

Risk Factors Comparison 2025-03-17 to 2024-03-20 Form: 10-K

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In your evaluation of our Company and business, you should carefully consider the risks and uncertainties described below, together with information included elsewhere within this report and other documents we file with the SEC. These risks, as well as additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may materially harm our business, financial condition or operating results and **thus** result in a decline in the price of our stock. Industry and Economic Risks We depend on U. S. government agencies as our primary ~~customer~~ **customers** and, if our reputation or relationships with these agencies were **to be** harmed, **if** ~~our future revenues and cash flows would~~ **could** be adversely affected **impact our financial performance**. We generated 98 % of our total revenues during each of the last three fiscal years from contracts with the U. S. government, either as a prime contractor or **as** a subcontractor to other **companies performing prime contractors** ~~contracts~~ engaged in work for the U. S. government. We expect to continue to derive substantially all of our revenues from work performed under U. S. government contracts. Our ~~reputation and~~ relationship with the U. S. government **is**, ~~and in particular particularly~~ with the DoD agencies **is** of the DoD, **are** key **to** factors in maintaining **these contracts, winning new work,** and growing **these our** revenues. Negative press reports or publicity, regardless of accuracy, could harm our reputation **and jeopardize**. If our reputation is negatively affected, or **our** if we are suspended or debarred from contracting with government agencies for any reason, the amount of business with **our** government and other customers would decrease and **, potentially adversely affecting** our future revenues, cash flows, and financial results ~~would be adversely affected~~. **Reduced** A decline in the U. S. government defense budget **spending**, changes in **acquisition** spending or budgetary priorities, **significant delays in** the failure to approve U. S. government **appropriations, and** budgets on a timely basis or delays in contract awards, **program starts,** and other procurement activity, **could** may significantly and adversely affect our future revenues, cash flow, and financial results. Because we generate substantially all of our revenues from contracts with U. S. government agencies, our operating results could be adversely affected by spending caps or, changes in budgetary priorities, **or** as well as by delays in the government budget process, program starts, or the award of contracts or task orders under contracts. Current U. S. government spending levels for defense- related and other programs may not be sustained through government fiscal year (" GFY") **2024 2025**. Future spending and program authorizations may ~~not increase~~ **be stagnant** or may decrease, or **spending priorities may** shift to programs in areas in which we do not provide services or are less likely to be awarded contracts. ~~Such changes in spending authorizations and budgetary priorities may occur as a result of shifts in spending priorities.~~ A change in ~~administrations~~ **administration** or changing national priorities may reduce defense- related and other programs **due to** as a result of competing demands for federal funds and the number and intensity of military conflicts or other factors. When the U. S. Congress ~~does not complete~~ **fails to pass** a budget before the end of the fiscal year, government operations typically are funded through one or more continuing resolutions that authorize **(" CRs")**, which **enable government** agencies of the U. S. government to continue to operate **operating**, but do not ~~authorize~~ **allow** new spending initiatives. **CRs can lead to** ~~When the U. S. government operates under a continuing resolution,~~ contract awards **being** may be delayed, canceled, or funded at lower levels, which could adversely impact our operations, cash flows, and financial results. In addition, it is possible that an impasse on policy issues could threaten continuous government funding through September 30, **2024 2025**, or result in another federal government shutdown, which could cause us to incur labor or other costs without reimbursement under customer contracts or the delay or cancellation of key programs, and could adversely affect our operations, cash flows, and financial results. The U. S. government also conducts periodic reviews of U. S. defense strategies and priorities, which may shift DoD budgetary priorities, reduce overall spending or delay contract or task order awards for defense- related programs from which we would otherwise expect to derive a significant portion of our future revenues. A significant decline in overall U. S. government spending, a significant shift in spending priorities, the substantial reduction or elimination of ~~particular~~ defense- related programs or significant budget- related delays in contract or task order awards for large programs could adversely affect our future revenues and limit our growth prospects. SCIENCE APPLICATIONS INTERNATIONAL CORPORATION We face aggressive competition that can impact our ability to obtain contracts and may affect our future revenues, profitability, and growth prospects. We expect that **most** a majority of the **contracts** business that we ~~seek~~ **pursue** in the foreseeable future will be awarded through a competitive bidding process as the U. S. government increasingly relies on IDIQ, GSA Schedule, and other multi- award contracts, which has ~~resulted in~~ **led to** greater competition and increased pricing pressure. The competitive bidding process involves substantial ~~costs~~ **resources** and a number of risks, including significant cost and managerial time to prepare bids and proposals for contracts that may not be awarded to us, or that may be awarded but for which we do not receive meaningful task orders. Following contract award, we may encounter significant expense, delay, contract modifications, or even contract loss **in the event** as a result of our competitors ~~protesting~~ **protest** the award of contracts to us in competitive bidding. Any resulting loss or delay of startup and funding of work under protested contract awards may adversely affect our revenues and / or profitability. In addition, multi- award contracts require that we make sustained post- award efforts to obtain task orders under the contract. ~~As a~~, **failure of which may** result **in us**, we may not be able to obtain these task orders or ~~recognize~~ **recognizing** revenues under these multi- award contracts. Our failure to compete effectively in this procurement environment ~~would~~ **could** adversely affect our revenues and profitability. We compete with larger companies that have **greater more** name recognition, **greater** financial resources, and larger technical staffs, and **we also compete** with smaller, more specialized companies that ~~are able to~~ concentrate their resources on particular areas. Additionally, we may compete with the U. S. government' s own capabilities. To remain competitive, we must consistently provide superior service, technology, and

performance on a cost-effective basis to our customers and there is no assurance that we will do so. Our earnings and profitability may vary based on the mix of our contracts and may be adversely affected by our failure to accurately estimate and manage costs, time, and resources accurately. Our profitability and cash flow may vary materially depending on the types of government contracts we are awarded, the nature of services performed under those contracts, the costs incurred in performing the work, the achievement of performance objectives, and the stage of performance at which the right to receive fees is determined, particularly under incentive and award fee contracts. Failure to perform to customer expectations and contract requirements may result in reduced fees or losses and may adversely affect our financial performance. We generate revenues under various several contract types of contracts, which include including cost-reimbursement reimbursable, T & M, and FFP contracts. Our earnings and profitability may vary materially depending Under cost-reimbursable contracts, the government pays allowable costs incurred during performance of the contract plus a fee up to a ceiling based on changes in the proportionate amount that of revenues derived from each type of contract, the nature of services or solutions provided, as has well as the achievement of been funded. Cost, schedule, or technical performance issues on cost-reimbursable contracts could result in reduced objectives and the stage of performance at which the right to receive fees, particularly decreased profit, or program cancellation. Under Under incentive and award fee contracts, is finally determined. Cost-reimbursement and T & M contracts generally have lower profitability than, the government pays for the exact cost of all materials, plus a predetermined hourly rate for the labor involved. Under FFP contracts. To varying degrees, each the government pays a fixed price regardless of our contract types involves some the actual costs of performance, meaning that we bear the risk of that we could underestimate the costs and resources necessary to fulfill the contract. Our profitability is adversely affected when we incur costs on cost overruns, but we also have the opportunity for profit if we manage the program efficiently. Cost-reimbursement reimbursable and T & M contracts are generally less profitable than that than we cannot bill to our customers. While FFP contracts allow us to benefit from cost savings, these contracts also increase our exposure to the risk of cost overruns. In fiscal 2025, approximately 16%, 22% and 62% of our total Revenues revenues derived came from FFP contracts, T & M and cost-reimbursable represented approximately 19% of our total revenues for fiscal 2024. When making proposals on FFP contracts, we rely heavily on our estimates respectively. To varying degrees, there is financial risk with each of these contract types if we underestimate the costs and timing of performance for or fail completing the associated projects, as well as assumptions regarding technical issues. In each case, our failure to accurately estimate manage the program efficiently and costs cost- or the resources and technology needed to perform our contracts or to effectively manage and control our costs during the performance of work could result, and in some instances has resulted, in reduced profits or in losses. More generally, any increased or unexpected Unexpected costs expenses and / or unanticipated delays (in connection with the performance of our contracts, including those costs and delays caused by contractual contract disputes or other factors outside of our control (, such as poor performance by failures of our subcontractors, rising inflation, natural disasters, or other force majeure events including the outbreak of the coronavirus disease 2019 (" COVID-19")) could make result in reduced profits our or losses contracts less profitable than expected or unprofitable. We use estimates in recognizing revenues and, and if we make changes to estimates used in recognizing revenues, our profitability may be adversely affected if we make changes to those estimates. A significant portion of our revenues are recognized on contracts using a cost input measure, which requires estimates of total costs at completion, fees earned, or both. Due Particularly due to the technical nature of the our services being performed and the length of certain contracts, this estimation process is complex and involves significant judgment. Adjustments to original estimates are often required as work progresses, experience is gained, and additional information becomes known, even though the scope of the work required under the performance obligation may not have change changed. Any adjustment as a result of a change in estimate is recognized immediately. Changes in the underlying assumptions, circumstances, or estimates could necessitate result in adjustments that may adversely affect future financial results. Legal and Regulatory Risks Our failure to comply with the laws a variety of complex procurement rules and regulations governing organizational conflicts of interest (" OCIs ") could lead to result in our being liable for penalties, including, potentially, termination of one or more of our U. S. government contracts, disqualification from bidding on future U. S. government contracts and suspension or debarment from U. S. government contracting. We must comply with various laws and regulations relating to the formation, administration and performance of U. S. government contracts, which affect how we do business with our customers and may impose added costs on our business. Many of our U. S. government contracts contain organizational conflict of interest (" OCI") clauses that may limit our ability to compete for or perform certain other contracts or other types of services for particular customers. OCI arises when we engage in activities that may make us unable to render impartial assistance or advice to the U. S. government, impair our objectivity in performing contract work, or provide us with an unfair competitive advantage. Existing OCI, and any OCI that may develop, could preclude our competition for or performance on a significant project or contract, which could limit our opportunities. The U. S. government may adopt new contract issue or revise existing rules and, regulations, and directives or revise its procurement practices in a manner adverse to us at any time, creating uncertainty and requiring unanticipated investments in related compliance efforts. Our industry continues In recent quarters, the U. S. government customer has increasingly focused on affordability, efficiencies, and cost recovery when contracting with private companies. The new Department of Government Efficiency (" DOGE ") is currently evaluating federal agencies and existing government contracts, grants, and programs for affordability, efficiency, and alignment with U. S. government objectives. DOGE' s efforts to experience significant reduce federal spending create uncertainty and risk for government contractors, including potentially resulting in changes change to in budgetary priorities and timing on issuing awards. Decreases in, or delays in contract awards and in government spending on the types of programs that we support, and terminations or stop-work- orders on government contracts on which we are currently performing could adversely affect our future revenues and profitability. At the same time, given the nature of our business, the administration' s practices as a result of

an increased focus on affordability, efficiencies—efficiency and recovery of costs, among along with the potential for certain traditionally government functions to be transferred to private entities, may present business opportunities for us. Federal legislation, regulations, executive orders, and other items. U. S. government agencies may face restrictions or pressure regarding the type and amount of services that they may obtain from private contractors. Legislation, regulations and initiatives dealing with, among other things, procurement reform, the mitigation of potential OCI-OCIs's, the deterrence of fraud, the elimination of diversity, equity, and inclusion (“ DEI ”), and changes in corporate environmental responsibility obligations, could affect or our sustainability could have business. Additionally, we are subject to the laws and regulations of the states in which we operate, which, at times, may conflict with federal laws and regulations, introducing ambiguity. Recent executive orders relating to DEI and other social issues and “ return- to- office ” requirements, along with pending legal challenges, create uncertainty and may be temporarily unsettling for portions of our workforce. As always, we are committed to complying with all applicable laws and regulations, and we do not anticipate an adverse effect impact on our future operations and revenues related to these executive orders. The ongoing reforms to the U. S. government acquisition process, including changes to procurement rules and regulations, could transform how contracts are awarded, negotiated, and managed, which could lead to delays in contract awards and / or modifications to the scope or terms of contracts we hold. We could face increased competition, greater scrutiny, a more complex regulatory environment, heightened compliance requirements, and additional administrative burdens, all of which have the potential to affect our profitability. The FAR Council recently proposed significant revisions to the FAR related to OCIs, which, if adopted, could limit our ability to bid on certain contracts and / or require us to modify or restructure some business relationships. They could also impose additional compliance burdens and constraints on our business operations. Increased costs related to identifying, assessing, and mitigating OCI' s could negatively impact our profitability. Similarly, recent executive orders related to energy and the environment suggest a shift towards deregulation at the Federal-federal level. Although deregulation initiatives could provide short- term relief from regulatory obligations, the executive orders introduce uncertainty and risk, including the potential for legal challenges and the possibility of new environmental policies at the state or local levels that may impose stricter regulations. We are actively monitoring and adapting to changes in environmental laws, assessing regulations and mandates that require significant progress to reduce the impact of physical risks posed by climate change through carbon pollution-free electricity, net-zero emissions in vehicles, buildings, procurement and implementing sustainability initiatives aimed at reducing the environmental impact of our operations. However, the full extent of these risks and similar actions could diminish their potential impact on or our weaken our ability to attain new contracts or garner renewals business remains uncertain and could materially affect its financial performance. As a We are subject to government audits services provider, we anticipate cost adjustments, reviews, and investigations that requirements around supply chain management and specific procurement strategies to reduce contractor emissions and emissions in products used or acquired could impair the Company from effectively competing. Further, requirements around the disclosure of greenhouse gas emissions, particularly Scope 3 emissions, emission reduction targets, climate risk, and other climate sustainability actions could potentially have a negative impact to our business and the ability to secure certain contracts or contract renewals. The risk of more rapidly shifting or changing government policies could have an equally adverse effect on government contractors such as ourselves. Moreover, shifts in the buying practices of U. S. government agencies (such as increased usage of fixed-price contracts, multiple award contracts and small business set-aside contracts) could have adverse effects on government contractors, including us. Any of these changes could impair our ability to obtain new contracts or contract renewals. Any new contracting requirements or procurement methods, including those related to climate change, could be costly or administratively difficult for us to implement and could adversely affect our future revenues, profitability and prospects. Our business is subject to reviews, audits and cost adjustments by the U. S. government, which, if resolved unfavorably to us, could adversely affect our profitability, cash flows, or growth prospects. The DCAA, the DCMA, and others routinely audit and review a contractor's performance on government contracts, indirect cost rates and pricing practices, and compliance with applicable government contracting and procurement laws, regulations, and standards. They also review the adequacy of the contractor's compliance with government standards for its business systems, including its which are defined as the contractor's accounting, earned value management, estimating, materials management, property management, and purchasing systems. A finding of significant control deficiencies in a contractor's business systems or a finding of noncompliance with the CAS can result in decremented billing rates to U. S. government customers until the control deficiencies are corrected and DCMA approves their remediation is accepted by the DCMA. The Government audits and reviews have become more rigorous as the agencies that conducting conduct them these audits and reviews have come under increased scrutiny. As a result, leading to stricter interpretations of audits and reviews have become more rigorous and the standards to which we government contractors are held and the are being more strictly interpreted, which has increased the likelihood of an audit or review resulting in an adverse outcome outcomes. Government audits and reviews may conclude that our practices are not consistent with applicable laws and regulations and result in, leading to adjustments to contract costs and mandatory customer refunds. Such adjustments can be applied retroactively, which could result in significant customer refunds. Receipt of adverse Adverse audit findings or the failure to obtain an “ approved ” determination on our various business systems could significantly and adversely affect our business by, among other things, restricting our ability to bid on new contracts and, diminishing our competitive position for those proposals under evaluation, diminishing our competitive position. A determination of noncompliance could also result in the U. S. government imposing penalties and sanctions against us, including withholding of payments, suspension of payments, and increased government scrutiny. Increased scrutiny could adversely impact our ability to perform on contracts— contract performance, affect impede our ability to invoice invoicing for work performed, delay the our receipt of timely payment on contracts, and weaken our ability to compete for new contracts with the U. S. government. The As is typical in our industry,

DCAA's indirect cost audits by the DCAA of our the Company's business remain open for certain prior years and the current year. We have recorded contract revenues based on an estimate of costs that we believe will be approved on final audit. However, we cannot guarantee do not know the outcome of any ongoing or future audits or whether future that any required adjustments will not exceed our reserves. We are also subject to government reviews and investigations relating to all aspects of our business, including our contracts and operations. If a review for or potential adjustments investigation identifies improper or illegal activities, we may be subject to civil or criminal penalties or administrative sanctions, which could include the termination of contracts, forfeiture of profits, triggering of price reduction clauses, suspension of payments, imposition of fines, and / or suspension or debarment from doing business with the U. S. government. Allegations of impropriety, even if untrue, may cause us reputational harm and impede our ability to win new contract awards or receive contract renewals. Fines, penalties, and other sanctions are not uncommon in our industry and could negatively impact our profitability, cash position, and future opportunities. Our business is subject to governmental review and investigation, which could adversely affect our profitability, cash position and growth prospects. We are routinely subject to governmental investigations relating to all aspects of our business including our contracts and operations. If a review or investigation identifies improper or illegal activities, we may be subject to civil or criminal penalties or administrative sanctions, which could include the termination of contracts, forfeiture of profits, the triggering of price reduction clauses, suspension of payments, fines, and suspension or debarment from doing business with governmental agencies. We may suffer harm to our reputation if allegations of impropriety are made against us, which would impair our ability to win new contract awards or receive contract renewals. Penalties and sanctions are not uncommon in our industry. If we incur a material penalty or administrative sanction or otherwise suffer harm to our reputation, our profitability, cash position and future prospects could be adversely affected. The U. S. government may terminate, cancel, modify, or curtail our contracts at any time and, if we do not replace them, we may be unable to achieve or sustain revenue growth and may suffer a decline in revenues and profitability. Many of the U. S. government programs in for which we are participate as a prime contractor or subcontractor may extend for several years, and may include one or more base years and one or more option years. The Under our contracts, the U. S. government generally has the right not to exercise options to extend or expand our contracts, and may otherwise terminate, cancel, modify, or curtail our contracts at its convenience. Any decision by the U. S. government not to exercise contract options or to terminate, cancel, modify, or curtail our major programs or contracts would adversely affect our revenues, revenue growth, and profitability. We have experienced, and will continue to experience in the normal course of business, periodic performance issues under certain of our contracts. If a government customer terminates a contract for default, we may be exposed to liability, including for excess costs incurred by the customer in procuring undelivered services and solutions from another source. Depending on the nature and value of the contract, a performance issue or termination for default could cause our actual results to differ from those anticipated and could harm our reputation. Our use of net operating loss carryforwards and other tax attributes to offset future taxable income may become limited if in the event that we or the IRS determines determine that we have experienced an ownership change. As of February 2 January 31, 2024 2025, we have estimated \$ 251 223 million of gross net operating loss carryforwards and gross tax basis in our acquired amortizable goodwill and, as well as other intangible assets of approximately \$ 1. 2-0 billion. Net operating loss carryforwards and other tax attributes are subject to various annual limitations under Sections 382 and 383 of the Internal Revenue Code, which restricts a corporation's ability to use such carryforwards and attributes following an ownership change. Changes in tax laws and regulations or exposure to additional tax liabilities could adversely affect our financial results. Changes in U. S. (federal or state) tax regulations, or in their interpretation and application, including those with retroactive effect, could cause result in increases in our tax expense and affect profitability and cash flows. For example, beginning in fiscal 2023, the Tax Cuts and Jobs Act of 2017 eliminated the option to deduct research and development expenditures immediately in the year incurred and requires, instead requiring taxpayers to amortize such expenditures over five years for tax purposes. The While the impact of this change is dependent on the amount of research and development expenses we incur, as well as the potential for Congress to modify or repeal the provision or for the U. S. Treasury Department to release new guidance or interpretive rules. The impact to our income taxes payable was most significant in fiscal 2023, this impact will decrease decreasing over the five- year amortization period and is. By year six, we anticipated anticipate any impact to be immaterial in year six. The actual impact will depend on the amount of research and development costs incurred by the Company, whether Congress modifies, or repeals this provision and whether new guidance and interpretive rules are issued by the U. S. Treasury, among other factors. Legal disputes could require us to pay potentially large damage awards and could be costly to defend, which would could adversely affect our cash balances and profitability, and could damage our reputation. We are subject to several a number of lawsuits and claims described under " Legal Proceedings " in Part I, Item 3 of this report. We are also subject to, and may become a party to, a variety of other immaterial litigation or claims arising and suits that arise from time to time in the ordinary course of our business. The Department of Justice and other U. S. or foreign enforcement agencies of the U. S. government may bring claims or lawsuits against us in connection with our performance of government contracts or our billing or record- keeping relating to those contracts. Although rare, government agencies can seek to suspend or debar government contractors they believe have engaged in misconduct. The government Department of Justice has considerably more resources at its disposal to pursue these matters than we do to defend ourselves, and can bring suspension and debarment proceedings against them us that would prevent us from working for some or all U. S. government customers. In addition, and certain statutes under which the Department of Justice may bring claims (like the False Claims Act) provide for treble damages and penalties on a per invoice basis against. Consequently, the government contractors. These circumstances generally has give the Department of Justice significantly more leverage against in any legal dispute with us than if we were defending ourselves against claims brought by a commercial enterprise plaintiff or other private party would have. Settlements or Adverse adverse judgments or settlements in some or all of these legal disputes may result in significant monetary damages or injunctive injunctions, and

litigation and relief against us. Any claims or litigation could be costly to defend, and even if we are successful, or if fully indemnified, or insured, we could suffer damage to our reputation that impedes our ability and make it more difficult to compete effectively for work or obtain adequate insurance in the future. The outcome of litigation and other claims, including those described under “ Legal Proceedings ” in Part I, Item 3 of this report, is subject to inherent uncertainties, and management’s view of these matters may change in the future. Our business is subject to numerous legal and regulatory requirements, and any violation of these requirements, or any misconduct by our employees, subcontractors, agents, or business partners, could harm our business and reputation. In addition to government contract procurement laws and regulations, we are subject to numerous other federal, state, and foreign legal requirements on matters as diverse as related to, among other things, fraud (including but not limited to falsifying time and other records), data privacy and protection, employment and labor relations, immigration, taxation, anti-corruption anticorruption, import / export controls, trade restrictions, internal and disclosure control obligations, securities regulation regulations, and antitrust anti-competition. Compliance with diverse and changing legal requirements is costly, time-consuming, and requires significant resources. Violations can of one or more of these requirements in the conduct of our business could result in significant fines and penalties, restitution, or other damages (which can be significant), criminal sanctions against us our Company and / or our officers, prohibitions the loss of security clearances, the cancellation of current contracts and the ineligibility for future contracts, and suspension or debarment from federal, state, or local contracting – any of which could adversely affect our business and financial results. Additionally, depending on doing business and damage to our reputation. Violations of these the regulations circumstances, or our Company can be held liable contractual obligations related to regulatory compliance in connection with the performance of customer contracts could also result in liability for significant monetary damages, fines and / or criminal prosecution, unfavorable publicity and other the reputational damage, restrictions on our ability to compete for certain work and allegations by our customers that we have not performed our contractual obligations. Misconduct misconduct by our of its employees, subcontractors, agents, or business partners could subject us to fines and penalties, restitution or other damages, loss of security clearance, loss of current and future customer contracts and suspension or debarment from contracting with federal, state or local government agencies, any of which would adversely affect our business and our future results. Such misconduct could include fraud or other improper activities such as falsifying time or other records, failure to comply with our policies and procedures or violations of applicable laws and regulations. Business and Operational Risks A failure to attract, train, retain, and utilize skilled employees and our senior management team would adversely affect our ability to execute our strategy and may disrupt our operations. Our business relies heavily upon on the expertise and services skills of our employees. Many government programs require our personnel to have security clearances. Our continued success depends on our the ability to recruit and retain highly trained and, skilled and, at times, cleared engineering, technical, and professional personnel. Competition for talent skilled personnel is intense, and competitors aggressively recruit key employees. In addition, many U. S. government programs require contractors to have security Security clearances. Depending on the level of required clearance, security clearances can be difficult and time-consuming to obtain, and cleared talent is personnel with security clearances are in great demand. Particularly in highly specialized areas, it has become more difficult to recruit and retain qualified employees and meet all of our needs for employees in a timely manner, which may could affect our growth in the current and future fiscal years. We will Although we intend to continue to devote significant resources to recruit recruiting, train training, and retain retaining top talent, but we cannot guarantee the outcome of these efforts. The failure to timely secure qualified employees, we may not be able to attract, effectively train and retain these employees. Any failure to do so could impair our ability to efficiently perform our contractual obligations, timely meet our customers’ needs and ultimately win new business or meet existing contractual obligations, all of which could adversely affect our future results financial performance. In addition, salaries and related costs expenses are a significant portion of the cost of providing our services and, accordingly, our ability to utilize our workforce efficiently can utilize our workforce impacts impact our profitability. If our employees are under- utilized, our profitability could suffer. Our We believe that our success also depends on the continued employment of a highly qualified and experienced senior management team and that focuses on team’s ability to retain retaining existing business and generate generating new business. The Although we have succession plans in place, the loss of key personnel in critical functions could temporarily impair lead to lack of business continuity or our disruptions ability to in win new contracts our or perform existing work business until we are able to hire and train replacement personnel. We may make acquisitions, investments, joint ventures, and divestitures in the future that involve numerous risks, which, if realized, may adversely affect our business and financial performance. Subject to the limitations of our future credit facility (as further described in “ Management’s Discussion and Analysis of Financial Condition and Results Results. We of Operations ” in Part II, Item 7 of this report), we may make strategic acquisitions or investments, engage in joint ventures, or divest existing businesses, which could cause us to incur unforeseen expenses, and have disruptive disrupt effects on our business and may not, fail to yield the anticipated benefits, we expect. Our Credit Facility also imposes limitations on our or pose ability to make other acquisitions. Subject to those limitations, we may selectively pursue additional strategic acquisitions, investments and joint ventures in the future. Any future acquisitions, investments and joint ventures may pose many risks that could adversely affect our reputation, operations, or financial results, including: • we may not retain key employees (including those with needed security clearances), customers, and business partners of an acquired business in the future; • we may fail to successfully integrate acquired businesses, such as failing to successfully implement IT and other control systems relating to the operations of any acquired business; • we may not generate sufficient earnings to meet the required Leverage Ratio under the Credit Facility, which would give lenders the right to, among other things, foreclose on our assets; • acquisitions normally require a significant investment of time and resources, which may disrupt our business and distract our management from other important responsibilities; • we may not be able to accurately estimate the financial effect of any acquisitions and investments on our business and we may not realize anticipated revenue opportunities, cost savings, or other

synergies or benefits, or acquisitions may not result in improved operating performance; and • we may assume known and as well as unknown material liabilities, including legal or regulatory risks that were not identified as part of our due diligence or for which we are unable to receive a purchase price adjustment or reimbursement through indemnification. If any acquisitions, investments, or joint ventures fail, perform poorly, or their value is otherwise impaired for any reason, including contractions in credit markets and global economic conditions, our business and financial results could be adversely affected. In addition, we may periodically divest businesses, including businesses that are no longer a part of our ongoing strategic plan. These divestitures similarly require significant investment of time and resources and, they may disrupt our business, distract management from other responsibilities, and create may result in losses on disposal or continued financial involvement in the divested business, including through indemnification, guarantee, or other financial arrangements, for a period of time following the transaction, which could adversely affect our financial results. We use and deploy AI solutions for our customers that could which may result in harm to our reputation or create liability if they do not function as predicted. We deploy and integrate AI solutions for our business operations and for customers, including AI solutions that assist with the design, deployment, and management of AI applications and that allow customers to work with their complex and sensitive data to power the most demanding analytics, data science, and AI use cases. These AI solutions may be vulnerable to misuse or cyberattack and, additionally, because this technology is developing so rapidly, we may be unable to keep up with new AI developments. The We use some AI solutions that we use are developed-- develop by us and some that we obtained-- obtain others from third parties. The development methods and algorithms of these solutions could be flawed, and the datasets could contain incorrect or biased information. Content or code generated by AI systems may be vulnerable to cyberattack cyber attack, require human review, be unreliable, illegal, or offensive, and could result in the AI solution not working as intended. If we deploy AI solutions that have unintended consequences or are more controversial than we anticipate, our customers may seek redress, and we may experience reputational harm which that could affect our business or financial results. Our use of AI solutions could be limited by, or subject to regulatory action or legal liability under, proposed rules or legislation regarding privacy, intellectual property, and other laws. We face various risks related to health epidemics, pandemics, and similar outbreaks, which may have material adverse effects on our business, financial position, results of operations, and / or cash flows. We face various risks related to health epidemics, pandemics, and similar outbreaks like such as the global outbreak of COVID- 19. If significant portions of our workforce cannot are unable to work effectively due to illness, quarantines, government actions, facility closures, or or for other reasons in connection with an epidemic, our operations will likely be impacted. We may be unable to perform fully on our contracts and some of our costs may not be fully recoverable or adequately covered by insurance. Another Re- occurrence of an epidemic could may also cause disruption in our supply chain ; cause, could delay ; or limit the ability operations of ; the U. S. government and other customers to perform ; (including making timely payments to us ;), could impact investment performance ;, and could cause other unpredictable negative events. In addition, the resulting volatility in the global capital markets could restrict our access to capital and / or increase our cost of capital. Customer systems failures could damage our reputation and adversely affect our revenues and profitability. Many of the systems and networks that we develop, install, and maintain for our customers involve managing and protecting personal information and information relating to national security and other sensitive government functions. While we have programs designed to comply with relevant privacy and security laws and restrictions, if a system or network that we develop, install, or maintain were to fail or experience a security breach or service interruption ; (whether caused by us, third- party service providers, cybersecurity threats, or other events), we may experience loss of revenue, remediation costs, or face claims for damages, or contract termination. This Any such event could cause serious harm to our reputation and prevent us from having access to, or being eligible for, further work on such involving these systems and networks. Our errors and omissions liability insurance may be not inadequate-- adequately to compensate us for all of the damages that we may incur and, and as a result, our future results could be adversely affected. We depend on our teaming arrangements and relationships with other contractors and subcontractors. If we are not able to maintain these relationships, or if these parties fail to satisfy their obligations to us or the customer, our revenues, profitability, and growth prospects could be adversely affected. We rely on teaming relationships with other prime contractors and subcontractors in order to submit bids for on large procurements or and other opportunities where when we believe the combination of services, products, and solutions we can offer with provided by us and our teammates will help us to win and perform the contract. Our future revenues and growth prospects could be adversely affected if other contractors eliminate or our partners reduce or end their contract relationships with us, or if the U. S. government terminates or reduces these other programs of prime contractors ; programs to which we subcontract, does not award them new contracts, or refuses to pay under a contract. Companies We may contract with subcontractors that do not have access to experience on U. S. government contracts or with our customers, providing them with the experience, relationships, and past performance to compete with us on our customers may perform services as our subcontractor that we cannot otherwise provide ourselves, and that exposure could enhance such companies' prospect of securing a future position as a prime U. S. government contractor, which could increase competition for future contracts and potential result impair our ability to win in these contracts-- contract losses. If Whenever our subcontractors fail to timely meet their contractual obligations ; or have regulatory compliance or other problems, our ability to fulfill our obligations as a prime contractor or higher tier subcontractor may be jeopardized. We have only a limited ability to protect our intellectual property rights, which are important to our success. Our failure to adequately protect our proprietary information and intellectual property rights could adversely affect our competitive position. We rely principally on trade secrets to protect much of our intellectual property in cases where we do not believe that patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. Although our employees are subject to confidentiality obligations, this protection may be inadequate to deter or prevent misappropriation of our confidential information. We may be unable to detect unauthorized use of our intellectual property or otherwise take appropriate steps to enforce our rights. Failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

If we are unable to prevent third parties from infringing or misappropriating our copyrights, trademarks, or other proprietary information, our competitive position could be adversely affected. In addition, in connection with the performance of services, the U. S. government has certain rights to inventions, data, software codes, and related material that we develop under government- funded contracts and subcontracts, which may permit the U. S. government to disclose or license this information to third parties, including, in some instances, our competitors. In the course of conducting our business, we may inadvertently infringe the intellectual property rights of others, resulting in claims against us or our customers. Our contracts generally indemnify our customers for third- party claims for intellectual property infringement by the services and solutions we provide. The expense of defending these claims may adversely affect our financial results. We face risks related to climate change if associated increases in extreme weather events prohibit or adversely affect our ability to work or our customers' requirements or priorities. Severe storms, increased precipitation and flooding, heat waves, forest fires, and other natural disasters tied to climate change could adversely affect our ability to execute our strategy and may disrupt our operations. Any climate event limiting our employees' ability to work - Severe storms, increased precipitation and flooding, heat waves and other weather- related obstacles due to climate change could adversely affect our ability to execute our strategy and may disrupt our operations. Any failure of our employees' ability to work could potentially impair our capability to efficiently perform and meet our contractual obligations, timely address our customers' needs, and ultimately win new business, all of which could adversely affect our business, financial position, results of operations, and / or cash flows. While we have a distributed workforce with employees working remotely across the U. S., we do have employees who, because of client requirements or contractual obligations, must work at specified locations. In these instances, if there was were a severe weather event that impacted such a location, we may might not be able to meet the client' s requirements or our contractual obligations. In the shorter term, a climate- related event could temporarily suspend impede our ability to do the required work in person, produce operational or other unforeseen challenges, and in the longer term, threaten our ability to perform performance of contracts in a timely manner or meet other requirements of the contract, any of which could harm our business and its results. Although SAIC has we have business continuity plans and other safeguards in place, there is no assurance that such plans and safeguards will be effective in preventing or that such measures will not adversely -- adverse affect impacts on our operations or long- term plans. In addition, local Local conditions and regulations may delay the return of employees to business sites, which could impede undermine our ability efforts to meet the client' s requirements or our contractual obligations. The ability of Climate- related limitations on individual employees, based on how severely the climate- related event has impacted them, may also create obstacles impede our ability to meeting customer meet the client' s requirements or our contractual obligations. Our Additionally, our customers, both government and civil, may shift priorities, requirements and business processes in response to climate change, which could affect our business and revenues. Customers could change priorities and approaches or direction due to their operations experiencing a direct climate- change impact, have future concerns about their long- term sustainability, face external legislative or regulatory pressure, or other external market factors such as investor, consumer, or societal requests or demands that a customer may feel obliged to respond to. Such changes and responses by our customers have the potential to adversely impact our future revenues, profitability, and prospects. We could incur significant liabilities and suffer negative publicity if our detection systems fail to operate as intended or our assessment reports prove to be inaccurate. We have developed and sold tsunami buoys and related services that are designed to assist in the detection of tsunamis or large waves that may have catastrophic consequences to coastal communities. Our buoys have been deployed by the U. S. National Oceanic and Atmospheric Administration and non- U. S. governments in other areas around the world. There are many factors, some of which are beyond our control, which that could result in the failure of these buoys. We may develop other products or provide services for the detection of catastrophic natural or man- made threats that could have catastrophic. Some of our contracts involve evaluating and / or assessing the likelihood or potential consequences if the threats are realized. In addition, we prepare reports for various government customers in the evaluation or assessment of the consequences of certain threats or natural disasters and other threats. The failure of our products and services to help detect the threats for which they were designed, or the failure of our reports to accurately assess the consequences of certain threats could contribute to injury, death and, or extensive property damage and may lead, potentially leading to product liability, professional liability, or other claims against us. Further, if our products, services, or reports fail to, (or are perceived to have failed to) help detect or adequately assess a threat, the negative publicity from such incident could have a material adverse effect on our business. Our services and operations sometimes involve using, handling, or disposing of hazardous substances or dangerous materials, which could expose us to potentially significant liabilities. Some of our services and operations involve the use, handling, or disposal of hazardous substances or dangerous materials, including explosive, chemical, biological, radiological, or nuclear materials. These activities generally subject us to extensive foreign, federal, state, and local environmental protection and health and safety laws and regulations, which, among other things, require us to incur compliance costs and to comply with these -- the risk of regulations and could impose liability on us for handling or disposing of hazardous substances or dangerous materials. Furthermore, failure Failure to comply with these environmental protection and health and safety laws and regulations could result in civil, criminal, regulatory, administrative, or contractual sanctions, including but not limited to fines, penalties, and / or suspension or debarment actions from contracting with the U. S. government or could cause us be required to incur costs to change, upgrade, remediate, and / or close some of our operations or properties. Although we do not have extensive real estate holdings, our ownership and operation of real property also subjects us to environmental protection laws, some of which hold create liability for current or previous owners or operators of businesses and real property liable for hazardous substance releases, even if they did not know of and were not responsible for the releases. If we have any violations of, or incur liabilities pursuant to, these laws or regulations, our financial condition and operating results could be adversely affected. We face risks associated with our international business operations, which have historically generated a small portion of our revenues, may be subject to additional and different risks than our domestic operations U. S. business. Failure

to comply with U. S. government laws and regulations applicable to international business, such as the Foreign Corrupt Practices Act or and U. S. export control regulations, could have an adverse impact on our business with the U. S. government and could expose us to administrative, civil, or criminal penalties, and may expose us to potentially significant contract losses. We In addition, we provide services and solutions in support of U. S. government customers in countries with governments that are politically may be or may become unstable, or are in areas of active military conflict zones, or subject to high-risk intelligence operations. Operating in such these environments may increase the risk of an incident resulting in injury or loss of life, or property damage or destruction of property, or the inability to meet our contractual obligations. It is impossible to predict Although our international operations have historically generated a small proportion of our revenues, we do not know the impact that these regulatory, geopolitical, and other factors may have on our business in the future and any of these factors could adversely affect our business. Pension funding and costs are dependent upon several economic assumptions, which, if changed, may cause our future earnings and cash flow to fluctuate significantly. Through our As a result of the acquisition of Engility Holdings, Inc. (" Engility") in fiscal 2019, we assumed the obligations under Engility's defined benefit pension plan (the " Pension Plan"). The impact of the Pension Plan on our U. S. generally accepted accounting principles (" GAAP") earnings may be volatile in that the amount. Because our calculations are sensitive to funding levels and rely on several key economic assumptions, including interest rates, rates of return on plan assets, and participant mortality estimates, the expense expenses we record for the Pension Plan may materially change from year to year because those calculations are sensitive to funding levels as well as changes in several key economic assumptions, including interest rates, rates of return on plan assets, and other actuarial assumptions including participant mortality estimates. Changes in these factors also affect our plan funding, cash flow, and stockholders' equity. In addition, the funding of the Pension Plan funding may be subject to changes caused by legislative or regulatory actions. We will make contributions to fund the Pension Plan when considered necessary or advantageous to do so. The macro- economic factors discussed above, including the return on assets and the minimum funding requirements established by government funding or taxing authorities, or established by other agreement, may influence future funding requirements. A significant decline in the fair value of the assets in the Pension Plan, or other adverse changes to the Pension Plan, could require us to make significant funding contributions and affect cash flows in future periods. As a result of We also, in the acquisition of Engility, we also assumed the obligations under a Retiree Health Reimbursement Account plan (" RHRA"). The impact of Engility's RHRA on our GAAP earnings may be volatile in that the amount of expense we record for the plan may materially change from year to year because those calculations are sensitive to several key economic assumptions, including interest rates and actuarial assumptions related to participant mortality, retirement, and termination. CAS govern the extent to which postretirement costs and plan contributions are allocable to and recoverable under contracts with the U. S. government. On December 27, 2011, the CAS U. S. government's Cost Accounting Standards Board published a final rule that harmonizes CAS pension cost reimbursement rules with the Pension Protection Act of 2006 (" PPA") funding requirements. The rule is expected to eventually mitigate the mismatch between CAS costs and minimum funding requirements under PPA- amended Employee Retirement Income Security Act of 1974 (" ERISA") minimum funding requirements, which should and result in an acceleration accelerate of allowable CAS pension costs as compared to the prior rules. We anticipate that government contractors will be entitled to an equitable adjustment for any additional CAS contract costs resulting from the final rule. We As a result, we have sought, and expect to continue to seek seeking, reimbursement from the U. S. government for a portion of our postretirement costs and plan contributions. For additional information related to our pension funding and costs, see Note 10-9 — Retirement Plans to the consolidated financial statements contained within this report. Goodwill and intangible assets represent a significant amount of our total assets and any impairment of these assets would negatively impact affect our results of operations. Goodwill is tested for impairment annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. This Examples of events or changes in circumstances indicating that the carrying value of goodwill may not be recoverable could include includes a, for example, significant adverse change changes in the legal factors or regulatory landscape or in the business climate, an adverse action actions or assessment assessments by a regulator regulators, unanticipated competition, the loss of key contracts, significant decrease decreases in our the Company's stock price, or disruptions in customer relationships, or personnel that affect current and future operating cash flows of the reporting unit. We assess Intangible intangible assets with finite lives are assessed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable at the asset group level. Any future impairment of goodwill or other intangible assets would have a negative impact on our profitability and financial results. We maintain our cash at financial institutions, often in balances that exceed federally insured limits. Most The majority of our cash is held in accounts at U. S. banking institutions that we believe are of high quality. Cash held in depository accounts may exceed the \$ 250, 000 Federal Deposit Insurance Corporation (" FDIC") insurance limits. If such these banking institutions were to fail, we could lose part or all or a portion of those the amounts held in excess of such the insurance limitations limits. Any A material loss related to a bank failure that we may experience in the future could have a material adverse effect on our financial position and could materially impact our ability to pay our operational expenses or make other payments. Additionally Banking institution failures, if or changes in legislation and regulation, may adversely impact other entities that would, in turn, impact us. If our customers, suppliers, insurers, joint venture partners, sureties, or other parties with whom which we partner do business with are affected materially impacted by a bank failure or other issues in the banking industry, including changes in legislation and regulation, it may have an adverse impact on our operational and financial performance. Cybersecurity Risks Our business and financial results could be negatively affected by cyber or other security threats. We encounter cybersecurity and physical security threats as part of the work we do for our customers and our internal business. Our IT systems contain a variety of sensitive and classified information which attract adversaries including nation-state threat actors and we. We face cybersecurity threats including attempts to disrupt our critical systems, gain unauthorized access to data, release or corrupt sensitive information, and interfere with operations. Adversaries that acquire unauthorized

access to customer accounts can use that information to compromise data and, inadequate **Inadequate** account security practices which could potentially result in malicious activity effecting **affecting** customer use of our solutions. We work cooperatively with our customers to seek to address cybersecurity threats and often must rely on the safeguards used or required by those customers. Our solutions include custom software code we **are subject** develop and may include open source or AI-generated code which may make our products susceptible to cyberattacks **extensive regulations related to cybersecurity**. Actual or perceived **cybersecurity** vulnerabilities may lead to claims against us. **Our** and in the event of unauthorized access to sensitive information for which we are responsible under customer contracts, our customers, their employees, or third parties may seek to hold us liable for any costs or other damages associated with the unauthorized access **to sensitive information for which we are responsible under customer contracts. We develop custom software code and our products may utilize or include open source or AI-generated code, which may make our products susceptible to cyberattacks**. We also **rely on** face cybersecurity threats from our supply chain through **to deliver products and services to our customers, threat** Threat actors **who have and** may **continue to** seek and gain access to our systems through our business partners and suppliers. **A cybersecurity incident affecting our business partners and suppliers could materially adverse impact on our business**. Our information security staff manage cybersecurity risks by implementing security controls in accordance with industry standards and conducting regular employee cybersecurity training. Our cybersecurity policies, procedures and maturity are subject to review and audit by third parties. Although we have implemented and regularly update cybersecurity controls, there can be no assurance that these measures will successfully prevent or mitigate cybersecurity incidents. **We have been subject to** Cybersecurity **cybersecurity** incidents, disruptions and data loss **have occurred including attacks targeting customer our** data and our systems **and of the data and systems of our customers. None of these incidents has had a material impact on us, to our knowledge, our customers**. We report cybersecurity incidents, **as appropriate,** to **involved affected** customers and applicable **the cognizant** regulatory authorities including the DOD, law enforcement, and the FBI to support national security initiatives **authorities**. Such **Future cybersecurity** incidents **did not could damage our reputation, expose us to liability, or prevent us from winning future work, and could** have a material adverse impact on our financial condition or the results of our operations. However, future cybersecurity incidents could damage our reputation, exposing us to liability, or prevent us from winning future work from government customers and could have a material adverse impact on our business. Because of the rapidly evolving nature of these threats, there can be no assurance that our policies, procedures and security controls will detect or prevent them, mitigate their affects and we cannot predict their full impact. In addition, government agencies **have investigated investigate** and may bring legal actions against us for violation of or noncompliance with **legal, contractual, or** regulatory requirements **regarding cybersecurity controls** relating to any unauthorized access to and theft of sensitive information including failure to make adequate and timely disclosure **of cybersecurity incidents to customers the public, regulators or, law enforcement agencies, or the public**. Any remediation costs, damages or other liabilities related to cybersecurity incidents may not be fully insured or indemnified by other means. Forward- Looking Statement Risks **You may not be able to rely on forward- looking statements. This report contains forward- looking statements within that are based on our management's belief and assumptions about the meaning future in light of information currently available to our management the Private Securities Litigation Reform Act of 1995**. In some cases, you can identify forward- looking statements by words such as " may, " " will, " " should, " " expects, " " projects, " " intends, " " plans, " " anticipates, " " believes, " " estimates, " " predicts, " " potential, " " continue, " " outlook, " and similar words or phrases **or the negative of these words or phrases**. These -- **The** statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward- looking statements **in this report relate to anticipated events and future operating results and financial performance**. Although we believe **These statements are not guarantees of future performance and are subject to risks and uncertainties, including but not limited to changes in market conditions, regulatory and legal developments, governmental and political conditions, competitive pressures, technological advancements, economic conditions, supply chain disruptions, and the risk factors discussed above that could cause actual results to differ materially from the those expectations reflected expressed or implied in the this report. Except where required by law, we expressly disclaim a duty to update or revise any forward- looking statements after the date are reasonable when made, we cannot guarantee future results, levels of activity this Form 10- K to reflect subsequent events, changed circumstances performance or achievements. There are a number of important factors that could cause our- or expectations, actual results to differ materially from those results anticipated by our- or revised estimates and assumptions. The forward- looking statements, which include, but in this Form 10- K are intended not limited to be subject, the risk factors discussed above. We do not undertake any obligation to update or revise any of the forward- looking statements to reflect events, circumstances, changes in expectations, or the occurrence of unanticipated events after the date of those -- the statements or to conform safe harbor protections in these -- the federal securities laws statements to actual results.**