BigBear.ai

BigBear.ai
NYSE:BBAI

August 2023

Forward-Looking Statements

Non-GAAP Financial Information

Who We Are

Our Mission: Deliver Clarity for the World's Most Complex Decisions

What We Do:

We provide advanced software capabilities bundled with expert services to help our customers:

- Turn incomplete & raw data into actionable insights
- Visualize & predict the impact of change
- Make better decisions faster & improve outcomes

Attractive Target Markets

Supply Chains & Logistics

Cybersecurity
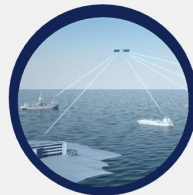
Autonomous Systems

$44.9B in 2021 | **$128.9B** in 2028[1]
16.3% CAGR

Key Facts:

- 2022 Revenue of $155M (6.5% Growth from 2021)
- 1H 2023 Revenue of $80.6M (9% YoY Growth)
- Over 20 U.S. defense / intelligence customers
- Over 160 diverse commercial customers
- Long-term contracts in place - $206M backlog[2]
- Key recent wins with L3Harris, U.S. Navy, & U.S. Army
  - L3Harris exclusive for autonomous surface vessels
  - Showcase AI / ML situational awareness capabilities for U.S. Navy & Allied Nations at IMX23
  - Extended U.S. Army GFIM Phase II through November 2023
- Deep industry domain expertise in advanced AI/ML, Intelligent Automation, and Modeling/Simulation Solutions
- >550 employees with HQ in Columbia, MD

Note: (1) Fortune Business Insights and Brand Essence Research. (2) As of 6/30/23.

Key Company Milestones

- Legacy relationships providing mission-oriented products and services to Federal and Commercial sector customers begin

- AE Industrial Partners combines 4 leading industry solutions providers with deep domain expertise, proprietary technology and blue-chip customer bases

- IPO via merge with GigCapital4

- Implemented focused strategy targeting most attractive end markets with demand for advanced AI/ML applications: supply chains & logistics, cybersecurity, and autonomous systems
- Key partnership with L3Harris executed

1988

2020

2021

2023

Future

2022

- Acquired ProModel, discrete event simulation / digital twin solutions for federal & commercial applications
- Addition of Mandy Long (CEO), Julie Peffer (CFO), & Carolyn Blankenship (GC)
- IP inventory completed, reintroduced business to focus on mission-based technology-led solutions

- Scale L3Harris partnership (sea) + expand domain coverage
- Product Expansion: Novel automation for reverse engineering
- Partnerships for modeling and simulation
- Product Launch: ConductorOS

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$45B Market with Strong Growth Potential

AI/ML Total Addressable Market

($ in Billions)

A stacked bar chart. 2021 total is $44.9; 2028 total is $128.9, with a 16% CAGR arrow. Categories: Cybersecurity (dark blue), Supply Chains (light blue), Autonomous Technology (teal).

Legend: ■ Cybersecurity ■ Supply Chains ■ Autonomous Technology

Federal AI Spend

($ in Billions)

A bar chart showing: 2021 = $1.0, 2022 = $1.1, 2023 = $1.3, 2024 = $2.5, with a 36% CAGR arrow.
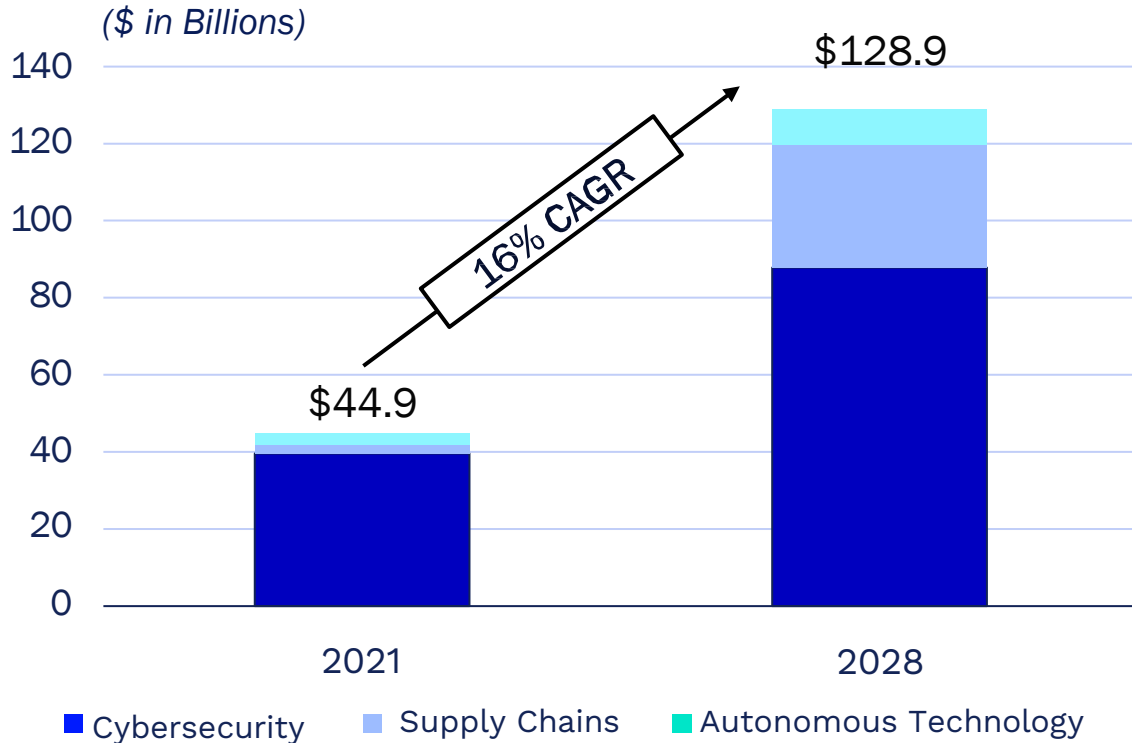
Legend: ■ Reported ■ Forecasted
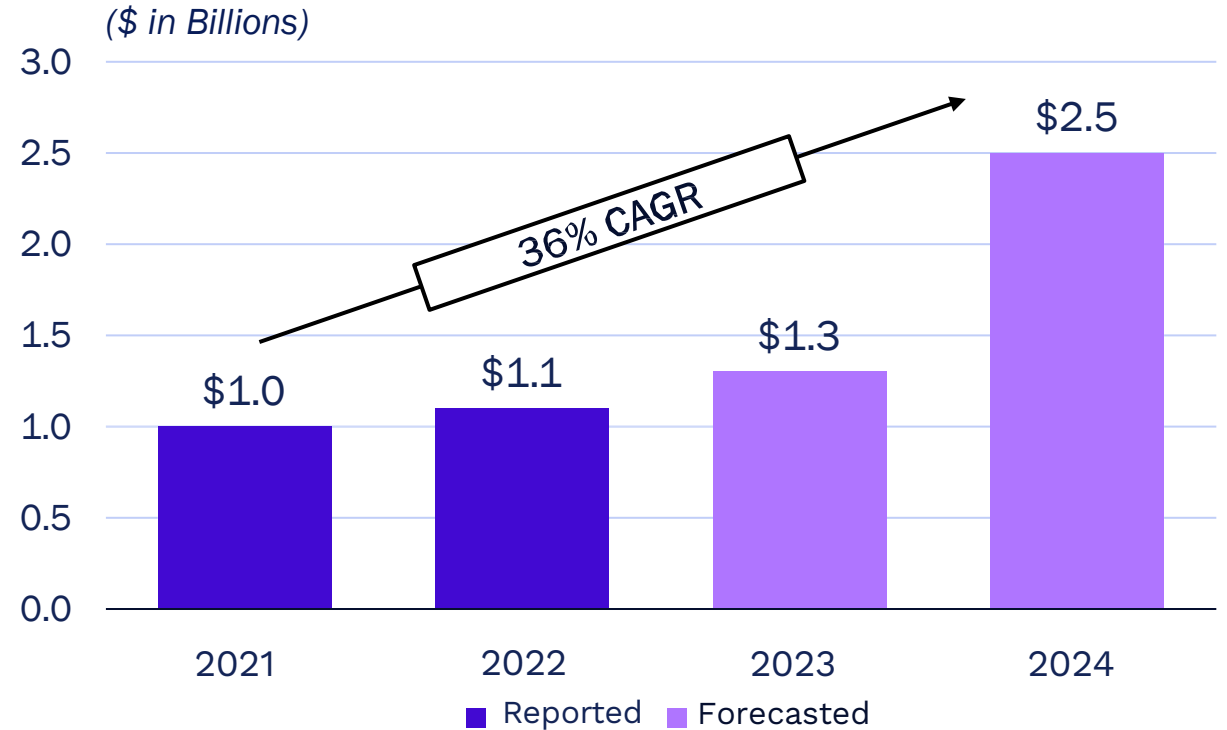
Positioned to address significant market demand for AI solutions in complex environments

AI / ML Total Addressable Market Source: Fortune Business Insights and Brand Essence Research.
Federal AI Spend Source: Gartner Research for 2021 – 2023 and DefenseScoop and WhiteHouse.gov for 2024 for Federal AI Spend.
Note: Amounts shown are based on contract transactions with AI-related keyword and do not represent total market size.

Why We Win

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- Demonstrated world-class operational AI / ML technology
  ✓ *Forecast processes 18+ months*

- Deep domain & systems integration expertise
  ✓ *Over 25 years of experience solving the hardest analytical problems for U.S. Defense & Intelligence Communities*

- Long history of delivering outstanding operational impact
  ✓ *Proven ability to save thousands of hours & $M's in capital in the world's highest stakes environments*

- Mission-driven to address the most complex decisions
  ✓ *Singularly focused on helping organizations make their most difficult & important decisions*

- Trusted relationships with demanding partners
  ✓ *Proven ability to deliver for the largest and most demanding customers & partners*

Customer Testimonials

columbia FOREST PRODUCTS

"These projects have saved CFP hundreds of thousands of dollars in efficiencies and will be the backbone of our 1-, 5- and 10-year scenario planning."
– *Analytics Manager*

U.S. ARMY

"GFIM will radically transform and streamline the end-to-end business processes the Army uses to develop a future force and provide a current force."
– *U.S. Army GFIM Chief Management Officer.*

Seattle Children's

"FutureFlowRx™ modeling has saved the hospital approximately $14 million dollars and 1500 of operation staffing huddle hours."
– *VP, Data & Analytics Practice*

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Supply Chains & Logistics

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Solutions Capabilities

- Complex, sparse, and dirty data collection, enrichment and processing

- Operational analysis, including significant event alerts (anomaly detection)

- Strategic planning, including influence analysis and modeling

- Explainable geopolitical & macroeconomic forecasting

ProModel Discrete Event Simulator™

Supply chain resiliency

Prescriptive forecasting

Support of business capture

Distribution Center & Warehouse optimization

Capital & operational cost justification

Observe DaaS™

Multi-INT

Curated data

AI/ML ops

Sensors and controllers

CCTV and camera

Dominate™

Imputation for incomplete data Tensor completion

Multi-domain relationships

Time series forecasting

Course of action (COA) analysis Significant event alerting Automated ML pipeline

Key driver influence analysis

Representative Customers:

Defense Intelligence Agency · Children's Hospital Colorado · OSD Operational Services Division · U.S. Army · Export-Import Bank of the United States · U.S. Air Force

![BigBear.ai]

Cybersecurity

Solutions Capabilities

- Automate key processes - Reverse engineering and Vulnerability assessment
- Apply AI/ML backed analytical solutions to the cybersecurity domain
- Produce Defense-in-Depth solutions extensible to multiple domains
- Leverage modeling/simulation (mod/sim) technology for scalable, cost effective, timely analysis
- Bring expertise to our on-site mission execution partnership on gov-civ teams

TROY™

Automated binary data analysis platform

AI/ML backed workflows

Human-machine team

Firmware vulnerabilities

Malware detection & characterization

Reverse SBOM

Commercial SaaS enabled

Highly flexible/extensible workflow modules

Patent pending

"SpaceCREST"

High-fidelity mod/sim

Space domain digital twin

Cyber Red Team attack platform

AI-backed analytics

Defense-in-depth test/development

Synthetic data environment

Extensible to multiple domains (medical, auto, industrial)

Professional Services

Direct mission impact

Technically skilled, cleared workforce

Engaged in most complex national security problem sets

Representative Customers:

Autonomous Systems

Solutions Capabilities

- Identify and classify anomalous marine objects and activity

- Predictive forecasting & descriptive analytics

- Edge capable computer vision models for use on any platform sea, air, space, and land or operations centers

- At-scale orchestration of AI models

AI solutions for autonomous systems, as seen on WSJ (Drone Boats: Inside the U.S. Navy's Latest Unmanned AI Tech)

Arcas

Analytics platform to enable autonomous operations across all domains

Integration of models and analytics to bring AI from cloud to the edge

Wide range of capabilities including:

- Geospatial tracking

- Forecasting & Time Series Analysis

- Anomaly detection

- Computer vision

ConductorOS

Operational Prototype 2H2023

AI orchestration Platform-as-a-Service

Architecture for interoperable payloads or models across diverse environments

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Representative Customers: L3HARRIS™

Recent Wins & Expansions

BigBear.ai will serve as L3Harris' exclusive provider of:

1. Computer Vision
2. Predictive Analytics
3. Event Alerting & Descriptive Analytics

For autonomous surface vessels and associated shore-based command & control maritime operations systems for the Department of Defense (DoD)

International Maritime Exercise 23:

Successfully demonstrated AI/Machine Learning (ML)-powered decision support solution at IMX 23 with Task Force 59

DoD's Chief Digital and Artificial Intelligence Office's Tradewind Initiative:

Announced the addition of our "Ursa Minor" and Observe solutions to the DoD Tradewind marketplace

Global Force Information Management Phase 2:

Selected as the prime contractor to grow a $2 million award for a second prototype into a $14.8 million award to deliver a minimum viable product

Recent Wins & Expansions

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1 Global Force Information Management

Select Competition: Palantir, IBM, CGI

Result: Won $14M+ contract to lead Phase 2 as the sole prime vendor

Additional Opportunities: A Phase 3 production contract is expected later this year

2 Force Readiness Analytics

Contract Growth: US Army G-3/5/7 Headquarters and FORSCOM have issued a $9M contract extension in 2023 to continue delivering Force Readiness Analytics & other solutions

3 ATEC AIMMS Contract

Select Competition: Deloitte, IBM, Siemens

Result: Won $8M prime contract for Phase 2 of the ATEC AIMMS to deliver a low-code automation digital platform with analytics & integrated search functionality

235% Growth in Army account since 2021

Well Positioned in Competitive Landscape

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BigBear.ai Differentiation

Anti-monolith: We are committed to delivering open architecture solutions, enabling interoperability across platforms & algorithms, and providing access to models and data.

Domain Driven Models: Our models are built for the domains and missions they serve, supported by subject matter experts from the field.

The Non-Startup: Unlike many who are just entering the AI race, BigBear.ai has been delivering production solutions to clients for more than 30 years.

Primary Competitors

C3.ai	Clarifai
Palantir	Rebellion Defense
Scale	Shield AI
SparkCognition	

Additional Competitors by Target Market

Supply Chains & Logistics			**Cybersecurity**			**Autonomous Systems**		
Azure Time Series Insights	Amazon Forecast	H20.ai	Crowdstrike	Fireeye	Microsoft Defender	Anduril	HII	Leidos
Siemens Technomatix	Simio	Simul8	RedLattice	ReversingLabs		Lockheed Martin	Martac	

Key Long-Term Growth Drivers

BigBear.ai

Supply Chains & Logistics

Integration of discrete event simulation capabilities with partners as embedded solutions

Bridge macroeconomic & geopolitical forecasting capabilities to private sector
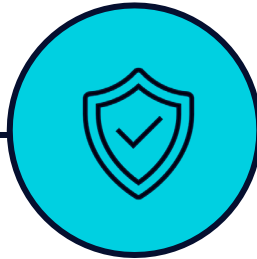
Cybersecurity

Product Demand: Automated reverse engineering of malware and other types of binary code

Expand Vulnerability as a Service offering to adjacent markets
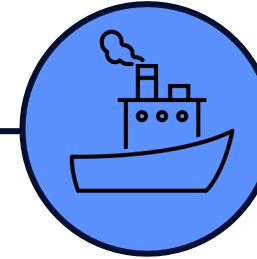
Autonomous Systems

L3Harris Autonomous Surface Vessel Partnership

Adjacent opportunities in new domains (underwater, land/air/space)

ConductorOS - Growing demand for infrastructure of AI systems & payloads

Existing solutions and strategic relationships underpin growth plan across key market segments

Executive Team Poised to Win

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	Mandy Long CEO	Julie Peffer CFO	Norm Laudermilch COO	Greg Goldwater CGO	Carolyn Blankenship GC
BigBear Start Date:	October 2022	June 2022	May 2023	June 2021 (Promoted CGO May 2023)	March 2022
Years of Experience:	15+	30+	30+	19+	24+
Prior Experience:	IBM Modernizing Medicine Experian	AWS Raytheon Technologies ITT Defense	Verizon LookingGlass Sophos	Accenture	Thomson Reuters

Financials
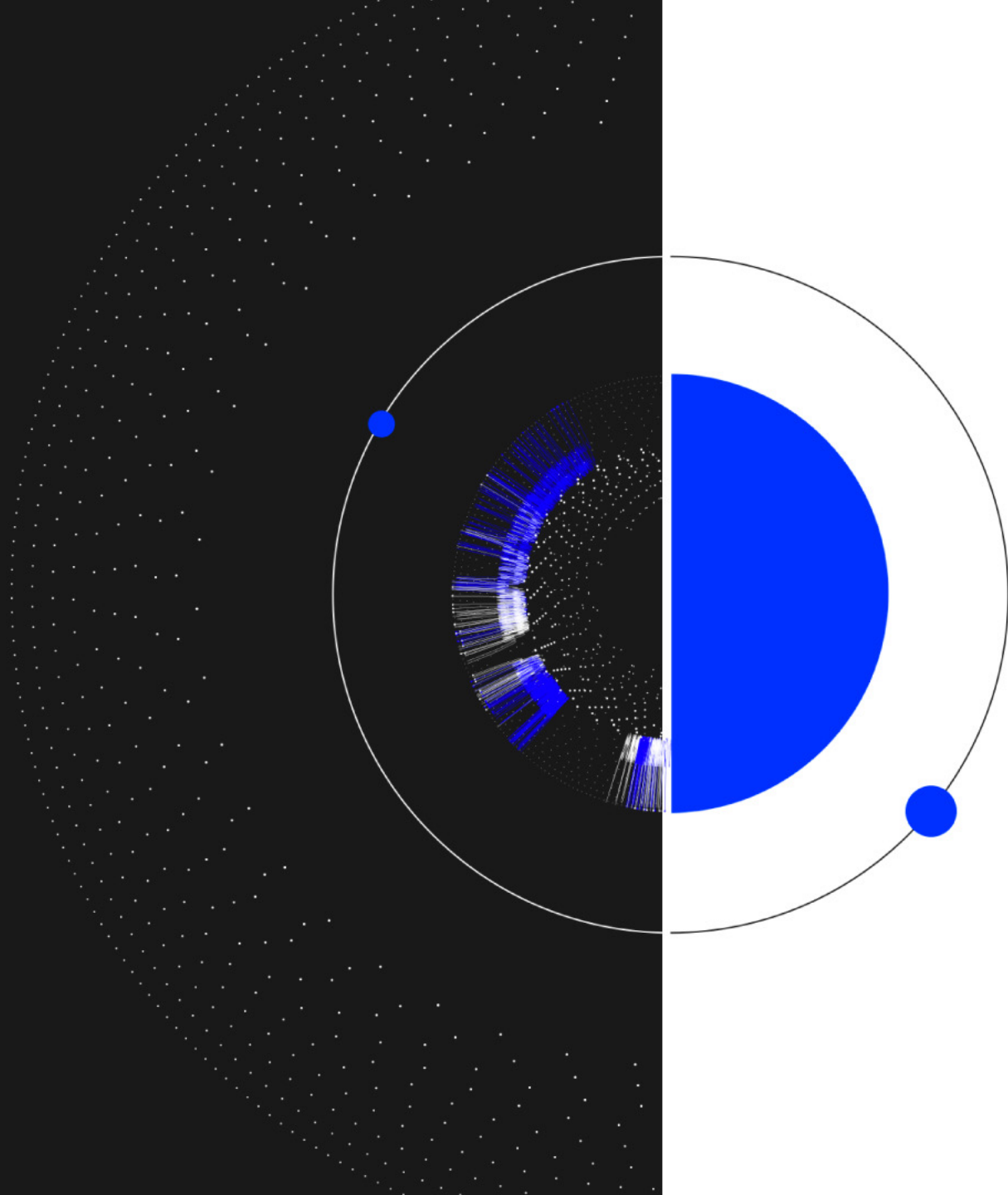
Key Financial Highlights

BigBear.ai

✓ Strong, diversified, growing revenue base: $155M in 2022 and $81M in 1H 2023

✓ Multi-year contracts in place provide strong visibility - $206M backlog (as of 6/30/2023)

✓ Focus on gross margin expansion through increased scale & expansion into higher margin markets

✓ Achieving cost management success – Over 70% and 35% decrease in total operating expenses and recurring operating expenses, respectively, since Q2 2022 [1]

✓ Multiple opportunities to realize margin expansion / cash flow growth

Note: (1) Refer to Appendix for reconciliation of reported to recurring operating expenses

![BigBear.ai logo]

Strong Historic Revenue Growth

($ in Millions)

YoY Annual

YoY 1H 2023
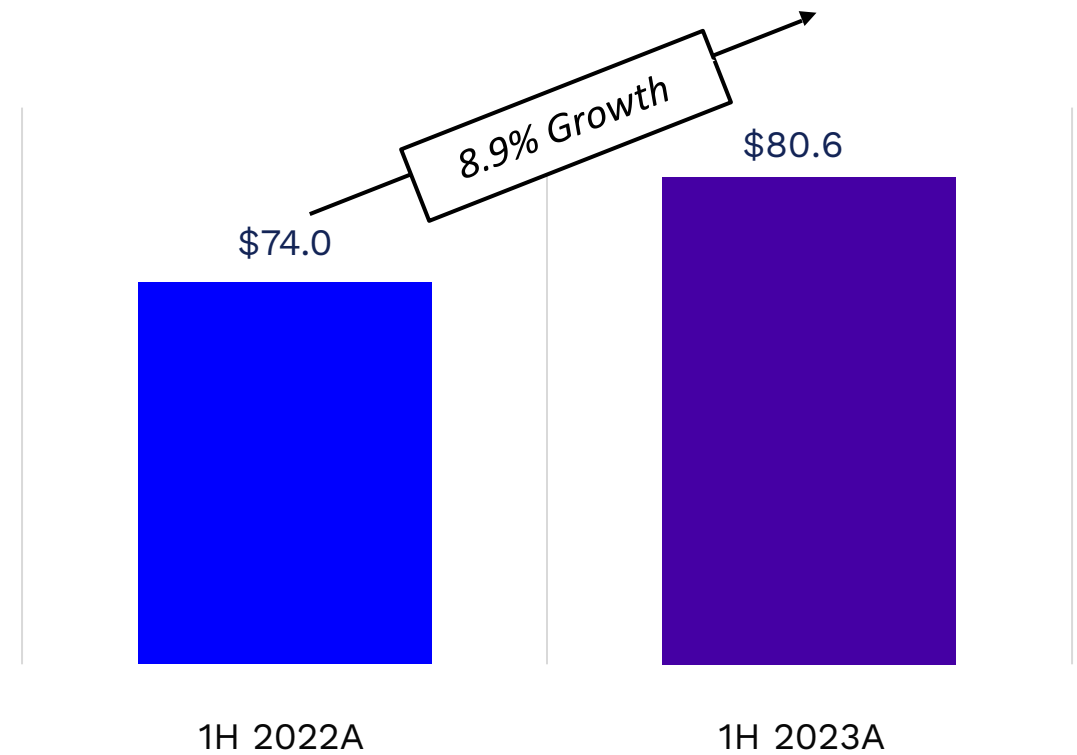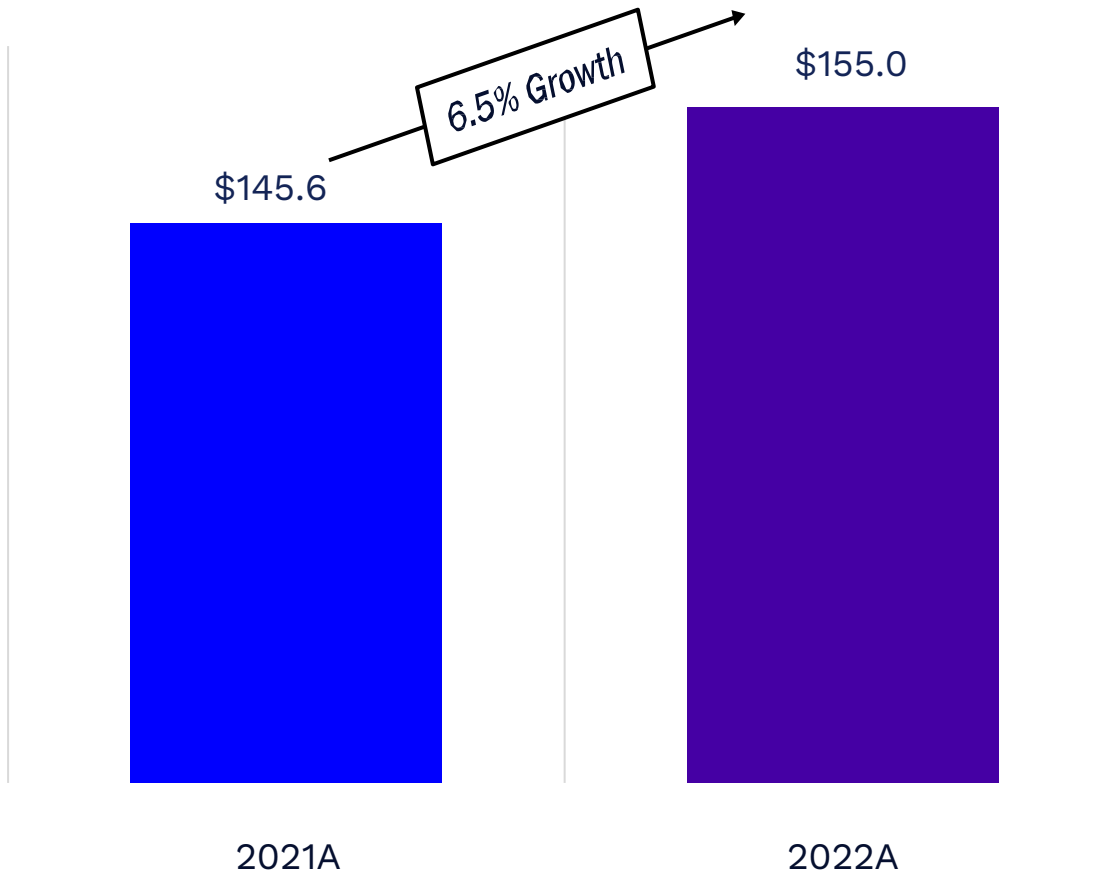
6.5% Growth

$145.6

$155.0

2021A

2022A

8.9% Growth

$74.0

$80.6

1H 2022A

1H 2023A

Revenue From Diversified Solution Portfolio

Transitioning revenue composition to significant player in autonomous systems and cybersecurity

$33M	Systems Integration
$24M	Supply Chains & Logistics
$22M	Cybersecurity
$2M	Autonomous Systems
$81M	Total 1H 2023 Revenue

1H 2023

41%

30%

27%

Long-Term Target

10 - 15%

25 - 35%

15 - 20%

35 - 45%

■ Systems Integration   ■ Supply Chains / Logistics   ■ Cybersecurity   ■ Autonomous Systems
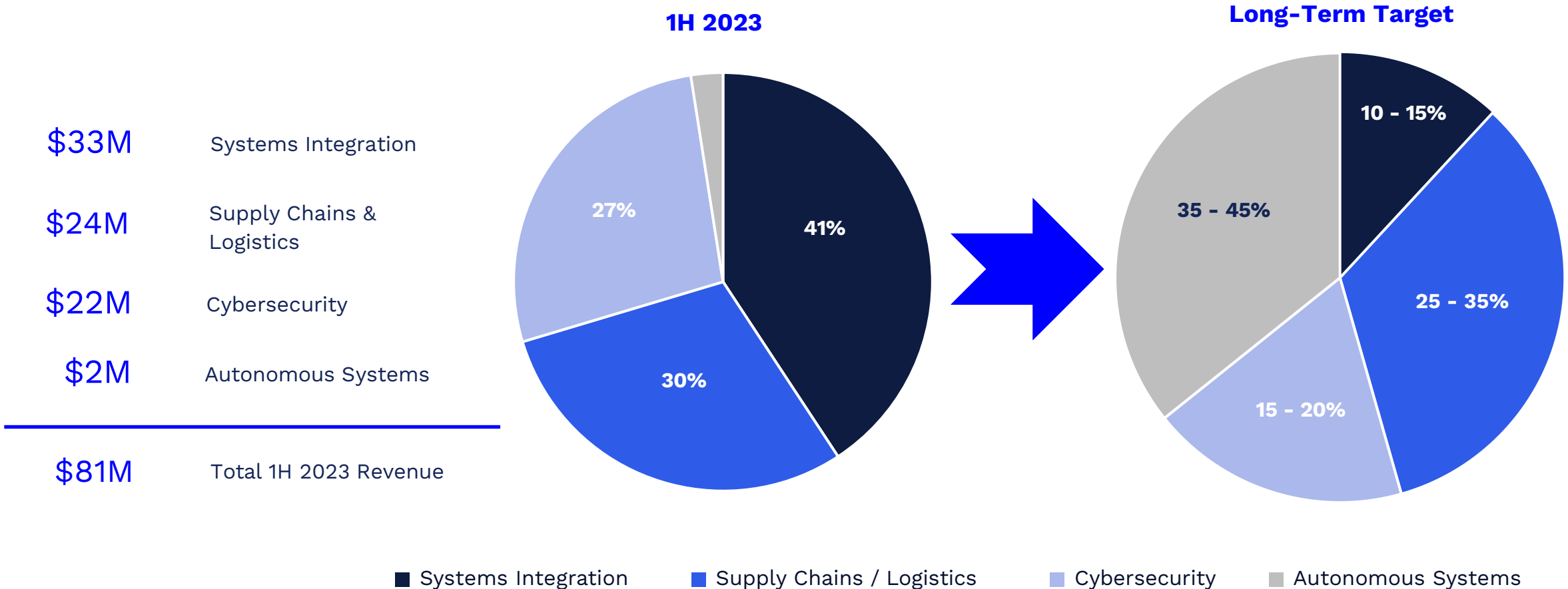
Achieving Success in Cost Management

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Over 70% and 35% reduction in total operating expenses and recurring operating expenses, respectively, since Q2 2022, while maintaining revenue growth

($ in Millions)

Total Operating Expenses

	Q2 2022A	Q3 2022A	Q4 2022A	Q1 2023A	Q2 2023A
Total Operating Expenses	$64.9	$24.1	$38.2	$22.2	$19.2
Total Operating Expenses as a % of Revenue	173%	59%	95%	53%	50%

Legend:
- Total Operating Expenses
- Total Operating Expenses as a % of Revenue

Recurring Operating Expenses [1]

	Q2 2022A	Q3 2022A	Q4 2022A	Q1 2023A	Q2 2023A
Recurring Operating Expenses	$23.4	$18.3	$17.2	$16.3	$15.1
Recurring Operating Expenses as a % of Revenue	62%	45%	43%	39%	39%

Legend:
- Recurring Operating Expenses
- Recurring Operating Expenses as a % of Revenue

70%
Reduction in total operating expenses

35%
Reduction in recurring operating expenses[2] since Q2'22
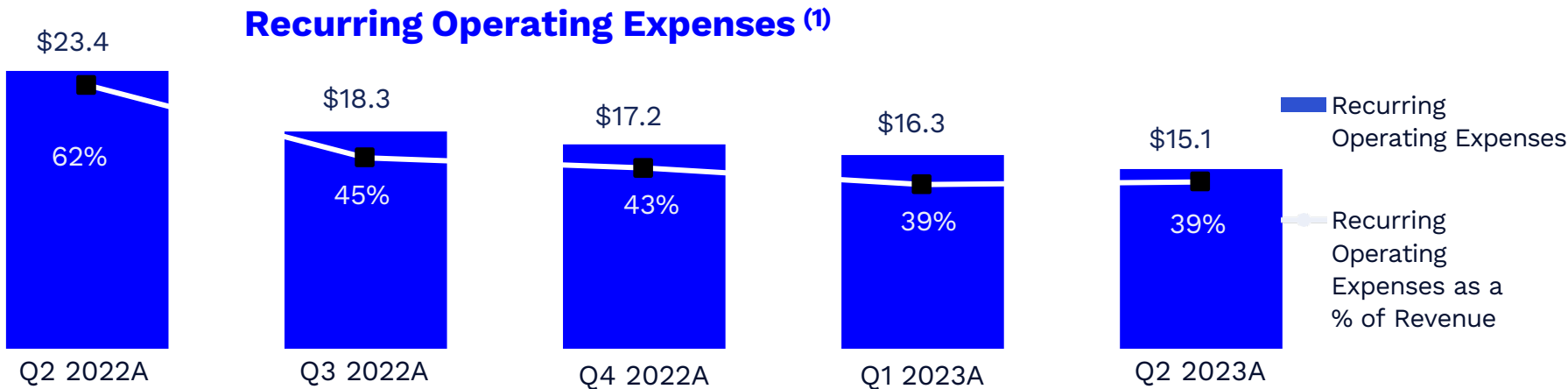
- **>$30M of annualized savings**
- **Reduced headcount**
- **Realized operating efficiencies**

Note: (1) Recurring operating expenses is a non-GAAP measure. See the Appendix for the reconciliation of total operating expenses to recurring operating expenses

Summary Income Statement

Key Metric:	FY 2021A	FY 2022A	1H FY2023A	Long-Term Target
Revenue Growth (YoY)	4.7%[1]	6.5%	8.9%	10% - 15%
Gross Margin	23.4%	27.7%	23.8%	35% - 40%
Operating Income Margin	(53.9%)	(71.3%)	(27.6%)	10% - 15%
Adjusted EBITDA Margin[2]	3.3%	(11.0%)	(8.7%)	15% - 20%

Note: (1) FY 2021A Revenue Growth is based on comparison to Successor Pro Forma FY 2020A revenue. (2) Adjusted EBITDA margin is a non- GAAP measure. See the Appendix for the reconciliation of net loss to adjusted EBITDA and the calculation of adjusted EBITDA margin.

Key Highlights

BigBear.ai

✓ Trusted provider for over 20 U.S. defense / intelligence customers, high percentage of employees with active security clearance

✓ Success within the most complex environments supports continued growth in federal & commercial sectors

✓ Attractive, rapidly growing TAM: $44.9B (2021) → $128.9B (2028), 16.3% CAGR [1]

✓ Strong (and growing) industry partnerships to drive rapid market saturation / expansion

✓ Long-term contracts provide high visibility, diversified revenue streams -- $206M backlog (as of 6/30/23)

✓ Clear path to margin expansion & attractive cash flow profile

✓ Experienced & diverse management team brought on in 2022 / 2023 – notable track records of transformation & execution

Note: (1) Fortune Business Insights and Brand Essence Research.

Appendix

We Provide Mission Critical Solutions

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Solutions Capabilities

- Data ingestion, enrichment & processing
- Artificial Intelligence & Machine Learning
- Predictive Analytics & Visualization
- Expert professional services to tailor solutions to each organizations' needs

Demonstrated Predictive Technology **+** Deep Domain Expertise

Industries

Academia   Healthcare   Government   Manufacturing

Solutions

- Mission-based AI/ML
- Cybersecurity
- Data Analytics
- Enterprise Planning & Logistics
- Intelligent Automation
- Modeling & Simulation
- Professional Services

Products

- FutureFlowRx™
- MedModel®
- Process Simulation (PCS)
- Observe
- BEARCLAW
- ProModel®
- ProModel AutoCAD Edition
- Shipyard AI
- Dominate
- Ursa Minor

23
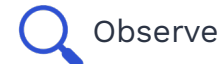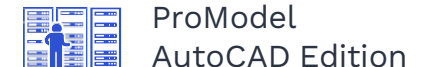
Compelling Go-To-Market Strategies

Direct

Sales to commercial enterprises and government agencies through preferred purchasing vehicles. Material contract expansion opportunities exist as well as new logo acquisitions.

Indirect

Deep relationships with key system integrators, strategic and channel partners

Indefinite Delivery / Indefinite Quantity (IDIQ) Contract	Other Transaction Authority (OTA) Contract
Task orders	Broad Agency Announcement (BAA)
GSA Contracts	Sole Source Purchase Orders

Large System Integrators — accenture, Deloitte., Booz | Allen | Hamilton

Strategic Partnerships — appian, Qlik, L3HARRIS, REDWIRE

Channel Partners — AUTODESK, IMAGINiT TECHNOLOGIES, MOSIMTEC

Case Study: Digital Twin for Shipyards

BigBear.ai provides Simulation Based Planning and Scheduling Platform Saving Shipyards Millions of Dollars a Year

- Weeks of Efforts > Days
  - Analysis of the capacity related impact of new ships, ship designs, yard changes
- Days of Effort > Hours
  - Development of alternative plans and their impacts across the yard.
- Weekly Activities > Nearly Instant
  - Capture and communicate schedule and capacity changes.
  - Analysis of the impact of schedule and capacity changes.

Digital Twin Allows Rapid "What If" Analysis
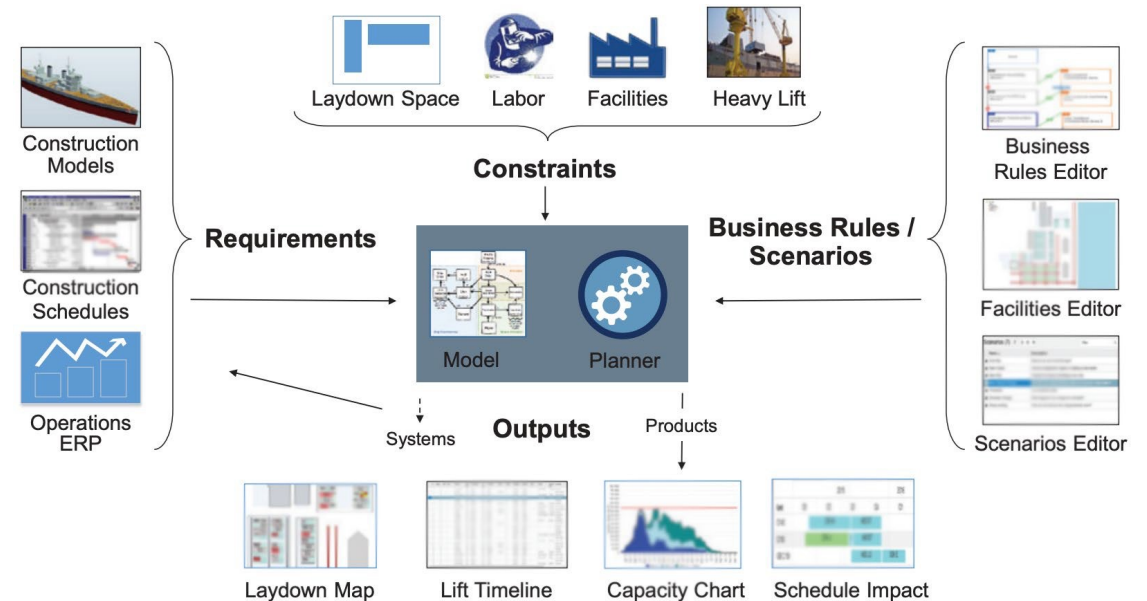
"The new tool has taken a process that historically took 10 weeks to complete and can now finish the scheduling activity in less than an hour. Following project completion and full system implementation, Ingalls expects to reduce 'real estate' allocation processing time by 30% and place 20 more units 'under cover' annually, with an estimated cost savings of over $990K per year."......the SIGNAL

Adjusted EBITDA Reconciliation

Key Metric:	FY 2021A	FY 2022A	1H FY2023A
Revenue	145,578	155,011	80,613
Net loss	(123,552)	(121,674)	(43,109)
Interest expense	7,762	14,436	7,116
Income tax (benefit) expense	1,084	(1,717)	56
Depreciation & amortization	7,262	7,758	3,965
EBITDA	(107,444)	(101,197)	(31,972)
Adjustments:			
Equity-based compensation	60,615	10,865	7,799
Employer payroll taxes related to equity-based compensation	-	-	357
Net (decrease) increase in fair value of derivatives	33,353	(1,591)	13,688
Restructuring charges	-	4,203	780
Loss on extinguishment of debt	2,881	-	-
Transaction bonuses	1,089	-	-
Capital market advisory fees	6,917	741	-
Termination of legacy benefits	1,639	-	-
Management fees	1,001	-	-
Non-recurring integration costs and strategic initiatives	1,783	7,255	2,321
Commercial start-up costs	3,018	6,490	-
Transaction expenses	-	2,605	-
Goodwill impairment	-	53,544	-
Adjusted EBITDA	**4,852**	**(17,085)**	**(7,027)**
Gross Margin	23.4%	27.7%	23.8%
Adjusted EBITDA Margin	3.3%	(11.0%)	(8.7%)

Recurring OpEx Reconciliation

Key Metric:	Q2 FY2022A	Q3 FY2022A	Q4 FY2022A	Q1 FY2023A	Q2 FY2023A
Total Operating expenses	**64,925**	**24,146**	**38,156**	**22,245**	**19,180**
Equity-based compensation	(4,071)	(1,651)	1,187	(2,932)	(2,552)
Restructuring charges	-	(1,562)	(2,641)	(755)	(25)
Capital market advisory fees	(38)	-	-	-	-
Non-recurring integration costs and strategic initiatives	(2,024)	(2,075)	(781)	(1,508)	(813)
Virgin Orbit AR Reserve	-	-	-	(750)	(675)
Transaction expenses	(186)	(566)	(454)	-	-
Goodwill impairment	(35,252)	-	(18,292)	-	-
Adjusted (recurring) operating expenses	**23,354**	**18,292**	**17,175**	**16,300**	**15,115**

Thank You