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) May 2, 2024

BigBear.ai Holdings, Inc.

(Exact name of Registrant as Specified in Charter)

Delaware	001-40031	85-4164597
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(IRS Employer Identification Number)

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 (*see* General Instruction A.2. below):

☐ 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 Symbols	Name of each exchange on which registered
Common stock, $0.0001 par value	**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 2.02 Results of Operations and Financial Condition.

On May 2, 2024, BigBear.ai Holdings, Inc. (the "Company") announced its financial results of operations for the three months ended March 31, 2024. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 7.01 Regulation FD Disclosure.

On May 2, 2024, the Company issued an Investor Letter for the three months ended March 31, 2024. A copy of this letter is furnished as Exhibit 99.2 to this Current Report on Form 8-K and incorporated by reference herein..

The information included in Item 2.02, and 7.01 and Exhibit 99.1 and Exhibit 99.2 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 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, regardless of any general incorporation language in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Description
99.1	Press release dated May 2, 2024
99.2	BigBear.ai Investor Letter Q1 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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.

Dated: May 2, 2024

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

BigBear.ai Announces First Quarter 2024 Results

- *Closed the acquisition of Pangiam in an all-stock transaction, combining BigBear.ai's computer vision capabilities with facial recognition, image-based anomaly detection and advanced biometrics.*
- *Cash balance of $81.4 million as of March 31, 2024.*
- *Affirming full-year 2024 revenue guidance of $195 - $215 million.*

COLUMBIA, MD – May 2, 2024 – BigBear.ai Holdings, Inc. (NYSE: BBAI) ("**BigBear.ai**" or the "**Company**"), a leader in AI-powered decision intelligence solutions, today announced financial results for the first quarter of 2024 and issued an investor letter that has been posted to the Investor Relations section of the Company's website.

BigBear.ai CEO Mandy Long said, "Today's results reflect BigBear.ai's steady progress in the first quarter of 2024 as we continue to operationalize AI at the edge for our customers in National Security, Digital Identity, and Supply Chain Management."

"I am proud of the positive momentum and spirit within the business, driven by a relentless focus on delivering our solutions in operational readiness, autonomy at the edge, contested logistics, modeling & simulation, and digital identity for our customers," she continued.

Financial Highlights

- Revenue decreased 21.4% to $33.1 million for the first quarter of 2024, compared to $42.2 million for the first quarter of 2023. The year-over-year decrease was primarily driven by the planned wind-down of the Air Force EPASS program in mid-2023 ($6.8 million) and the elimination of revenue from Virgin Orbit due to their bankruptcy announcement in April 2023 ($1.5 million). We also experienced delays in contract awards due to the continuing resolutions.
- Gross margin of 21.1% in the first quarter of 2024, a decrease from 24.2% in the first quarter of 2023, primarily driven by an increase in equity-based compensation expense of $1.8 million and the elimination of revenue and gross margin from Virgin Orbit.
- Net loss of $125.1 million for the first quarter of 2024, which includes a non-cash goodwill impairment charge of $85.0 million, $24.0 million of non-cash expense which includes a $52.9 million loss related to the change in fair value of warrants that were issued in 2023 (the "2023 Warrants") that were exercised in the first quarter of 2024, partially offset by gains of $10.6 million, net of cash proceeds received, related to the issuance of warrants in the first quarter of 2024 (the "2024 Warrants"), and a gain of $18.3 million related to the decrease in fair value of the 2024 Warrants from the date of issuance to the end of the first quarter, $5.2 million of equity-based compensation expense, and $0.9 million related to restructuring charges. Net loss for the first quarter of 2023 was $26.2 million, which included $10.6 million of non-cash expense related to the change in fair value of Private Investment in Public

*Refer to the "Non-GAAP Financial Measures" section in this press release.

Equity (“PIPE”) warrants that were issued in January 2023, $3.8 million of equity-based compensation expense, and $0.8 million related to restructuring charges.

- Non-GAAP Adjusted EBITDA* of $(1.6) million for the first quarter of 2024 compared to $(3.8) million for the first quarter of 2023, primarily driven by continued focus on operating expense reductions, including the recent acquisition of Pangiam.
- SG&A of $16.9 million for the first quarter of 2024 compared to $20.4 million for the first quarter of 2023, primarily due to continued focus on operating expense reductions including combined business synergies.
- Recurring SG&A* has been reduced from $15.3 million in the first quarter of 2023 to $13.6 million in the first quarter of 2024, a net improvement of $1.7 million, including the business combination with Pangiam.
- Ending cash balance of $81.4 million as of March 31, 2024 compared to $32.6 million as of December 31, 2023, primarily driven by $53.8 million of proceeds from the 2023 Warrants that were exercised in the first quarter of 2024 and $13.9 million related to cash acquired from the acquisition of Pangiam.
- Ending backlog of $296 million as of March 31, 2024.
- The consolidated results include results from Pangiam from the acquisition date of February 29, 2024 through the end of the quarter.

Momentum

- The US Army G-3/5/7 recently provided an $8.3 million extension to BigBear.ai to continue to lead the sustainment and modernization of mission critical force generation and analytics capabilities. This commitment along with the previous GFIM-OE extension demonstrates BigBear.ai's position as the leader in providing critical enterprise IT capabilities to the Army.
- Following the release of a competitive solicitation for Biometric International Exit at Ronald Reagan Washington National Airport (DCA) and Washington Dulles International Airport (IAD), Metropolitan Washington Airports Authority (MWAA) selected and awarded Pangiam, a BigBear.ai company, a contract for the provision of veriScan™ at 127 gates.
- Denver International Airport recently awarded a contract to Pangiam, a BigBear.ai Company, for the implementation of veriScan™ to facilitate passenger processing for Biometric International Exit. The initial scope of work includes hardware, software, and services at 24 gates.
- BigBear.ai’s Pangiam was awarded a contract with a key port authority in Canada to deploy a biometric-enabled passenger processing application for entry into the United States. This brings BigBear.ai’s existing Linkware and VeriScan offerings into a new space, with the aim of replicating and scaling across multiple locations.
- BigBear.ai’s Pangiam has signed an agreement with Melbourne Airport in Australia to trial Project Dartmouth, our AI/ML threat detection capability, to assist officers in detecting prohibited items in carry-on baggage. This is BigBear.ai’s first Project

*Refer to the “Non-GAAP Financial Measures” section in this press release.

Dartmouth trial in Australia — an exciting partnership to help inform considerations for deploying such capabilities at scale in the future.

- BigBear.ai announced it has been designated as an “Awardable” vendor for the Chief Digital and Artificial Intelligence Office’s (CDAO) Tradewinds Solutions Marketplace (the “Marketplace”). Five of the company’s products, including Sensor, Data and AI Orchestration (ConductorOS), Time-Series Forecasting (VANE), Contested Logistics Planning (AURORA), Maritime Domain Awareness (Arcas), and Publicly Available Data Curation (Observe) have been added to the Marketplace. Achieving ‘Awardable’ on the DoD’s Tradewinds enables the acceleration of the procurement process of these technologies across the DoD.
- BigBear.ai formed a teaming agreement with Spinnaker SCA, a supply chain focused consulting firm, to further bolster consulting services for manufacturing and warehouse operations. By combining BigBear.ai's ProModel® simulation software with Spinnaker SCA's consulting expertise, supply chain, manufacturing and warehousing clients will benefit from strategic guidance, simulation-based validation of changes, and data-driven optimization to reduce costs, increase efficiency, and achieve faster time to value.

Financial Outlook

The following information and other sections of this release contain forward-looking statements, which are based on the Company’s current expectations. Actual results may differ materially from those projected. It is the Company’s practice not to incorporate adjustments into its financial outlook for proposed acquisitions, divestitures, changes in law, or new accounting standards until such items have been consummated, enacted, or adopted. For additional factors that may impact the Company’s actual results, refer to the “Forward-Looking Statements” section in this release.

For the year-ended December 31, 2024, the Company continues to project:

- Revenue between $195 million and $215 million
- The projections include the results of Pangiam after the acquisition date of February 29, 2024

*Refer to the “Non-GAAP Financial Measures” section in this press release.

Summary of Results for the First Quarter Ended
March 31, 2024 and March 31, 2023
(Unaudited)

$ thousands (expect per share amounts)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenues	$ 33,121	$ 42,154
Cost of revenues	26,135	31,941
Gross margin	**6,986**	**10,213**
Operating expenses:		
Selling, general and administrative	16,948	20,362
Research and development	1,144	1,128
Restructuring charges	860	755
Transaction expenses	1,103	—
Goodwill impairment	85,000	—
Operating loss	**(98,069)**	**(12,032)**
Interest expense	3,555	3,556
Net increase in fair value of derivatives	23,992	10,567
Other income	(455)	—
Loss before taxes	**(125,161)**	**(26,155)**
Income tax (benefit) expense	(14)	59
Net loss	**$ (125,147)**	**$ (26,214)**
Basic and diluted net loss per share	**$ (0.67)**	**$ (0.19)**
Weighted-average shares outstanding:		
Basic	**187,279,204**	138,548,599
Diluted	**187,279,204**	138,548,599

EBITDA* and Adjusted EBITDA* for the First Quarter Ended March 31, 2024 and March 31, 2023 (Unaudited)

	Three Months Ended March 31,	
$ thousands	**2024**	**2023**
Net loss	$ (125,147)	$ (26,214)
Interest expense	3,555	3,556
Interest income	(447)	—
Income tax (benefit) expense	(14)	59
Depreciation and amortization	2,439	1,986
EBITDA	**(119,614)**	**(20,613)**
Adjustments:		
Equity-based compensation	5,156	3,805
Employer payroll taxes related to equity-based compensation(1)	664	183
Net increase in fair value of derivatives(2)	23,992	10,567
Restructuring charges(3)	860	755
Non-recurring strategic initiatives(4)	1,334	1,508
Non-recurring litigation(5)	(121)	—
Transaction expenses(6)	1,103	—
Goodwill impairment(7)	85,000	—
Adjusted EBITDA	**$ (1,626)**	**$ (3,795)**

(1) Includes employer payroll taxes due upon the vesting of equity awards granted to employees.

(2) The increase in fair value of derivatives during the quarter ended March 31, 2024, relates to the $52.9 million loss recorded upon the exercise of the 2023 RDO and 2023 PIPE Warrants (the “2023 Warrants”) in connection with the warrant exercise agreements entered into effect February 27, 2024 and March 4, 2024. This loss was offset by gains of $10.6 million, net of cash proceeds received, related to the issuance of warrants in 2024 (the “2024 Warrants”), In addition, an $18.3 million reduction in fair value was recorded on the 2024 Warrants issued in connection with the warrant exercise agreements as the fair value decreased from the issue date to quarter end.

(3) In the first quarter of 2024 and first quarter of 2023, the Company incurred employee separation costs associated with a strategic review of the Company’s capacity and future projections to better align the organization and cost structure and improve the affordability of its products and services.

(4) Non-recurring professional fees related to the execution of certain strategic initiatives of the Company.

(5) Non-recurring litigation consists primarily of legal settlements and related fees for specific proceedings that we have determined arise outside of the ordinary course of business based on the following considerations which we assess regularly: (1) the frequency of similar cases that have been brought to date, or are expected to be brought within two years; (2) the complexity of the case; (3) the nature of the remedy(ies) sought, including the size of any monetary damages sought; (4) offensive versus defensive posture of us; (5) the counterparty involved; and (6) our overall litigation strategy.

(6) Transaction expenses during the quarter ended March 31, 2024 consist primarily of diligence, legal, and other related expenses incurred associated with the Pangiam Acquisition.

(7) During the quarter ended March 31, 2024, the Company recognized a non-cash goodwill impairment charge primarily driven by a decrease in share price during the quarter compared to the share price of the equity issued as consideration for the purchase of Pangiam.

*Refer to the “Non-GAAP Financial Measures” section in this press release.

Consolidated Balance Sheets as of
March 31, 2024 and December 31, 2023
(Unaudited)

$ in thousands	March 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 81,412	$ 32,557
Accounts receivable, less allowance for credit losses	36,584	21,949
Contract assets	2,379	4,822
Prepaid expenses and other current assets	4,661	4,449
Total current assets	**125,036**	**63,777**
Non-current assets:		
Property and equipment, net	1,570	997
Goodwill	119,769	48,683
Intangible assets, net	120,444	82,040
Deferred tax assets	—	—
Right-of-use assets	9,701	4,041
Other non-current assets	1,107	372
Total assets	**$ 377,627**	**$ 199,910**
Liabilities and stockholders' deficit		
Current liabilities:		
Accounts payable	$ 6,215	$ 11,038
Short-term debt, including current portion of long-term debt	826	1,229
Accrued liabilities	21,515	16,233
Contract liabilities	3,853	879
Current portion of long-term lease liability	848	779
Derivative liabilities	24,956	37,862
Other current liabilities	4,857	602
Total current liabilities	**63,070**	**68,622**
Non-current liabilities:		
Long-term debt, net	194,761	194,273
Long-term lease liability	11,300	4,313
Deferred tax liabilities	14	37
Other non-current liabilities	—	—
Total liabilities	**269,145**	**267,245**
Stockholders' deficit:		
Common stock	25	17
Additional paid-in capital	604,384	303,428
Treasury stock, at cost 9,952,803 shares at March 31, 2024 and December 31, 2023	(57,350)	(57,350)
Accumulated deficit	(438,577)	(313,430)
Total stockholders' deficit	**108,482**	**(67,335)**
Total liabilities and stockholders' deficit	**$ 377,627**	**$ 199,910**

Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2024 and March 31, 2023

(Unaudited)

$ in thousands	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Cash flows from operating activities:		
Net loss	$ (125,147)	$ (26,214)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	2,439	1,986
Amortization of debt issuance costs	506	500
Equity-based compensation expense	5,157	3,805
Goodwill impairment	85,000	—
Non-cash lease expense	94	(35)
Provision for doubtful accounts	171	882
Deferred income tax (benefit) expense	(23)	54
Net increase in fair value of derivatives	23,992	10,567
Loss on sale of property and equipment	—	8
Changes in assets and liabilities:		
(Increase) in accounts receivable	(8,957)	(3,469)
Decrease (increase) in contract assets	2,443	(1,115)
Decrease in prepaid expenses and other assets	950	1,488
(Decrease) in accounts payable	(5,960)	(4,914)
Increase in accrued liabilities	2,598	4,066
Increase in contract liabilities	1,826	325
Increase in other liabilities	552	49
Net cash used in operating activities	**(14,359)**	**(12,017)**
Cash flows from investing activities:		
Acquisition of business, net of cash acquired	13,935	—
Purchases of property and equipment	(38)	—
Capitalized software development costs	(1,643)	—
Net cash provided by investing activities	**12,254**	**—**
Cash flows from financing activities:		
Proceeds from issuance of shares for exercised RDO and PIPE warrants	53,809	—
Proceeds from issuance of Private Placement shares	—	25,000
Payment of Private Placement transaction costs	—	(3,025)
Repayment of short-term borrowings	(403)	(763)
Payments of tax withholding from the issuance of common stock	(2,532)	—
Net cash provided by financing activities	**50,960**	**21,212**
Net increase in cash and cash equivalents	48,855	9,195
Cash and cash equivalents at the beginning of period	32,557	12,632
Cash and cash equivalents at the end of the period	**$ 81,412**	**$ 21,827**

Forward-Looking Statements

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. Forward-looking statements generally are accompanied by words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “should,” “would,” “plan,” “predict,” “potential,” “seem,” “seek,” “future,” “outlook,” and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding BigBear.ai’s industry, future events, and other statements that are not historical facts. These statements are based on various assumptions, whether or not identified herein, and on the current expectations of BigBear.ai’s management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by you or any other investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond our control. These forward-looking statements are subject to a number of risks and uncertainties, including those relating to: changes in domestic and foreign business, market, financial, political, and legal conditions; the uncertainty of projected financial information; delays caused by factors outside of our control, including changes in fiscal or contracting policies or decreases in available government funding; changes in government programs or applicable requirements; budgetary constraints, including automatic reductions as a result of “sequestration” or similar measures and constraints imposed by any lapses in appropriations for the federal government or certain of its departments and agencies; influence by, or competition from, third parties with respect to pending, new, or existing contracts with government customers; changes in our ability to successfully compete for and receive task orders and generate revenue under Indefinite Delivery/Indefinite Quantity contracts; our ability to realize the benefits of the strategic partnerships; risks that the new businesses will not be integrated successfully or that the combined companies will not realize estimated cost savings; failure to realize anticipated benefits of the combined operations; potential delays or changes in the government appropriations or procurement processes, including as a result of events such as war, incidents of terrorism, natural disasters, and public health concerns or epidemics, such as the coronavirus outbreak; the identified material weakness in our internal controls over financial reporting (including the timeline to remediate the material weakness); increased or unexpected costs or unanticipated delays caused by other factors outside of our control, such as performance failures of our subcontractors; the rollout of the business and the timing of expected business milestones; the effects of competition on our future business; our ability to obtain and access financing in the future; and those factors discussed in the Company’s reports and other documents filed with the SEC, including under the heading “*Risk Factors.*” If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that BigBear.ai presently does not know or that BigBear.ai currently believes are immaterial which could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect BigBear.ai’s expectations, plans or forecasts of future events and views as of the date of this release. BigBear.ai anticipates that subsequent events and developments will cause

BigBear.ai's assessments to change. However, while BigBear.ai may elect to update these forward-looking statements at some point in the future, BigBear.ai specifically disclaims any obligation to do so. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Non-GAAP Financial Measures

The financial information and data contained in this press release is unaudited. Some of the financial information and data contained in this press release, such as EBITDA, Adjusted EBITDA, and Recurring SG&A have not been prepared in accordance with United States generally accepted accounting principles ("GAAP"). To supplement our unaudited condensed consolidated financial statements, which are prepared and presented in accordance with GAAP in our press release, we also report certain non-GAAP financial measures. A "non-GAAP financial measure" refers to a numerical measure of a company's historical or future financial performance, financial position, or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in such company's financial statements. Non-GAAP financial measures should not be considered in isolation or as a substitute for the relevant GAAP measures and should be read in conjunction with information presented on a GAAP basis. Because not all companies use identical calculations, our presentation of non-GAAP measures may not be comparable to other similarly titled measures of other companies.

The presentation of these financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP and should not be considered measures of BigBear.ai's liquidity. Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. In particular, many of the adjustments to our GAAP financial measures reflect the exclusion of certain items, as defined in our non-GAAP definitions below, which are recurring and will be reflected in our financial results for the foreseeable future. In addition, these measures may be different from non-GAAP financial measures used by other companies, even where similarly titled, limiting their usefulness for comparison purposes and therefore should not be used to compare BigBear.ai's performance to that of other companies. We endeavor to compensate for the limitation of the non-GAAP financial measures presented by also providing the most directly comparable GAAP measures and descriptions of the reconciling items and adjustments to derive the non-GAAP financial measures.

We believe these non-GAAP financial measures provide investors and analysts with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key measures used by management to operate and analyze our business over different periods of time.

EBITDA is defined as net loss before interest expense, interest income, income tax (benefit) expense and depreciation and amortization. Adjusted EBITDA is defined as EBITDA further adjusted for equity-based compensation, employer payroll taxes related to equity-based compensation, net increase in fair value of derivatives, restructuring charges, non-recurring strategic initiatives, non-recurring litigation, transaction expenses and goodwill impairment.

Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of Revenue.

Recurring SG&A is defined as selling, general and administrative expense further adjusted for equity-based compensation allocated to selling, general and administrative expense, non-recurring strategic integration costs and strategic initiatives, non-recurring litigation, and reserves on Virgin Orbit receivables.

Similar excluded expenses may be incurred in future periods when calculating these measures. BigBear.ai believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and results of operations. BigBear.ai believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating projected operating results and trends and in comparing BigBear.ai's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors.

Management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in the Company's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expense and income items are excluded or included in determining these non-GAAP financial measures.

Management uses EBITDA, Adjusted EBITDA, Adjusted EBITDA margin and Recurring SG&A as non-GAAP performance measures which are reconciled to the most directly comparable GAAP measure, in the tables below. The Company does not reconcile forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measure (or otherwise describe such forward-looking GAAP measure) because it is not able to forecast the most directly comparable measure calculated and presented in accordance with GAAP without unreasonable effort. Certain elements of the composition of the GAAP amounts are not predictable, making it impracticable for the Company to forecast. As a result, no guidance for the Company's net (loss) income or reconciliation of the Company's Adjusted EBITDA guidance is provided. For the same reasons, the Company is unable to assess the probable significance of the unavailable information, which could have a potentially significant impact on its future net (loss) income.

We present reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures in the tables below.

Adjusted EBITDA Reconciliation* for the First Quarter Ended
March 31, 2024 and March 31, 2023
(Unaudited)

	Quarters Ended	
$ in thousands	**1Q 24**	**1Q 23**
Revenue	$ 33,121	$ 42,154
Net loss	(125,147)	(26,214)
Interest expense	3,555	3,556
Interest income	(447)	—
Income tax (benefit) expense	(14)	59
Depreciation & amortization	2,439	1,986
EBITDA	**$ (119,614)**	**$ (20,613)**
Adjustments:		
Equity-based compensation	5,156	3,805
Employer payroll taxes related to equity-based compensation	664	183
Net increase in fair value of derivatives	23,992	10,567
Restructuring charges	860	755
Non-recurring integration costs and strategic initiatives	1,334	1,508
Non-recurring litigation	(121)	—
Transaction expenses	1,103	—
Goodwill impairment	85,000	—
Adjusted EBITDA	**$ (1,626)**	**(3,795)**
Gross Margin	21.1 %	24.2 %
Net Loss Margin	(377.8)%	(62.2)%
Adjusted EBITDA Margin	(4.9)%	(9.0)%

Recurring SG&A Reconciliation* for the First Quarter Ended
March 31, 2024 and March 31, 2023
(Unaudited)

	Quarters Ended			
$ in thousands		**1Q 24**		**1Q 23**
Selling, general and administrative	$	16,948	$	20,362
Equity-based compensation allocated to selling, general and administrative expense		(2,171)		(2,803)
Non-recurring integration costs and strategic initiatives		(1,334)		(1,508)
Non-recurring litigation		121		—
Virgin Orbit AR Reserve		-		(750)
Adjusted (recurring) selling, general and administrative expense	**$**	**13,564**	**$**	**15,301**

About BigBear.ai

BigBear.ai is a leading provider of AI-powered decision intelligence solutions for national security, digital identity, and supply chain management. Customers and partners rely on BigBear.ai's predictive analytics capabilities in highly complex, distributed, mission-based operating environments. Headquartered in Columbia, Maryland, BigBear.ai is a public company traded on the NYSE under the symbol BBAI. For more information, visit https://bigbear.ai/ and follow BigBear.ai on LinkedIn: @BigBear.ai and X: @BigBearai.

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Exhibit 99.2

BigBear.ai

Investor Letter 1Q 2024

May 2, 2024

BigBear.ai

Letter from the CEO

Investors, Customers, and Employees – May 2, 2024

Today's results reflect BigBear.ai's steady progress in the first quarter of 2024 as we continue to operationalize AI at the edge for our customers in National Security, Digital Identity, and Supply Chain Management. These results also mark the first partially combined quarter including one month from our acquisition of Pangiam on February 29, 2024.

I am proud of the positive momentum and spirit within the business – driven by a relentless focus on delivering our solutions in operational readiness, autonomy at the edge, contested logistics, modeling & simulation, and digital identity for our customers. Every BigBear.ai employee works hard to deliver & support solutions tailored specifically to our clients' needs. It is our trusted reputation and customer-centric way-of-working that we believe will see BigBear.ai achieve consistent long-term success.

We are reaffirming our guidance on revenue for 2024, expecting between $195 million and $215 million. Revenue in the first quarter of 2024 was $33.1 million against $42.2 million in 2023. As we shared in 2023, we exited the Air Force EPASS program last year aligned with our ongoing focus to pursue technology-led solutions. In addition, we saw a commercial customer bankruptcy in April 2023. These resulted in a $6.8 million reduction and $1.5 million reduction, respectively, in the first quarter 2024 relative to the comparable period. We also saw several contract award delays in the first quarter of 2024 due to the continuing resolutions.

When looking at our results it's important to remember that the nature of our business means that revenue in individual quarters can vary significantly, and we are expecting revenues this year to be heavily weighted towards the second half. Those that understand our business well appreciate that our revenues can be lumpy as we set up for scale and focus on the quality of our service delivery for new clients and partners. This approach is what counts for us as a business in the long term.

This quarter, we have also seen several important client wins, including:

- U.S. Army G-3/5/7's $8.3 million extension to BigBear.ai to continue to lead the sustainment and modernization of mission critical force generation and analytics capabilities.

- Metropolitan Washington Airports Authority awarded BigBear.ai a contract for the implementation of veriScan at 127 gates across Ronald Reagan Washington National Airport (DCA) and Washington Dulles International Airport (IAD).

- Denver International Airport awarded BigBear.ai a contract for the deployment of veriScan for Biometric International Exit (BIE) — facial recognition for identity verification at passenger boarding of international flights from the U.S.

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- BigBear.ai was awarded a contract with a key port authority in Canada to deploy a biometric-enabled passenger processing application for entry into the U.S.

- Melbourne Airport in Australia awarded BigBear.ai a trial contract for Project Dartmouth, our AI/ML threat detection capability, to assist officers in detecting prohibited items in carry-on baggage.

Additionally, BigBear.ai was designated as an "Awardable" vendor for the Chief Digital and Artificial Intelligence Office's (CDAO) Tradewinds Solutions Marketplace. Five of our solutions have been added to the Marketplace and are available to support critical missions across the Department of Defense (DoD):

- Arcas: Our computer vision-powered situational awareness platform that processes video streams and datasets at the edge to detect anomalies, predict events, and deliver real-time insights.
- Aurora: Streamlines the traditional two-year military resource alignment process to under a month, combining advanced modeling and authoritative DoD data to create real-time, resource-informed military strategies.
- ConductorOS: Our sensor, data, and artificial intelligence orchestration platform, enhancing data interoperability and inference at the edge with near-zero latency, optimized for low/no bandwidth environments.
- Observe: Our data collection and curation platform that transforms vast amounts of publicly available data into actionable intelligence, enabling unique global situational analysis needs.
- VANE: Our Virtual Anticipation Network contriving clarity from "dirty data" in multi-domain environments for military and government applications; processing billions of data points measured against unique plans to anticipate reactions.

We've also launched a partnership with Spinnaker SCA, a supply chain-focused consulting firm, to further bolster consulting services for manufacturing and warehouse operations. By combining BigBear.ai's ProModel software with Spinnaker SCA's consulting expertise, our supply chain, manufacturing and warehousing clients will benefit from strategic guidance, simulation-based validation of changes, and data-driven optimization.

These are just a few examples of strengthened customer trust, new partnerships, and indications that our investments in these capabilities over recent years are paying off. Our solutions are core building blocks for our clients - helping to provide clarity for their most complex decisions.

Our current cash position is solid with the influx of cash from warrants that were exercised in the first quarter of this year. We closed the quarter with a cash balance of approximately $81 million. These cash reserves bolster our foundation and support where we want to be as a business today. This additional liquidity also gives us time as we continue to manage the business and integrate Pangiam. Our focus on cost management is evidenced by our Adjusted EBITDA result of ($1.6) million in the first quarter of 2024, which included a month of Pangiam results despite certain top-line headwinds as described above.

The technology world, especially the machine learning and artificial intelligence world, is heavily populated by businesses that are short on stamina. We are playing for the long term, focused on the importance of delivering steady momentum on multiple fronts, and making deliberate choices for how we grow.

The integration of Pangiam is going well and we are already seeing improved operational efficiencies, along with opportunities for bettering our service to clients. Growth synergies will continue to unlock in 2024 and start to bear fruit in 2025 and beyond.

I am also happy to report that the quality of the due-diligence work that was done prior to the acquisition is contributing to the efficiency with which we are integrating the businesses. The diligence work was demanding, and the team yet again showed what we are capable of when we focus. This is how we work, and how we will always strive to work.

Once again, I would like to thank our shareholders for their trust in BigBear.ai. That trust enables our senior leadership to focus on delivery and high-quality execution, without the constant distractions that plague some other smaller quoted businesses.

There are two accounting matters in this quarter's results which are worthy of brief further explanation. The results include one month's contribution from Pangiam - from close of the deal, to the close of the quarter - and a 'goodwill impairment charge' in the accounts of approximately $85 million.

This 'goodwill impairment charge' occurred as we agreed to purchase Pangiam with stock on November 6, 2023, for $70 million with an agreed-upon stock price of about $1.34 per share; and when the deal closed on February 29, 2024, our stock closed at $3.36 per share. The charge is being recorded to properly value Pangiam in accordance with U.S. GAAP accounting standards. There has been no change in the estimated business value or projections that we have previously shared.

As we look to the rest of the year, we know challenges will remain in two key areas. First, the implementation of a number of our digital identity sales is dependent on local regulatory structures and approvals. Our customers are keen to implement, and our products are exceptional, however, these regulatory approvals are largely beyond our, and their, control. The second challenge will be our ability to secure new contracts from the U.S. Government given the broader geopolitical climate and ongoing government funding headwinds for artificial intelligence and machine learning. Our designation as an "Awardable" vendor on Tradewinds is an example of how we are continuing to stay nimble as the government acquisition landscape evolves.

The 'AI world' continues to create a lot of noise in the broader marketplace. As a company focused on delivering real, operational solutions for our customers, we believe that this volatility will stabilize over time. We know why we are here and why it matters, and our focus on steady momentum and long-term sustainability is why we'll be here for the long haul.

Execution is everything.

Thank you again to you all for your support, I look forward to catching up with you all soon...

Warm regards,

Warm regards,

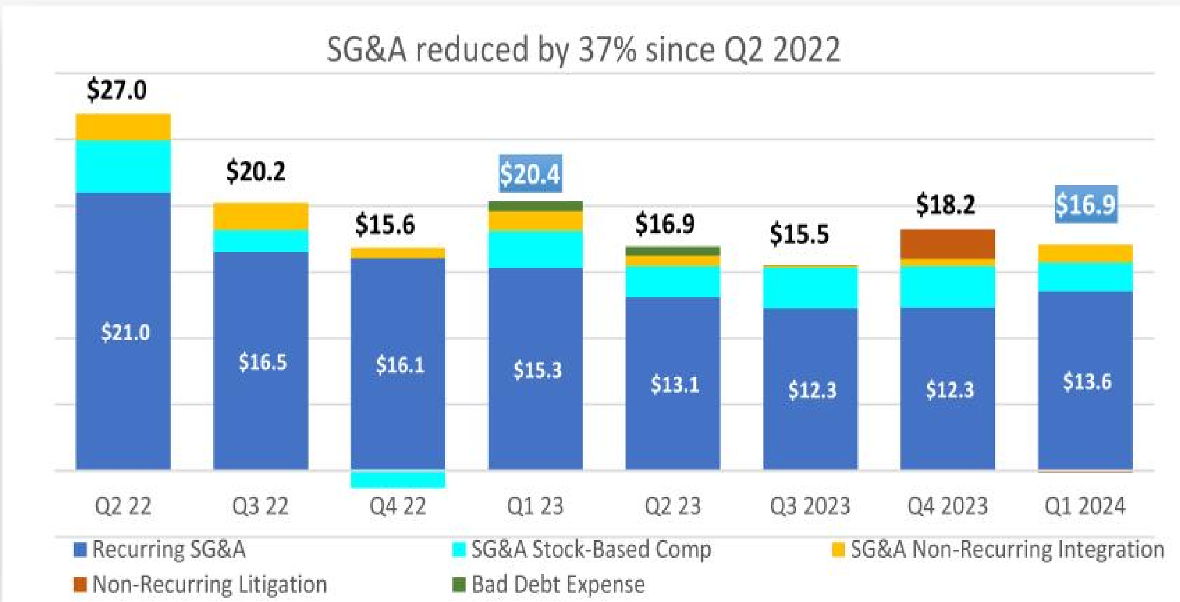
Mandy Long
CEO, BigBear.ai

BigBear.ai

Q1 2024 Financial Highlights

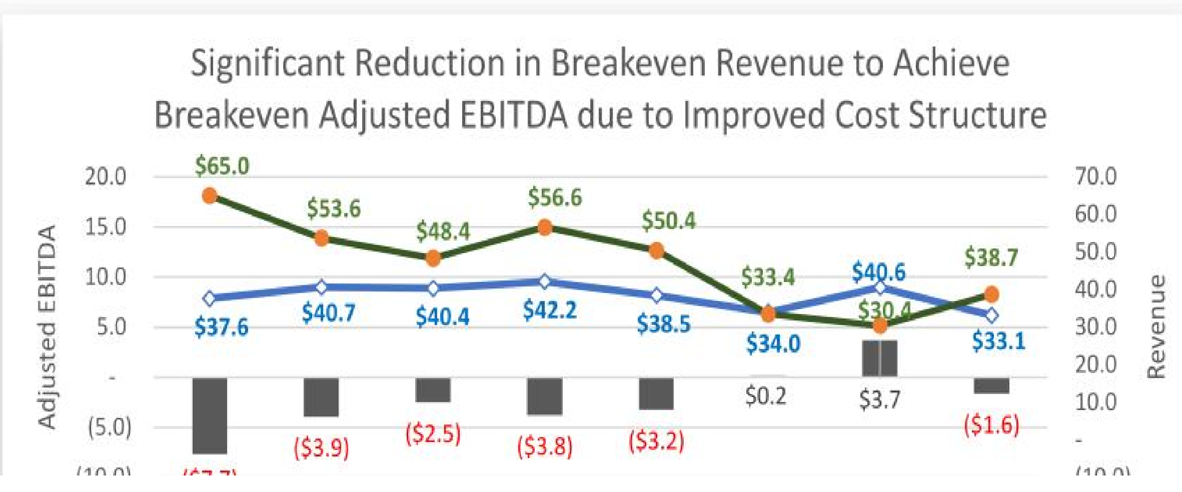
Total SG&A expenses lower by $3.5M and 17% YoY in Q1 2024 including Pangiam acquisition vs Q1 2023

- *Q1 2024 Recurring* SG&A down 35% including Pangiam from Q2 2022 for $30M annualized run rate*



Total Adjusted EBITDA* of ($1.6M) in Q1 2024 including combined Pangiam business compared to ($3.8M) in Q1 2023

- *40% improvement in Breakeven Revenue at $38.7M compared to Q2 2022 at $65M*
- *$2.2M YoY improvement in Adj EBITDA on ($9.1M) in lower revenues*




(10.0)
($7.7)
(10.0)
Q2 2022
Q3 2022
Q4 2022
Q1 2023
Q2 2023
Q3 2023
Q4 2023
Q1 2024
Adjusted EBITDA
Actual Revenue
Revenue to achieve Breakeven Adj EBITDA

Momentum

U.S. Army G-3/5/7 $8.3 Million Extension

The U.S. Army G-3/5/7 recently provided an $8.3 million extension to BigBear.ai to continue to lead the sustainment and modernization of mission critical force generation and analytics capabilities. This commitment, along with the previous GFIM-OE extension, demonstrates BBAI's position as the leader in providing critical enterprise IT capabilities to the U.S. Army.

Denver International Airport

DEN recently awarded a contract to Pangiam, a BigBear.ai Company, for the deployment of veriScan™ to facilitate passenger processing for Biometric International Exit. The initial scope of work includes hardware, software, and services at 24 gates.

Project Dartmouth in Australia

BigBear.ai has signed an agreement with Melbourne Airport in Australia to trial Project Dartmouth, our AI/ML threat detection capability, to assist officers in detecting prohibited items in carry-on baggage. This is BigBear.ai's first Project Dartmouth trial in Australia — an exciting partnership to help inform considerations for deploying such capabilities at scale in the future.

Linkware + veriScan in Canada

BigBear.ai's Pangiam was awarded a contract with a key port authority in Canada to deploy a biometric-enabled passenger processing application for entry into the

Metropolitan Washington Airports Authority (MWAA)

Following the release of a competitive solicitation for Biometric International Exit at Ronald Reagan Washington National Airport (DCA) and Washington Dulles International Airport (IAD), MWAA selected and awarded Pangiam, a BigBear.ai company, a contract for the provision of veriScan™ at 127 gates.

Tradewinds 'Awardable' Status: ConductorOS and AURORA

BigBear.ai announced it has been designated as an "Awardable" vendor for the Chief Digital and Artificial Intelligence Office's (CDAO) Tradewinds Solutions Marketplace. Five of the company's products, including Sensor, Data and AI Orchestration (ConductorOS), Time-Series Forecasting (VANE), Contested Logistics Planning (AURORA), Maritime Domain Awareness (Arcas), and Publicly Available Data Curation (Observe) have been added to the Marketplace. Achieving 'Awardable' on the DoD's Tradewinds enables acceleration of the procurement process of these technologies across the DoD.

Supply Chain Consulting Teaming Agreement

BigBear.ai formed a teaming agreement with Spinnaker SCA, a supply chain-focused consulting firm, to further bolster consulting services for manufacturing and warehouse operations. By combining BigBear.ai's ProModel® simulation software with Spinnaker SCA's consulting expertise, our supply chain, manufacturing, and warehousing clients will benefit from strategic guidance, simulation-based

U.S. This brings BigBear.ai's existing Linkware and veriScan offerings into a new space, with the aim of replicating and scaling across multiple locations.

validation of changes, and data-driven optimization to reduce costs, increase efficiency, and achieve faster time to value.

Forward-Looking Statements

This presentation contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act"). Forward-looking statements generally are accompanied by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "should," "would," "plan," "predict," "potential," "seem," "seek," "future," "outlook," and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding our industry, future events, and other statements that are not historical facts. These statements are based on various assumptions, whether or not identified herein, and on the current expectations of our management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond our control. These forward-looking statements are subject to a number of risks and uncertainties, including those relating to: changes in domestic and foreign business, market, financial, political, and legal conditions; the uncertainty of projected financial information; delays caused by factors outside of our control, including changes in fiscal or contracting policies or decreases in available government funding; changes in government programs or applicable requirements; budgetary constraints, including automatic reductions as a result of "sequestration" or similar measures and constraints imposed by any lapses in appropriations for the federal government or certain of its departments and agencies; influence by, or competition from, third parties with respect to pending, new, or existing contracts with government customers; changes in our ability to successfully compete for and receive task orders and generate revenue under Indefinite Delivery/Indefinite Quantity contracts; our ability to realize the benefits of the strategic partnerships; risks that the new businesses will not be integrated successfully or that the combined companies will not realize estimated cost savings; failure to realize anticipated benefits of the combined operations; potential delays or changes in the government appropriations or procurement processes, including as a result of events such as war, incidents of terrorism, natural disasters, and public health concerns or epidemics, such as the coronavirus outbreak; increased or unexpected costs or unanticipated delays caused by other factors outside of our control, such as performance failures of our subcontractors; the rollout of the business and the timing of expected business milestones; the effects of competition on our future business; our ability to obtain and access financing in the future; and those factors discussed in the Company's reports and other documents filed with the SEC, including under the heading "Risk Factors." If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that we presently do not know or that we currently believe are immaterial which could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect our expectations, plans or forecasts of future events and views as of the date of this presentation. We anticipate that subsequent events and developments will cause our assessments to change. However, we specifically disclaim any obligation to do so. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Non-GAAP Financial Information

This presentation includes financial measures that are not in accordance with generally accepted accounting principles ("GAAP"), such as EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Gross Margin, Recurring SG&A and Breakeven Revenue to Achieve Breakeven Adjusted EBITDA . We believe these non-GAAP financial measures provide investors and analysts with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key measures used by management to operate and analyze our business over different periods of time. Non-GAAP financial measures should not be considered in isolation or as a substitute for the relevant GAAP measures and should be read in conjunction with information presented on a GAAP basis. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expense and income items are excluded or included in determining these non-GAAP financial measures. Because not all companies use identical calculations, our presentation of non-GAAP measures may not be comparable to other similarly titled measures of other companies.

EBITDA is defined as net income (loss) before interest expense, interest income, income tax (benefit) expense, depreciation and amortization. Adjusted EBITDA is defined as EBITDA further adjusted for equity-based compensation, employer payroll taxes related to equity-based compensation, net increase in fair value of derivatives, restructuring charges, non-recurring integration costs and strategic initiatives, capital market advisory fees, commercial start-up costs, non-recurring litigation, transaction expenses and goodwill impairment. Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of Revenue.

Adjusted Gross Margin is defined as gross margin adjusted for equity-based compensation allocated to cost of revenues.

Recurring SG&A is defined as Total SG&A adjusted for equity-based compensation allocated to selling, general and administrative expense, non-recurring integration costs and strategic initiatives, non-recurring litigation costs, and the write-off of bad debt from the Virgin Orbit bankruptcy.

Breakeven Revenue to Achieve Breakeven Adjusted EBITDA is defined as Adjusted EBITDA divided by Adjusted Gross Margin

Breakeven Revenue to Achieve Breakeven Adjusted EBITDA is defined as Adjusted EBITDA divided by Adjusted Gross Margin, followed by the addition of Revenues. Reconciliations to the most directly comparable GAAP measures are provided in the Appendix to this presentation.

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Appendix

Appendix

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Adjusted EBITDA Calculation

Key Metric: ($ thousands)	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24
Revenue	37,613	40,651	40,357	42,154	38,459	33,988	40,563	33,121
Net loss	**(56,844)**	**(16,110)**	**(29,895)**	**(26,214)**	**(16,895)**	**3,999**	**(21,256)**	**(125,147)**
Interest expense	3,554	3,557	3,770	3,556	3,560	3,540	3,544	3,555
Interest income	-	-	-	-	-	(86)	(306)	(447)
Income tax (benefit) expense	(1,820)	252	(226)	59	(3)	(5)	50	(14)
Depreciation & amortization	1,954	2,038	1,994	1,986	1,979	1,971	1,965	2,439
EBITDA	**(53,156)**	**(10,263)**	**(24,357)**	**(20,613)**	**(11,359)**	**9,419**	**(16,003)**	**(119,614)**
Adjustments:								
Equity-based compensation	5,080	2,222	(295)	3,805	3,994	4,793	6,079	5,156
Employer payroll taxes related to equity-based compensation	-	-	-	183	174	8	75	664
Net increase (decrease) in fair value of derivatives	(199)	(102)	(27)	10,567	3,121	(15,659)	9,395	23,992
Restructuring charges	-	1,562	2,641	755	25	-	42	860
Non-recurring integration costs and strategic initiatives	2,024	2,075	781	1,508	813	159	545	1,334
Capital market advisory fees	38	-	-	-	-	-	-	-
Commercial start-up costs	3,063	-	-	-	-	-	-	-
Non-recurring litigation	-	-	-	-	-	-	2,250	(121)
Transaction expenses	186	566	454	-	-	1,437	1,284	1,103
Goodwill impairment	35,252	-	18,292	-	-	-	-	85,000
Adjusted EBITDA	**(7,712)**	**(3,940)**	**(2,511)**	**(3,795)**	**(3,232)**	**157**	**3,667**	**(1,626)**
Gross Margin	**25.5%**	**28.9%**	**29.2%**	**24.2%**	**23.3%**	**24.7%**	**32.1%**	**21.1%**
Net Loss Margin	**(151.1%)**	**(39.6%)**	**(74.1%)**	**(62.2%)**	**(43.9%)**	**11.8%**	**(52.4%)**	**(377.8%)**
Adjusted EBITDA Margin	**(20.5%)**	**(9.7%)**	**(6.2%)**	**(9.0%)**	**(8.4%)**	**0.5%**	**9.0%**	**(4.9%)**

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Recurring SG&A Calculation

Key Metric: ($ thousands)	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24
Selling, general and administrative	26,952	20,233	15,570	20,362	16,930	15,533	18,232	16,948
Equity-based compensation allocated to selling, general and administrative expense	(3,928)	(1,635)	1,279	(2,803)	(2,319)	(3,071)	(3,156)	(2,171)
Non-recurring integration costs and strategic initiatives	(2,024)	(2,075)	(781)	(1,508)	(813)	(159)	(545)	(1,334)
Non-recurring litigation	-	-	-	-	-	-	(2,250)	121
Write-off of Bad Debt - Virgin Orbit Bankruptcy	-	-	-	(750)	(675)	(50)	-	-
Adjusted (recurring) selling, general and administrative expenses	**21,000**	**16,523**	**16,068**	**15,301**	**13,123**	**12,253**	**12,281**	**13,564**

Breakeven Revenue to Achieve Breakeven Adjusted EBITDA Calculation

Key Metric: ($ thousands)	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24
Revenues	37,613	40,651	40,357	42,154	38,459	33,988	40,563	33,121
Gross Margin ($)	**9,590**	**11,751**	**11,785**	**10,213**	**8,963**	**8,409**	**13,016**	**6,986**
Gross Margin (%)	**25.5%**	**28.9%**	**29.2%**	**24.2%**	**23.3%**	**24.7%**	**32.1%**	**21.1%**
Equity-based compensation allocated to cost of revenues	1,009	571	892	874	1,442	1,498	1,632	2,653
Adjusted Gross Margin ($)	**10,559**	**12,322**	**12,677**	**11,087**	**10,405**	**9,907**	**14,648**	**9,639**
Adjusted Gross Margin (%)	**28.2%**	**30.3%**	**31.4%**	**26.3%**	**27.1%**	**29.1%**	**36.1%**	**29.1%**
Adjusted EBITDA	(7,712)	(3,940)	(2,511)	(3,795)	(3,232)	157	3,667	(1,626)
/ Adjusted Gross Margin %	28.2%	30.3%	31.4%	26.3%	27.1%	29.1%	36.1%	29.1%
Additional Revenue Required to Achieve Breakeven Adjusted EBITDA	27,368	12,998	7,994	14,440	11,946	(539)	(10,155)	5,587
Revenues	37,613	40,651	40,357	42,154	38,459	33,988	40,563	33,121
Total Revenue to Achieve Breakeven Adjusted EBITDA	**64,981**	**53,649**	**48,351**	**56,594**	**50,405**	**33,449**	**30,408**	**38,708**