distribution automatically waived. The ability to waive a required minimum distribution and delay in note repayments and take a coronavirus-related distribution under the CARES Act ceased as of December 31, 2020.

Notes receivable from participants:

The Plan has adopted the loan provisions provided under the CARES Act. For the period March 27, 2020 through September 22, 2020, participants may borrow from their account a minimum \$1,000 up to a maximum equal to the lesser of \$100,000 or 100 percent of their vested account balance.

With the exception of the period noted above, participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 reduced by the highest outstanding loan balance during the preceding twelve month period or 50 percent of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined monthly by the plan administrator. Principal and interest is paid ratably through regular payroll deductions.

Forfeited accounts:

At December 31, 2020 and 2019, forfeited nonvested accounts totaled \$102,141 and \$31,762, respectively. These accounts will be used first to reduce future employer contributions, second to offset plan administrative expenses, and third allocated to participants. No forfeitures were used during 2020.

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 2. Summary of Significant Accounting Policies

Basis of accounting:

The Plan's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Investment transactions are accounted for on their trade dates.

Accounting estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires Plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions and deductions during the reporting periods. Actual results may differ from those estimates.

Investment valuation and income recognition:

Investments are held by the Leidos, Inc. Master Trust as of December 31, 2020 and 2019 as follows:

Investment in Master Trust – Primarily reported at fair value. Fair value is the price that would have been received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Master Trust invests in a common collective trust fund which holds synthetic guaranteed investment contracts (GICs) that are reported at contract value. The synthetic GICs simulate the performance of guaranteed investment contracts through an issuer's guarantee of a specific interest rate (the wrapper contract) and a portfolio of financial instruments which include intermediate bond funds and money market funds. Contract value is the relevant measurement attributable to a GIC because it is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Master Trust invests in mutual funds, common collective trusts, Leidos Holdings, Inc. common stock and the stable value fund mentioned above.

Investment Gains and Losses – Realized gains and losses on sales of investments are calculated as the difference between the fair value of the investments upon sale and the fair value of the investments at purchase. Unrealized appreciation or depreciation is calculated as the difference between the fair value of the investments at the end of the year and the fair value of the investments at the beginning of the year or at purchase if purchased during the year.

Interest income is recorded on the accrual basis of accounting. Dividends are recorded on the ex-dividend date.

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 2. Summary of Significant Accounting Policies, Continued

Notes receivable from participants:

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2020 or 2019. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Payment of benefits:

Benefits are recorded when paid.

Expenses:

Administrative expenses of the Plan are paid by the Company or Plan participants as provided in the Plan document.

Subsequent events:

The Plan has evaluated subsequent events through September 28, 2021, the date the financial statements were available to be issued.

Recently issued accounting pronouncements:

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to Disclosure Requirements for Fair Value Measurement*, to improve the effectiveness of disclosures in the notes to the financial statements. ASU 2018-13 is effective for all entities for fiscal years beginning after December 15, 2019. The Plan adopted this ASU for the year ended December 31, 2020. The adoption did not have a material impact on the financial statements.

Note 3. Trustee Certifications

The following is a summary of the Plan's asset information as of December 31, 2020 and 2019, and for the year ended December 31, 2020, included throughout the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by the trustee and furnished to the plan administrator. The plan administrator has obtained certifications from the trustee that the information provided to the plan administrator by the trustee related to the following assets is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to information which appears throughout the financial statements and supplemental schedule related to the following assets:

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 3. Trustee Certifications, Continued

	<u>2020</u>	<u>2019</u>
Investments:		
Plan interest in Leidos, Inc. Master Trust at fair value	\$ 51,492,862	\$ 45,534,993
Plan interest in Leidos, Inc. Master Trust at contract value	3,709,562	147,570
Notes receivable from participants	<u>1,015,629</u>	<u>985,567</u>
	<u>\$ 56,218,053</u>	<u>\$ 46,668,130</u>

The trustee also certified to the completeness and accuracy of \$6,799,113 of Plan interest in Leidos, Inc. Master Trust investment income and \$52,507 of interest income on notes receivable from participants for the year ended December 31, 2020.

Note 4. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period.

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 4. Fair Value Measurements, Continued

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Common stock – Investments in shares of Leidos Holdings, Inc. common stock, which is publicly traded on the New York Stock Exchange, is recorded at its publicly-traded quoted market price as of December 31, 2020 and 2019.

Common collective trusts – Valued at NAV. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

The following table sets forth by level, within the fair value hierarchy, the assets at fair value of the Master Trust as of December 31, 2020 and 2019.

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 841,035,655	\$ -	\$ -	\$ 841,035,655
Common stock	<u>742,591,795</u>	-	-	<u>742,591,795</u>
Total assets in the fair value hierarchy	<u>\$ 1,583,627,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,583,627,450</u>
Investments measured at NAV (a)				<u>7,440,622,086</u>
Investments at fair value				<u>\$ 9,024,249,536</u>

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Mutual funds (b)	\$ 1,673,638,322	\$ -	\$ -	\$ 1,673,638,322
Common stock (b)	<u>733,279,049</u>	-	-	<u>733,279,049</u>
Total assets in the fair value hierarchy	<u>\$ 2,406,917,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,406,917,371</u>
Investments measured at NAV (a)				<u>5,338,749,101</u>
Investments at fair value				<u>\$ 7,745,666,472</u>

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 4. Fair Value Measurements, Continued

- (a) Investments measured at NAV per share or its equivalent are not classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits. These investments, which represent the Master Trust's investments in common collective trusts, have no unfunded commitments, have a daily redemption frequency and do not have a redemption notice period.
- (b) 2019 Master Trust balances have been recast to reclassify the money market fund out of the total for common stock.

We evaluate the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2020 and 2019, there were no significant transfers in or out of Levels 1, 2, or 3. The Master Trust did not have any Level 2 or Level 3 investments for the years ended December 31, 2020 or 2019.

Note 5. Plan Interest in Master Trust

As of September 30, 2019 the Plan moved all of its investments into the Leidos, Inc. Master Trust. The Plan's investments are included in the investments of the Master Trust. Each participant in the retirement plan directs their investments into the funds within the Master Trust. The Plan's record keeper maintains supporting records for the purpose of allocating net assets and net gains and losses of each of the investments of the Plans and to each participant's account based on participant direction. The Master Trust also includes investment assets of the Leidos, Inc. Retirement Plan, the Leidos BioMedical Research Capital Accumulation Plan, and the Leidos BioMedical Research Employee Savings Plan.

The following table presents the investments and other assets and liabilities of the Master Trust, and the Plan's interest in the Master Trust, as of December 31, 2020 and 2019:

	<u>Master Trust Balances</u>		<u>Plan's Interest in Master Trust Balances</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Mutual funds (a)	\$ 841,035,655	\$ 1,673,638,322	\$ 967,686	\$ 45,534,993
Leidos Holdings, Inc. common stock	742,591,795	733,279,049	-	-
Common collective trusts	<u>7,440,622,086</u>	<u>5,338,749,101</u>	<u>50,525,176</u>	<u>-</u>
Total investments at fair value	9,024,249,536	7,745,666,472	51,492,862	45,534,993
Stable value fund at contract value	<u>594,549,716</u>	<u>498,304,192</u>	<u>3,709,562</u>	<u>147,570</u>
Total investments	<u>\$ 9,618,799,252</u>	<u>\$ 8,243,970,664</u>	<u>\$ 55,202,424</u>	<u>\$ 45,682,563</u>

- (a) 2019 Master Trust balances have been recast to reclassify the money market fund out of the total for common stock.

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 5. Plan Interest in Master Trust, Continued

The following table sets forth the changes in net assets for the Master Trust for the year ended December 31, 2020:

Net appreciation in fair value of investments	\$ 1,225,330,654
Interest and dividend income	<u>20,269,353</u>
Total investment income	<u>1,245,600,007</u>
Net transfers	129,228,581
Master Trust net assets	
Beginning	<u>8,243,970,664</u>
Ending	<u>\$ 9,618,799,252</u>

During 2020, the Plan received an allocation of .5% on the net investment income in the Master Trust. Investment income is allocated to each plan based on the plan's specific interest attributed to the underlying assets of the Master Trust.

Note 6. Related-Party and Party in Interest Transactions

Certain Plan investments are managed by an affiliate of Vanguard Fiduciary Trust Company. Vanguard Fiduciary Trust Company is the trustee as defined by the Plan and, therefore, these transactions qualify as party in interest transactions. Fees paid to the trustee were \$57,814 for the year ended December 31, 2020. The Company pays directly any other fees related to the Plan's operations.

Note 7. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their profit sharing contributions.

Note 8. Tax Status

The Company has adopted the Plan based on a volume submitter plan document sponsored by The Vanguard Group and has received an opinion letter from the IRS dated February 21, 2019 that states that the form of the volume submitter plan is acceptable under Section 401 of the Internal Revenue Code ("IRC"). The plan administrator has not requested a determination letter from the IRS on the Plan. Although the Plan has been amended since receiving the opinion letter, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

QTC Management, Inc. Retirement Savings Plan

Notes to Financial Statements

December 31, 2020 and 2019

Note 9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

On March 11, 2020, the World Health Organization classified the COVID-19 outbreak as a pandemic. As a result of COVID-19, there has been heightened market risk and volatility associated with the pandemic, and this could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits. Because of the uncertainty of the markets during this time, Plan management is unable to estimate the total impact of the pandemic.

Note 10. Subsequent Events

On August 16, 2019, the Company acquired QTC Commercial Services ("QTCCS"), First Rehabilitation Resources ("FRR"), and Comprehensive Medical Assessment ("CMA"), and subsequently merged the assets the qualified retirement plans sponsored by those organizations into the Master Trust on various dates in January 2021. As a result of the merger, all assets of the QTCCS and FRR plans, totaling \$10,888,856 and \$5,723,243 respectively, were transferred into the Master Trust on January 4, 2021. All assets of the CMA plan, totaling \$256,383, were transferred into the Master Trust on January 19, 2021.

QTC Management, Inc. Retirement Savings Plan
Schedule H, Line 4i - Schedule of Assets (Held at End of Year) EIN 95-3948968, Plan No. 003
As of December 31, 2020

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Notes receivable:				
*	Notes receivable from participants	4.25% to 6.50%		\$ 1,015,629
				<u>\$ 1,015,629</u>

* Indicates a party-in-interest to the Plan