
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 6, 2024

BigBear.ai Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-40031
(Commission
File Number)

85-4164597
(I.R.S. Employer
Identification No.)

**6811 Benjamin Franklin Drive, Suite 200
Columbia, MD 21046**
(Address of principal executive offices, including Zip Code)

(410) 312-0885
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	BBAI	New York Stock Exchange
Redeemable warrants, each full warrant exercisable for one share of common stock at an exercise price of \$11.50 per share	BBAI.WS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On February 6, 2024, BigBear.ai Holdings, Inc. (“BBAI”) held an investor presentation in connection with its proposed acquisition of Pangiam Intermediate Holdings, LLC (“Pangiam”) contemplated by that certain Agreement and Plan of Mergers, dated as of November 4, 2023, by and among BBAI, Pangiam and other parties thereto (the “Merger Agreement”). A script of the pre-recorded investor presentation and the related investor presentation materials referenced in the script are being furnished with this Current Report on Form 8-K as Exhibit 99.1 and 99.2, respectively, each of which is incorporated by reference herein.

The information set forth in this Item 7.01 of this Current Report on Form 8-K is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are filed herewith.

Exhibit No.	Description
99.1	Script of investor presentation recording, dated February 6, 2024
99.2	Investor Presentation, dated February 6, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Important Additional Information Will be Filed with the SEC

On January 29, 2024, BBAI filed with the United States Securities and Exchange Commission (the “SEC”) the definitive proxy statement of BBAI relating to a special meeting of BBAI’s stockholders to be held for the purpose of obtaining stockholder approval of the proposed transactions (the “Proxy Statement”). **BEFORE MAKING ANY VOTING DECISION, STOCKHOLDERS ARE URGED TO CAREFULLY READ THE DEFINITIVE PROXY STATEMENT AND OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT BBAI, PANGIAM, THE PROPOSED TRANSACTIONS AND RELATED MATTERS.** Stockholders are able to obtain free copies of the Proxy Statement and other documents filed with the SEC by the parties through the website maintained by the SEC at www.sec.gov. In addition, investors and stockholders are able to obtain free copies of the Proxy Statement and other documents filed or that will be filed with the SEC by the parties on the website maintained by the SEC at www.sec.gov or on BBAI’s website at <https://ir.bigbear.ai>.

Participants in the Solicitation

BBAI and Pangiam and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of BBAI in respect of the proposed transactions contemplated by the Proxy Statement. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of BBAI, respectively, in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, are set forth in the Proxy Statement. Information regarding BBAI’s directors and executive officers is contained in the Proxy Statement, BBAI’s Annual Report on Form 10-K for the year ended December 31, 2022 and its Proxy Statement on Schedule 14A, dated May 24, 2023, which are filed with the SEC. You may obtain free copies of these documents as described in the preceding paragraph.

No Offer or Solicitation

This communication is for informational purposes only and is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction pursuant to the proposed transactions or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

Forward-Looking Statements

This Current Report on Form 8-K contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. BBAI intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts contained in this Current Report on Form 8-K, including without limitation statements regarding the combined company’s future strategy, prospects, market position, industry, and performance, projections regarding Pangiam’s future revenue growth, expected combined financial benefits from the merger, and expected growth in total addressable market are forward-looking statements. Without limited the foregoing, words such as “believe” “may,” “will,” “expect,” “should,” “could,” “would,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “project,” “target,” “is/are likely to,” “forecast,” “future,” “guidance,” “possible,” “predict,” “seek,” “see,” or the negative of these terms or other similar expressions are intended to identify forward-looking statements, though not all forward-looking statements use these words or expressions. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following: failure to consummate the proposed transactions in a timely manner or at all; failure to obtain applicable regulatory and stockholder approvals; failure to satisfy other closing conditions to the proposed transactions; risks that the new businesses will not be integrated successfully or that the combined companies will not realize estimated cost savings; failure to timely and successfully realize anticipated benefits of the combined operations; potential litigation relating

to the proposed transactions and disruptions from the proposed transactions that could harm BBAI's or Pangiam's business; reductions in customer spending, a slowdown in customer payments and changed in customer requirements; ability to hire and retain key personnel; the potential impact of announcement or consummation of the proposed transactions on relationships with third parties, including clients, employees and competitors; ability to attract new customers and retain existing customers in the manner anticipated; reliance on and integration of information technology systems; changes in legislation or governmental regulations affecting the companies; international, national or local economic, social or political conditions that could adversely affect the companies or their customers; the risk of termination of the Merger Agreement relating to the Mergers; risks that the Mergers could disrupt BBAI's or Pangiam's current plans and operations or divert the attention of their respective management or employees from ongoing business operations; the risk of unexpected costs and/or unknown or inestimable liabilities relating to the Mergers; and the risk that BBAI's or Pangiam's respective businesses may suffer as a result of uncertainty surrounding the Mergers. These and other important factors discussed under the caption "Risk Factors" in BBAI's definitive proxy statement on Schedule 14A filed with the SEC on January 29, 2024 and under the caption "Risk Factors" in BBAI's Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 31, 2023, as may be updated from time to time in other filings BBAI makes with the SEC including its Quarterly Report on Form 10-Q for the quarter ended on September 30, 2023 that was filed with the SEC on November 9, 2023, could cause actual results to differ materially from those indicated by the forward-looking statements made in this Current Report on Form 8-K.

The foregoing list of factors is not exhaustive. These statements generally reflect management's current expectations regarding future events and operating performance and speak only as of the date of this Current Report on Form 8-K. You should not put undue reliance on any forward-looking statements. Although BBAI believes that the expectations reflected in the forward-looking statements are reasonable, BBAI cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, BBAI undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BIGBEAR.AI HOLDINGS, INC.

Date: February 6, 2024

By: /s/ Sean Ricker
Name: Sean Ricker
Title: Chief Accounting Officer

BBAI Pangiam Investor Speech

[SLIDE 1]

Hello, everyone, and thank you for joining today's call. This is Julie Pepper, CFO of BigBear.ai and today we'll be discussing our definitive merger agreement to acquire Pangiam, a leader in Vision AI for the global trade, travel, and digital identity industries.

[SLIDE 2]

I'm joined on today's call by Mandy Long, CEO of BigBear.ai. While we're not taking questions today, additional information can be found in the definitive proxy that was filed with the SEC on January 29th, and this presentation and a recording of this call will be made available afterwards. We have also included a link to the proxy at the end of this presentation.

[SLIDES 3-4]

The matters that we will be discussing today may include forward-looking statements, and as such, are subject to risks and uncertainties. These risks and uncertainties include those risk factors discussed in the most recent reports on Forms 10-Q and 10-K filed by BigBear.ai, as well as those discussed in the press release announcing this acquisition. These and other risks and uncertainties could cause actual results to differ materially from those contained in our forward-looking statements. I would like to remind the audience that today's call will pertain strictly to BigBear.ai's definitive merger agreement to acquire Pangiam. None of the comments on this call should be viewed as an update on BigBear.ai's current or recently completed quarter.

Now I'll turn it over to Mandy to provide some insight into Pangiam and the deal rationale.

[SLIDE 5]

Hello, everyone. I'm going to start by talking about the key drivers of the deal, and the global landscape influencing an acceleration strategy for BigBear.ai.

We've talked in the past about the reality of a global AI arms race. This race is not just about developing advanced artificial intelligence capabilities but is about delivering these capabilities in highly complex, distributed, mission-based operating environments. In other words, making them real and relevant to the warfighter.

BigBear.ai is not merely a participant in this race; we are at its forefront, playing a pivotal role in how these capabilities will be harnessed for the men and women that protect and serve our country. Our strategic decisions, investments, and innovations are aligned towards ensuring that we remain a leader and trusted partner in our mission to create clarity for the world's most complex decisions.

With the addition of Pangiam, BigBear.ai accelerates and evolves in three core focus areas: national security, supply chain management, and digital identity.

[SLIDE 6]

The decision to acquire Pangiam is rooted in a strategy to bolster our portfolio through both organic and inorganic tactics, accelerate our growth in adjacent market categories and customers, and deliver increased value to our shareholders. This acquisition also enables both companies to realize greater economies of scale as a combined entity. Together, we will establish one of the industry's most comprehensive Vision AI portfolios, positioning us to lead and innovate in this market category.

As you've seen from our financial results over the past year, we have continued to improve our operating posture by rapidly streamlining and focusing the business. This takes a diverse and experienced leadership team like the one we now have in place, and we have positioned BigBear.ai to begin to scale in 2024 and beyond. The acquisition of Pangiam doesn't change our operating philosophy. While we expect to incur some up-front costs, transaction fees, and other costs associated with the integration during the first year after closing, we do not believe that Pangiam will have a significant impact on our liquidity or cash from operations as we successfully execute on our integration plan and realize the anticipated synergies.

One of the most important synergies to highlight is what we are going to be able to do for our customers, both existing and new. Pangiam brings an international footprint and leading capabilities in facial recognition, image-based anomaly detection, and advanced biometrics. These technologies are relevant to BigBear.ai's national security and supply chain management customers and broadens the impact that we can have on those missions.

For Pangiam, their customers gain access to technologies like ProModel and Arcas that support their missions at the Department of Homeland Security. The fentanyl crisis is an example of a mission that both Pangiam and BigBear.ai have been focused on as standalone entities. Imagine the impact that we can have together as we bring everything we have to a national priority of this magnitude.

[SLIDE 7]

I'm now going to spend some time talking about Pangiam and its history. Pangiam was established in 2020, and in the few short years since they were founded they are on-track to post revenues of roughly \$40M for FY23.

[SLIDE 8]

In 2020 and 2021, they made strategic acquisitions of Linkware, veriScan, and Trueface. These acquisitions, paired with their own organic investments over the past few years into solutions like Dartmouth and their Strategic Consulting practice, have laid the foundation to differentiate and address market challenges in the trusted and secure movement of people and goods.

Pangiam's customers span the public and private sectors, including U.S. Customs and Border Protection, U.S. Transportation Security Administration, and the UK and Australian Transportation Ministries, as well as more than 50 airlines, CLEAR, Entain, and Toyota.

Their current projections and pipeline indicate substantial upside and revenue acceleration over the next five years, particularly as international airports and airlines move to enhance security and improve operational efficiencies. The level of trust that they have earned, and continue to earn across their customers, indicates a high degree of cultural alignment with BigBear.ai.

[SLIDE 9]

Pangiam is a team of exceptional people who, like our employees at BigBear.ai, come from the customer environments that they support. Kevin McAleenan, the CEO of Pangiam and former acting Secretary of the Department of Homeland Security, has been nationally recognized for his service and leadership, receiving our nation's highest civil service award – the Presidential Rank Award – as well as the Service to America Medal and the Call to Service Award. Kevin has experience operating in the public and private sectors, and I am looking forward to partnering with him to lead our combined company into the future.

[SLIDE 10]

Since our announcement of the definitive merger agreement, Pangiam has not stopped hitting milestones on its journey to scale and margin expansion. I'd like to highlight a few examples from the past few months.

In November the team completed an exploratory assessment of Project Dartmouth's threat detection capability – using computer vision to screen carry-on bags, with the potential to significantly improve operations at security checkpoints. A successful pilot and EU regulatory compliance would pave the way for full-scale implementation.

In December, Pangiam was awarded a project for the application of AI-assisted anomaly detection in vehicle and cargo screening by U.S. Customs and Border Protection. The application of imaging AI to these types of use cases has the potential to improve the efficiency and the accuracy of these processes.

And in January, veriScan hit another milestone in its expansion at DFW airport, who, with Pangiam's technology is on track to become the largest gate implementation of biometrics in North America.

Pangiam's investment thesis is gaining traction in market, and we see indications of product market fit across the business. We are excited for what the future holds for Pangiam and BigBear.ai together.

I'm now going to turn it back to Julie to talk through some of Pangiam's financial highlights and their projected trajectory looking into the future.

[SLIDE 11]

Thanks Mandy. Before I dive into the financials, I want to reiterate something that we mentioned earlier in this presentation. What excites us about Pangiam is not only the remarkable organization that they have built, but also our opportunity to accelerate and scale in market together while driving operating efficiencies. This equity-based acquisition allows us to mitigate a cash outlay that would otherwise be needed to build these capabilities in-house. We expect to see accelerating growth once we integrate Pangiam as we collectively begin to scale the business in 2024 and beyond.

Now let me provide some insight into Pangiam's historical performance. Since year-end results are still in audit, we provided financial comparisons through the third quarter in the recently issued proxy. In the first chart, when you compare September YTD results to the previous year, you'll notice healthy overall year-over-year growth of 14%. You'll also see that the combination of SaaS and software licenses are accelerating with 134% combined YoY growth. Government Services revenues also grew by 11% in this period as they have consistently achieved double digit growth over the last two years.

As you move to the 2nd chart, you'll see that the percentage of revenue related to SaaS and software licenses has increased to 11% of total revenues as compared to only 2% in 2021. This increase in software revenue is driving significant gross margin expansion of 290 basis points through the third quarter with YTD gross margins at 32.7% compared to 29.8% last year.

[SLIDE 12]

Now moving into the growth projections, you will notice the government services business continues to project healthy, double-digit growth with a CAGR of 11% over the five-year period. But you also see a dramatic expansion of commercial revenues related to software sales as the travel industry moves to implement enhanced security and operational efficiency. This expansion in commercial revenues would result in a significant mix shift with a 50/50 balance between commercial and government revenues by 2025 based on current market forecasts, which will further support gross margin expansion.

[SLIDE 13]

Now let's walk through the financial aspects of the deal.

[SLIDE 14]

When we signed the definitive agreement to acquire Pangiam on November 4, 2023, we agreed that approximately 49.5M shares would be issued immediately at closing, with the remainder to be issued following the finalization of a customary post-closing purchase price adjustment. The 49.5 million share count was based on the 20-day VWAP at the time of the signed agreement, which was approximately \$1.34 per share. Once we finalize the post-closing purchase price adjustment, any remaining shares to be issued to the seller will be calculated based on the 20-day VWAP when that holdback is settled, a few months after closing. The total number of shares issued will be reported in future SEC filings.

The stockholder vote is scheduled for February 27th and we expect the deal to close very soon after the stockholder meeting, pending necessary approvals.

As a reminder, Pangiam's financial results will not be included in BigBear's consolidated financial results until the transaction has closed. Pangiam results will be included in our consolidated results on a go-forward basis which we believe will be March so our Q1 results would include approximately one month of Pangiam performance.

As we have shared today, we believe in the combination of these two businesses and the all-stock nature of this deal aligns all parties to drive toward our combined goals. The ability to create one streamlined operational structure to support the combined entities will enable us to continue to reduce operational expenses and position us to scale as the company grows. And we expect to see our gross margins expand as commercial revenue continues to accelerate.

As we prepare to close in the next month, we're using this time to refine our integration plans so that we can focus on unlocking the synergies between the two companies.

Finally, we believe that Pangiam is an incredible cultural fit for BigBear.ai. Both companies have incredibly talented teams, and we share deep-rooted values around innovation, customer success, trust, transparency and inclusion. Coming together with a shared vision and common beliefs will drive greater innovation for our customers and stronger growth.

Now let me turn it back over to Mandy.

[SLIDE 15]

Thank you, Julie.

We are bullish on the future as we look to welcome Pangiam to the BigBear.ai family. We believe that combining our companies will bring more capabilities to our shared customers, will position us for accelerated growth, will increase the value we create for our stockholders, and will allow us to invest where the market is going.

BigBear.ai and Pangiam together will create one of the industry's most comprehensive Vision AI portfolios, combining facial recognition, image-based anomaly detection and advanced biometrics with BigBear.ai's computer vision and predictive analytics capabilities to spearhead the Vision AI industry. This will position us as a foundational leader in one of the fastest growing categories for the application of AI.

Each of the three markets that we are talking about – National Security, Supply Chain Management, and Digital Identity – are expected to see double digit growth in the coming years as they embrace and operationalize advanced technologies like artificial intelligence.

On January 11th, the Department of Defense released its inaugural National Defense Industrial Strategy (NDIS), defining priorities for industry to realize a national modernized defense industrial ecosystem. It is a call to action for companies like BigBear.ai and Pangiam, as we are a part of the defense industrial base which must provide the required capabilities at the speed and scale necessary for the U.S. military to engage and prevail in a near-peer conflict.

In alignment with the National Defense Strategy (NDS) released in 2022, the Federal Government is focused on fortifying our supply chains and enabling international interoperability and collaboration to deter adversarial entities from impacting the critical infrastructure that fuels our great nation. This mission is at the center of who BigBear.ai is and what we do – and we are committed to playing a role in positioning the United States, and our allies, to orchestrate an ecosystem of trusted and secure collaboration. Our anticipated acquisition of Pangiam bolsters our ability to answer this call to action.

Thank you again for your time today, and we look forward to talking with you again post deal-close.

[End of communication]

DISCLAIMER

This presentation contains estimates and other data made by independent parties and by BBAI relating to market size and growth about our industry and estimated total addressable market. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Neither BBAI nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our or Pangiam's future performance and the future performance of the markets in which BBAI or Pangiam operates are necessarily subject to a high degree of uncertainty and risk.

FORWARD-LOOKING STATEMENTS

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. BBAI intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts contained in this presentation, including without limitation statements regarding the combined company's future strategy, prospects, market position, industry, and performance, projections regarding Pangiam's future revenue growth, expected combined financial benefits from the merger, and expected growth in total addressable market are forward-looking statements. Without limited the foregoing, words such as "believe," "may," "will," "expect," "should," "could," "would," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "project," "target," "is/are likely to," "forecast," "future," "guidance," "possible," "predict," "seek," "see," or the negative of these terms or other similar expressions are intended to identify forward-looking statements, though not all forward-looking statements use these words or expressions. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following: failure to consummate the proposed transactions in a timely manner or at all; failure to obtain applicable regulatory and stockholder approvals; failure to satisfy other closing conditions to the proposed transactions; risks that the new businesses will not be integrated successfully or that the combined companies will not realize estimated cost savings; failure to timely and successfully realize anticipated benefits of the combined operations; potential litigation relating to the proposed transactions and disruptions from the proposed transactions that could harm BBAI's or Pangiam's business; reductions in customer spending, a slowdown in customer payments and changed in customer requirements; ability to hire and retain key personnel; the potential impact of announcement or consummation of the proposed transactions on relationships with third parties, including clients, employees and competitors; ability to attract new customers and retain existing customers in the manner anticipated; reliance on and integration of information technology systems; changes in legislation or governmental regulations affecting the companies; international, national or local economic, social or political conditions that could adversely affect the companies or their customers; the risk of termination of the Merger Agreement relating to the Mergers; risks that the Mergers could disrupt BBAI's or Pangiam's current plans and operations or divert the attention of their respective management or employees from ongoing business operations; the risk of unexpected costs and/or unknown or inestimable liabilities relating to the Mergers; and the risk that BBAI's or Pangiam's respective businesses may suffer as a result of uncertainty surrounding the Mergers. These and other important factors discussed under the caption "Risk Factors" in BBAI's definitive proxy statement on Schedule 14A filed with the SEC on January 29, 2024 and under the caption "Risk Factors" in BBAI's Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 31, 2023, as may be updated from time to time in other filings BBAI makes with the SEC

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ADDITIONAL INFORMATION AND WHERE TO FIND IT

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PARTICIPANTS IN THE SOLICITATION

BBAI and Pangiam and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of BBAI in respect of the proposed transactions contemplated by the Proxy Statement. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of BBAI, respectively, in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, are set forth in the Proxy Statement. Information regarding BBAI's directors and executive officers is contained in the Proxy Statement, BBAI's Annual Report on Form 10-K for the year ended December 31, 2022 and its Proxy Statement on Schedule 14A, dated May 24, 2023, which are filed with the SEC. You may obtain free copies of these documents as described in the preceding paragraph.


NO OFFER OR SOLICITATION

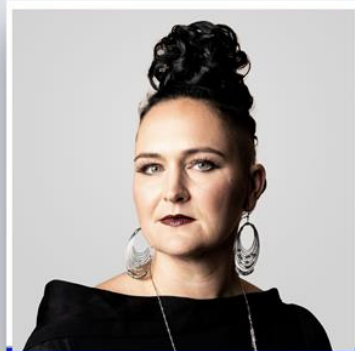
This communication is for informational purposes only and is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction pursuant to the proposed transactions or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.



BigBear.ai to acquire Pangiam

February 6, 2024

 | Today's Speakers



Mandy Long
CEO, BigBear.ai



Julie Peffer
CFO, BigBear.ai



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This presentation contains estimates and other data made by independent parties and by BBAI relating to market size and growth about our industry and estimated total addressable market. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Neither BBAI nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our or Pangiam's future performance and the future performance of the markets in which BBAI or Pangiam operates are necessarily subject to a high degree of uncertainty and risk.

FORWARD-LOOKING STATEMENTS

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. BBAI intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts contained in this presentation, including without limitation statements regarding the combined company's future strategy, prospects, market position, industry, and performance, projections regarding Pangiam's future revenue growth, expected combined financial benefits from the merger, and expected growth in total addressable market are forward-looking statements. Without limited the foregoing, words such as "believe," "may," "will," "expect," "should," "could," "would," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "project," "target," "is/are likely to," "forecast," "future," "guidance," "possible," "predict," "seek," "see," or the negative of these terms or other similar expressions are intended to identify forward-looking statements, though not all forward-looking statements use these words or expressions. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following: failure to consummate the proposed transactions in a timely manner or at all; failure to obtain applicable regulatory and stockholder approvals; failure to satisfy other closing conditions to the proposed transactions; risks that the new businesses will not be integrated successfully or that the combined companies will not realize estimated cost savings; failure to timely and successfully realize anticipated benefits of the combined operations; potential litigation relating to the proposed transactions and disruptions from the proposed transactions that could harm BBAI's or Pangiam's business; reductions in customer spending, a slowdown in customer payments and changed in customer requirements; ability to hire and retain key personnel; the potential impact of announcement or consummation of the proposed transactions on relationships with third parties, including clients, employees and competitors; ability to attract new customers and retain existing customers in the manner anticipated; reliance on and integration of information technology systems; changes in legislation or governmental regulations affecting the companies; international, national or local economic, social or political conditions that could adversely affect the companies or their customers; the risk of termination of the Merger Agreement relating to the Mergers; risks that the Mergers could disrupt BBAI's or Pangiam's current plans and operations or divert the attention of their respective management or employees from ongoing business operations; the risk of unexpected costs and/or unknown or inestimable liabilities relating to the Mergers; and the risk that BBAI's or Pangiam's respective businesses may suffer as a result of uncertainty surrounding the Mergers. These and other important factors discussed under the caption "Risk Factors" in BBAI's definitive proxy statement on Schedule 14A filed with the SEC on January 29, 2024 and under the caption "Risk Factors" in BBAI's Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 31, 2023, as may be updated from time to time in other filings BBAI makes with the SEC including its Quarterly Report on Form 10-Q for the quarter ended on September 30, 2023 that was filed with the SEC on November 9, 2023, could cause actual results to differ materially from those indicated by the forward-looking statements made in this presentation. The foregoing list of factors is not exhaustive. These statements generally reflect management's current expectations regarding future events and operating performance and speak only as of the date of this presentation. You should not put undue reliance on any forward-looking statements. Although BBAI believes that the expectations reflected in the forward-looking statements are reasonable, BBAI cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, BBAI undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.



ADDITIONAL INFORMATION AND WHERE TO FIND IT

On January 29, 2024, BBAI filed with the SEC the definitive proxy statement of BBAI relating to a special meeting of BBAI's stockholders to be held for the purpose of obtaining stockholder approval of the proposed transactions (the "Proxy Statement"). BEFORE MAKING ANY VOTING DECISION, STOCKHOLDERS ARE URGED TO CAREFULLY READ THE DEFINITIVE PROXY STATEMENT AND OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT BBAI, PANGIAM, THE PROPOSED TRANSACTIONS AND RELATED MATTERS. Stockholders are able to obtain free copies of the Proxy Statement and other documents filed with the SEC by the parties through the website maintained by the SEC at www.sec.gov. In addition, investors and stockholders are able to obtain free copies of the Proxy Statement and other documents filed or that will be filed with the SEC by the parties on the website maintained by the SEC at www.sec.gov or on BBAI's website at <https://ir.bigbear.ai>.

PARTICIPANTS IN THE SOLICITATION

BBAI and Pangiam and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of BBAI in respect of the proposed transactions contemplated by the Proxy Statement. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of BBAI, respectively, in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, are set forth in the Proxy Statement. Information regarding BBAI's directors and executive officers is contained in the Proxy Statement, BBAI's Annual Report on Form 10-K for the year ended December 31, 2022 and its Proxy Statement on Schedule 14A, dated May 24, 2023, which are filed with the SEC. You may obtain free copies of these documents as described in the preceding paragraph.

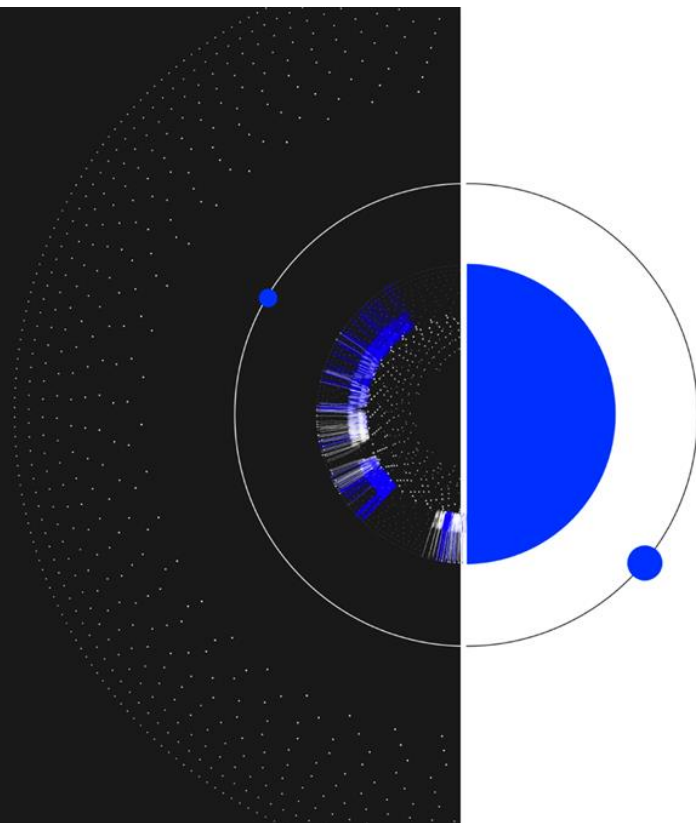
NO OFFER OR SOLICITATION

This communication is for informational purposes only and is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction pursuant to the proposed transactions or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.



Deal Rationale

Mandy Long
BigBear.ai CEO





Deal Rationale

Acceleration: By acquiring critical software infrastructure, we're managing liquidity and mitigating cash outlay that would otherwise be needed to build these capabilities in-house. We expect to see accelerating growth once we integrate Pangiam and shift from foundation-building mode in 2023 to scale mode in 2024 and beyond.

Competitive Positioning: We believe the combined company will establish one of the industry's most comprehensive full-vision AI portfolios, positioning us to lead and innovate in this dynamic market category.

More capabilities for our shared customers

- ✓ Additional expertise in national security, supply chain, digital identity and artificial intelligence
- ✓ Complementary products for existing and new customers

Positions us for accelerated growth

- ✓ World-class talent and technology that has made each of us long-term trusted partners to our customers
- ✓ Complementary customer mix, international footprint, strong pipeline and mutual upsell opportunities

Value Creation for Shareholders

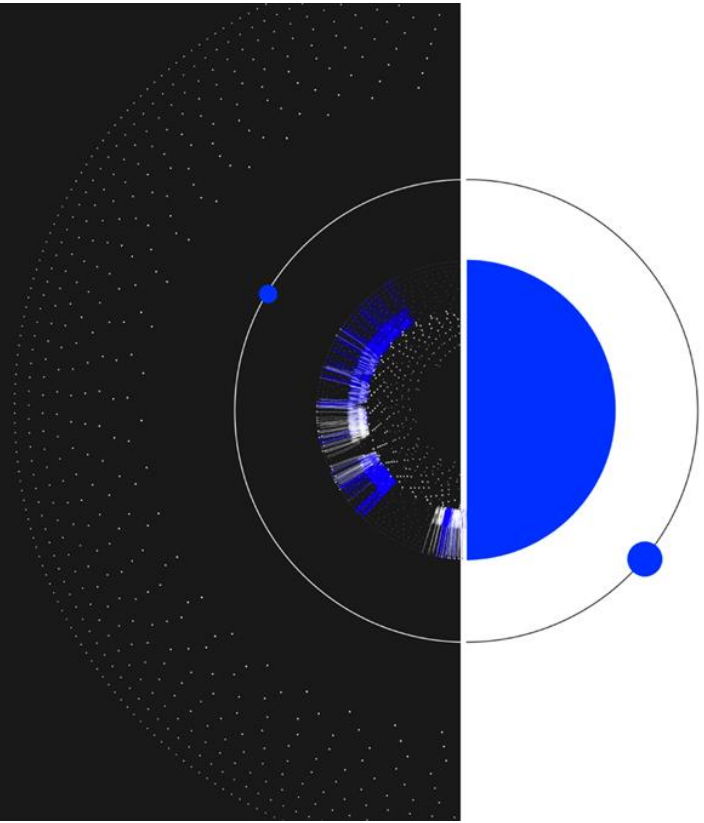
- ✓ Scale combined business and capture market share faster
- ✓ Leverage investments in critical software capabilities and domain expertise, saving time and money

Investing where the market is going

- ✓ Create one of the industry's most comprehensive Vision AI portfolios
- ✓ Combined company positioned as a leader in one of the fastest growing categories for the application of AI

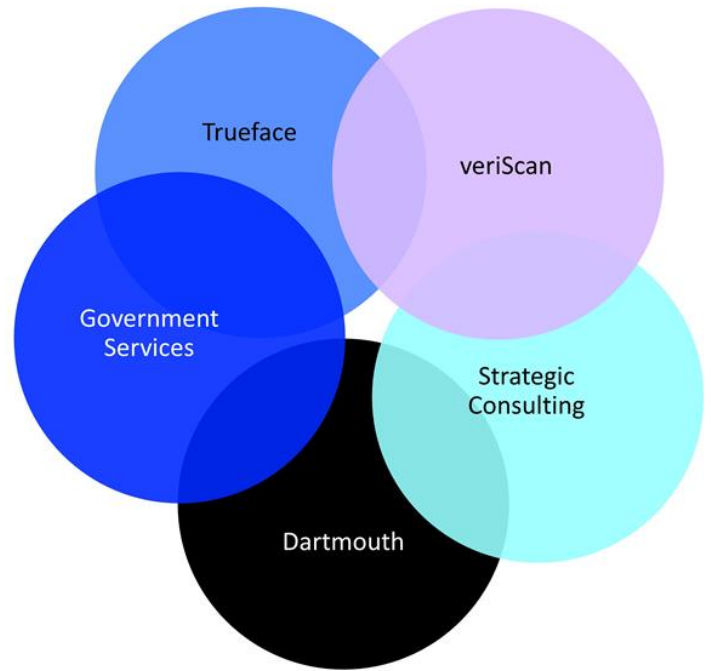


Pangiam Overview



Pangiam Core Solutions

- **Pangiam Government** builds mission-critical biometric and identity management software designed to enhance security, scale operations, and improve operating efficiencies
- **Trueface** performs one of the fastest one-to-many (1:N) facial matches with real-time photos, delivering safe and efficient identity verification
- **Dartmouth** delivers real-time image-based anomaly detection for enhanced 3D baggage screening
- **veriScan** securely captures and transmits real-time photos into a biometric matching service supporting access control and biometric boarding/bag tags
- **Strategic Consulting** offers end-to-end service from concept to solution design to operational and technology delivery, focused on the travel and transportation industries



Kevin McAleenan

CEO, Pangiam

- Decades of experience with U.S. national security agencies around the world
- Previously served as Acting Secretary of the U.S. Dept. of Homeland Security (DHS) including U.S. Customs and Board Protection (CBP), the Transportation Security Administration (TSA), Coast Guard, and others
- Recipient of multiple awards for service and leadership including Presidential Rank Award, Service to America Medal, and Call to Service Award





Recent Milestones & Indications of Momentum

November 2023

PANGIAM
3,211 followers
2mo •

An exciting step forward for Project DARTMOUTH and our Vision AI strategy as our carry-on-baggage-inspection technology completed exploratory assessment with with TNO in the Netherlands, clearing the way for the next stage of trials with Royal Schiphol Group.
<https://lnkd.in/gQYnVy-F>

PANGIAM
3,212 followers
2mo •

We're excited to support Charlotte Douglas International Airport's Biometric Exit program for seamless, secure boarding of international flights with a new installation at 65 departure gates.

CLT Charlotte Douglas International Airport
5,547 followers
2mo • Edited •

New technology is in place to instantly verify passengers' identities before international flights out of #CLTAirport.

CLT installed Biometric Facial Comparison technology at 65 gates. The airlines and U.S. Customs and Border Protection started using the screening process in October. Learn more: bit.ly/47cdQpo



December 2023

PANGIAM
3,211 followers
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PANGIAM's recent award by U.S. Customs and Border Protection for Anomaly Detection Algorithms (ADA) was featured in Axios today! Andrew Meehan, Managing Partner at Pangiam quoted.



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Congratulations to Transportation Security Administration (TSA) for its new self screening initiative at Harry Reid International Airport. PANGIAM's Ha Nguyen McNeill, EVP for Commercial Solutions, was quoted in The Washington Post regarding this effort and its value for the traveler and security.
<https://lnkd.in/w7bPVUy>

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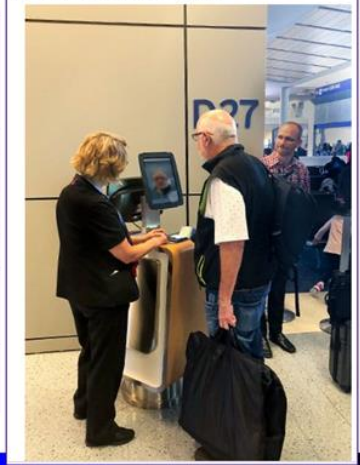
Congrats to Delta Air Lines on expanding Delta's Digital ID program to LAX, LGA and JFK. PANGIAM has been proud to support Delta's continued success through our verifcan technology. We're excited for what this expansion will mean for SkyMiles members across the country as Delta continues to deliver a seamless experience.
<https://lnkd.in/gvml3dps3>



January 2024

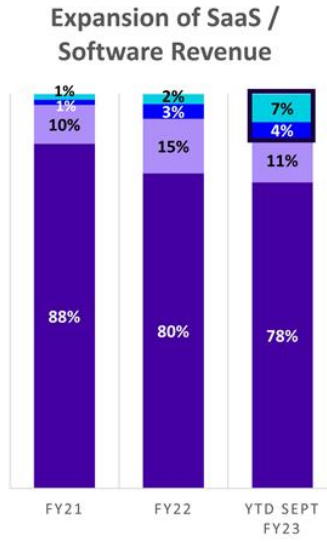
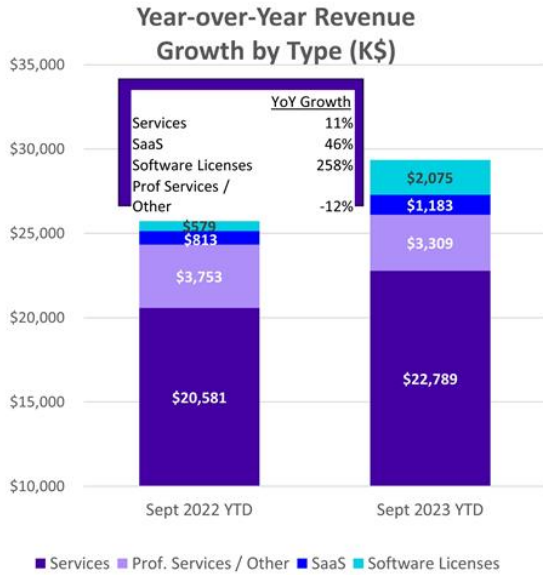
Michael Youngs • 2nd
Vice President Information Technology at Dallas Fort Worth Inte...
5h • Edited •

This month marks the completion of DFW's project to extend PANGIAM's facial recognition technology to 136 gates. The solution enables international passengers to board using biometric verification, eliminating the need for a traditional boarding pass. This system not only enhances security but also streamlines the boarding process for our passengers. With the completion of the additional gates in Terminal B, Dallas Fort Worth International Airport (DFW) will have the most extensive implementation of biometric boarding in the country. In addition, DFW has successfully reached CBP's 80% utilization target for biometric boarding over the past six months.





Performance: Revenue Growth with Margin Expansion



Revenue Mix Shifting to high SaaS/Software driving margin expansion

9 months - YTD September				
	2023	2022	YoY \$ Growth	YoY % Growth
Revenue	29,356	25,726	3,630	14%
Gross Margin	9,597	7,668	1,929	25%
Gross Margin %	32.7%	29.8%	2.9%	10%

FY22 vs. FY21				
	2022	2021	YoY \$ Growth	YoY % Growth
Revenue	34,532	28,013	6,519	23%
Gross Margin	10,141	8,266	1,875	23%
Gross Margin %	29.4%	29.5%	-0.1%	-1%



Projecting Rapidly Accelerating Commercial Revenues

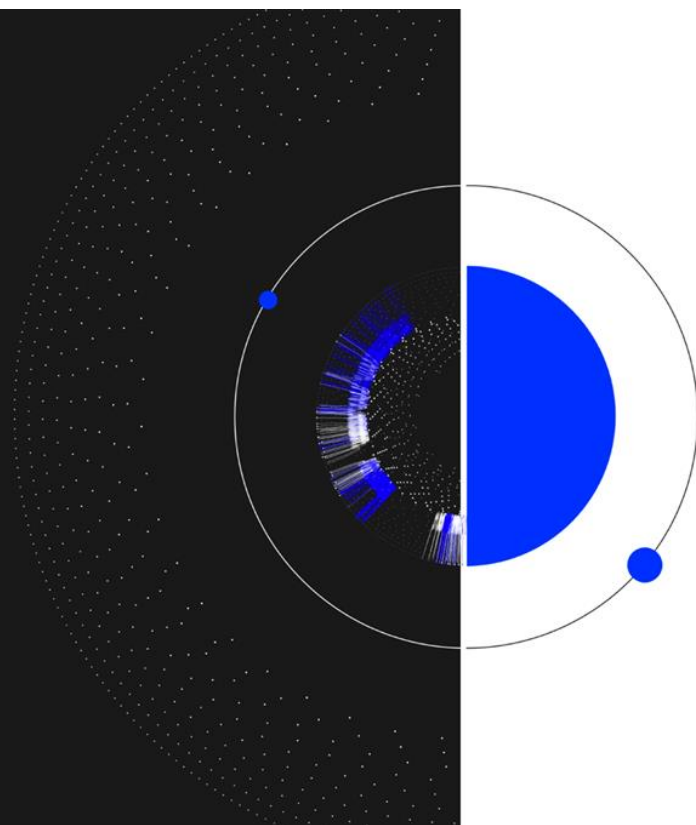


(\$M)	2023E	2024E	2025E	2026E	2027E
Government	\$31.0	\$33.3	\$36.5	\$41.2	\$47.1
Commercial	\$8.5	\$12.5	\$36.1	\$63.9	\$90.4
Total Revenue	\$39.5	\$45.8	\$72.6	\$105.1	\$137.5
Year-Over-Year Growth %					
Government		7%	10%	13%	14%
Commercial		47%	189%	77%	42%
Total Revenue		16%	59%	45%	31%
% of Total Revenue					
Government	78%	73%	50%	39%	34%
Commercial	22%	27%	50%	61%	66%
Total Revenue	100%	100%	100%	100%	100%



Deal Overview

Julie Peffer
BigBear.ai CFO





Deal Overview

Deal Structure

- ▶ \$70M purchase price (subject to customary adjustments at closing) on a cash-free, debt-free basis to be paid in BBAI common stock
- ▶ Approximately 49.5M shares will be issued at Closing, determined based on a price per share of BBAI Common Stock of 1.3439, which is the 20-day VWAP as of the signing date (11/4/2023)
- ▶ Purchase price subject to customary post-closing adjustments – final purchase price will not be known until several months following closing. Any additional amounts paid in the post-closing adjustment will be paid in shares based on the 20-day VWAP at the time the final purchase price is calculated.
- ▶ Stockholder vote planned for February 27th -- Close expected shortly after stockholder vote
- ▶ BBAI's results will only include Pangiam financial results following the close

Combined Financial Benefits

- ▶ All-equity nature of the deal aligns all parties with our collective success
- ▶ Expecting improved OpEx structure as a combined entity once synergies are realized
- ▶ Expecting improved gross margins due to accelerating commercial revenue



Key Highlights

With the addition of Pangiam, BigBear.ai accelerates and evolves in National Security, Supply Chain Management, and Digital Identity markets, each experiencing double-digit growth

Strong mission alignment: both companies focused on providing clarity for the world's most complex decisions

BigBear.ai's operating philosophy stays the same - combination enables both companies to realize greater economies of scale

Pangiam not anticipated to have a significant impact on liquidity or cash from operations as we execute on integration plan

Pangiam brings an international footprint and leading capabilities in facial recognition, image-based anomaly detection, and advanced biometrics that are complementary to BigBear.ai's portfolio and relevant to our customers

Accelerates time-to-market, revenue growth and business model transformation while bolstering long-term growth profile

All-equity deal mitigates cash outlay and aligns parties to drive towards shared goals

Link to the Proxy



