

May 5, 2026



BigBear.ai Announces First Quarter 2026 Results, Increases Backlog Including More Than \$60 million in National Security Contracts, and Affirms Revenue Guidance

- 1Q 26 revenue of \$34.4 million; gross margins expanded 1,278 basis points from 21.3% to 34.0% year-over-year
- Backlog increased 14% from the fourth quarter to \$281.9 million, primarily driven by a sole-source prime classified award in the first quarter for \$53 million.
- Settled the remaining \$124.6 million of 2029 Convertible notes, primarily through the Company's exercise of debt-to-equity conversion features in January 2026; interest expense reduced by \$4.8 million in 1Q 26 vs. 1Q 25
- Total available cash and investments of \$431.5 million as of March 31, 2026
- Launched a retail shareholder voting program to broaden participation in the Company's annual meeting and ensure retail shareholders have a simple, accessible way to make their voices heard
- Affirming full-year 2026 revenue guidance of \$135 million - \$165 million

MCLEAN, Va.--(BUSINESS WIRE)-- BigBear.ai Holdings, Inc. (NYSE: BBAI) ("**BigBear.ai**" or the "**Company**"), a specialized defense & security technology company providing mission-ready AI, today announced financial results for the first quarter of 2026 and issued an investor presentation that has been posted to the Investor Relations section of the Company's website.

"It is great to report significant wins in Q1 amounting to close to \$75 million that prove our thesis that national security, and trade & travel are two markets that we are right to stay laser-focused on serving. These wins keep us on track to meet our topline revenue target for 2026 and we are pleased to see our pipeline strengthening at this stage of the year," said Kevin McAleenan, CEO of BigBear.ai.

"This quarter, we also launched an internal realignment initiative so that sales, technology, delivery and customer success teams each line up against the highest priority growth areas, bringing everyone closer to operators' realities. This will both increase our pace and ability to flex to changing customer demands. BigBear.ai has a clear strategy, strong balance sheet, and structure to deliver exactly what our mission customers need most in a moment of extraordinary global disruption."

"We've started off this year on a solid footing. The redemption of the 2029 Notes in January marked the culmination of efforts we began last year to improve our liquidity profile and deleverage the balance sheet. As we focus on operational execution and performance in 2026, we're already seeing strong gross margin expansion from the contribution of

Generative AI revenue,” said Sean Ricker, CFO of BigBear.ai.

“We’re proud to be one of the very first public companies to adopt a Retail Voting Program. This program provides our retail investors better ease and flexibility to make their voices heard on future proxy solicitations, including our upcoming Annual General Meeting on June 9, 2026. We’re encouraging all shareholders who are eligible to opt in to the program and make sure to vote your shares ahead of the Annual General Meeting.”

Financial Highlights

- Revenue decreased 1% to \$34.4 million for the first quarter of 2026, compared to \$34.8 million for the first quarter of 2025 primarily due to lower volume on Army programs that was substantially offset by revenue attributable to the Ask Sage acquisition, which closed in the fourth quarter of 2025.
- Gross margin was 34.0% in the first quarter of 2026, compared to 21.3% in the first quarter of 2025, due to increased volume from Ask Sage’s higher margin GenAI Platforms and Products in the first quarter of 2026 as compared to the first quarter of 2025.
- Selling, general, and administrative expenses increased \$6.5 million from \$22.7 million in the first quarter of 2025 to \$29.2 million in the first quarter of 2026. The increase was primarily driven by increased intangible asset amortization from the Ask Sage acquisition, increased legal and proxy expenses related to our special stockholder meeting and establishing our new Retail Voting Program, and increased sales and marketing expenses resulting from partnerships and expanding our growth team.
- Net loss in the first quarter of 2026 was \$56.8 million, compared to a net loss of \$62.0 million for the first quarter of 2025. The decrease in net loss was primarily driven by a decrease in the loss due to non-cash changes in the fair value of derivatives of \$13.2 million, a decrease in interest expense of \$4.8 million, higher gross margin of \$4.3 million and increased interest income of \$3.2 million. These were partially offset by higher SG&A expenses of \$6.5 million, described above, as well as an increase in the non-cash loss on extinguishment of debt of \$13.2 million. The non-cash loss on the extinguishment of debt in the first quarter of 2026 was in connection with the conversion of the 2029 Notes to equity in January 2026, which eliminated the remaining \$124.6 million outstanding on 2029 Notes and after which only \$16.5 million of debt, pertaining to the 2026 Notes, remained and which will be settled before the end of 2026.
- Non-GAAP Adjusted EBITDA* of \$(9.9) million for the first quarter of 2026 compared to \$(7.0) million for the first quarter of 2025 is primarily driven by an increase in SG&A expenses of \$6.5 million, partially offset by higher gross margin of \$4.3 million.

The above information on financial outlook, 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, as the case may be. For additional factors that may impact the

Company's actual results, refer to the "Forward-Looking Statements" section in this release.

*EBITDA and Adjusted EBITDA are non-GAAP financial measures. See the "Non-GAAP Financial Measures" section in this press release for additional information and reconciliations.

**Summary of Results for the First Quarter Ended
March 31, 2026 and March 31, 2025
(Unaudited)**

	Three Months Ended March 31,	
<i>\$ thousands (expect per share amounts)</i>	2026	2025
Revenues	\$ 34,435	\$ 34,757
Cost of revenues	22,714	27,369
Gross margin	11,721	7,388
Operating expenses:		
Selling, general and administrative	29,225	22,732
Research and development	5,533	4,166
Restructuring charges	—	1,698
Transaction expenses	1,218	—
Operating loss	(24,255)	(21,208)
Interest expense	317	5,116
Interest income	(3,785)	(556)
Net increase in fair value of derivatives	20,125	33,336
Loss on extinguishment of debt	15,826	2,577
Other expense, net	11	280
Loss before taxes	(56,749)	(61,961)
Income tax expense	14	25
Net loss	\$ (56,763)	\$ (61,986)
Basic and diluted net loss per share	\$ (0.12)	\$ (0.25)
Weighted-average shares outstanding:		
Basic	473,059,547	252,341,401
Diluted	473,059,547	252,341,401

Consolidated Balance Sheets as of
March 31, 2026 and December 31, 2025
(Unaudited)

<i>\$ in thousands (except per share amounts)</i>	March 31, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 100,704	\$ 87,126
Restricted cash	6,002	5,521
Available for sale investments	248,682	200,461
Accounts receivable, less allowance for credit losses	22,807	22,703
Contract assets	874	218
Prepaid expenses and other current assets	14,946	14,514
Total current assets	394,015	330,543
Non-current assets:		
Property and equipment, net	1,736	1,562
Goodwill	238,737	241,100
Intangible assets, net	137,421	139,470
Available for sale investments	82,066	173,949
Right-of-use assets	6,830	7,063
Other non-current assets	859	860
Total assets	\$ 861,664	\$ 894,547
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 4,234	\$ 6,088
Current portion of long-term debt, net	16,601	16,560
Accrued liabilities	15,568	19,649
Contract liabilities	11,272	14,756
Current portion of long-term lease liability	1,013	1,095
Derivative liabilities	9,982	116,906
Other current liabilities	6,094	10,466
Total current liabilities	64,764	185,520
Non-current liabilities:		
Long-term debt, net	—	90,484
Long-term lease liability	6,495	6,673
Total liabilities	71,259	282,677
Stockholders' equity		
Common stock, par value \$0.0001; 500,000,000 shares authorized and 477,014,064 shares issued and outstanding at March 31, 2026 and 446,908,458 shares issued and 436,955,655 shares outstanding at December 31, 2025	49	46
Additional paid-in capital	1,713,437	1,534,792
Treasury stock, at cost; zero shares at March 31, 2026 and 9,952,803 shares at December 31, 2025	—	(57,350)
Accumulated deficit	(922,318)	(865,555)
Accumulated other comprehensive loss	(763)	(63)
Total stockholders' equity	790,405	611,870
Total liabilities and stockholders' equity	\$ 861,664	\$ 894,547

Consolidated Statements of Cash Flows for the First Quarter Ended
March 31, 2026 and March 31, 2025
(Unaudited)

<i>\$ in thousands</i>	Three Months Ended March 31,	
	2026	2025
Cash flows from operating activities:		
Net (loss) income	\$ (56,763)	\$ (61,986)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	7,081	3,470
Amortization of debt discount and issuance costs	41	2,764
Accretion of discount on investments in debt securities	(381)	—
Equity-based compensation expense	3,423	7,400
Non-cash lease expense	233	370
Provision for doubtful accounts	—	40
Deferred income tax (benefit) expense	—	—
Loss on extinguishment of debt	15,826	2,577
Increase in fair value of derivatives	20,125	33,336
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(660)	4,348
(Increase) decrease in contract assets	(656)	383
(Increase) in prepaid expenses and other assets	(339)	(1,795)
Decrease in accounts payable	(1,984)	(4,163)
(Decrease) increase in accrued expenses	(534)	4,446
(Decrease) increase in contracts liabilities	(3,450)	476
Increase in other liabilities	37	1,670
Net cash (used in) provided by operating activities	(18,001)	(6,664)
Cash flows from investing activities:		
Proceeds from maturities of investments in debt securities	43,225	—
Acquisition of businesses, net of cash acquired	(10,183)	—
Purchases of property and equipment	(319)	(80)
Capitalized software development costs	—	(1,540)
Net cash provided by (used in) investing activities	32,723	(1,620)
Cash flows from financing activities:		
Proceeds from issuance of shares for exercised RDO and PIPE warrants	—	64,673
Payment of Private Placement and Registered Direct Offering transaction costs	—	(551)
Proceeds from at-the-market offering	—	6,569
Payment of transaction costs for at-the-market offering	—	(115)
Repayment of short-term borrowings	—	(366)
Payment of debt issuance costs to third parties	—	(4,342)
Proceeds from exercise of options	67	1,393
Payments of tax withholding from the issuance of common stock	(850)	(1,318)
Net cash (used in) provided by financing activities	(783)	65,943
Effect of foreign currency rate changes on cash, cash equivalents, and restricted cash	120	(190)
Net increase in cash, cash equivalents, and restricted cash	14,059	57,469
Cash, cash equivalents, and restricted cash at the beginning of the period	92,647	50,141
Cash, cash equivalents, and restricted cash at the end of the period	\$ 106,706	\$ 107,610

EBITDA* and Adjusted EBITDA* for the First Quarter
March 31, 2026 and March 31, 2025
(Unaudited)

\$ thousands	Three Months Ended March 31,	
	2026	2025
Net loss	\$ (56,763)	\$ (61,986)
Interest expense	317	5,116
Interest income	(3,785)	(556)
Income tax expense	14	25
Depreciation and amortization	7,081	3,470
EBITDA	(53,136)	(53,931)
Adjustments:		
Equity-based compensation	3,423	7,400
Employer payroll taxes related to equity-based compensation ⁽¹⁾	836	1,015
Net increase in fair value of derivatives ⁽²⁾	20,125	33,336
Restructuring charges ⁽³⁾	—	1,698
Non-recurring strategic initiatives ⁽⁴⁾	1,462	894
Non-recurring litigation ⁽⁵⁾	246	22
Transaction expenses ⁽⁶⁾	1,218	—
Non-recurring integration costs ⁽⁷⁾	64	—
Loss on extinguishment of debt ⁽⁸⁾	15,826	2,577
Adjusted EBITDA	\$ (9,936)	\$ (6,989)

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

(2) The change in fair value of derivatives during the three months ended March 31, 2026 primarily relates to a \$28.3 million mark-to-market loss for the 2029 Notes Conversion Options immediately prior to conversion. This was offset by a gains related to the fair market value adjustments on the 2025 RDO Warrants, IPO private warrants, and 2026 Notes Conversion Option of \$8.2 million.

The change during the three months ended March 31, 2025, relates to the \$14.0 million loss recorded upon the exercise of the 2024 RDO and 2024 PIPE Warrants and issuance of the 2025 RDO Warrants in connection with the warrant exercise agreements entered into on February 5, 2025. During the three months ended March 31, 2025, there was a \$59.9 million mark-to-market loss for the 2029 Notes Conversion Options immediately prior to the partial conversion. This was offset by gains related to the fair market value adjustments on the 2025 RDO Warrants, IPO private warrants, and the 2026 and 2029 Notes Conversion Options of \$40.6 million.

(3) Includes employee separation costs which are associated with strategic reviews 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 incurred in connection with discrete, non-recurring strategic initiatives, including business transformation and strategy realignment consulting services which management does not consider part of the Company's ongoing operating expenses.

(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 three months ended March 31, 2026 consist primarily of diligence, legal and other related expenses incurred associated with the Ask Sage and CargoSeer acquisitions.

(7) Non-recurring internal integration costs related to the Ask Sage acquisition.

(8) Loss on extinguishment of debt is related to voluntary conversions of the 2029 Notes to common stock and the related extinguishment of unamortized debt discount and debt costs.

*EBITDA and Adjusted EBITDA are non-GAAP financial measures. See the "Non-GAAP Financial Measures" section in this press release for additional information and reconciliations.

Forward-Looking Statements

This release 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"), the Securities Exchange Act of 1934 (the "Exchange Act") and the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are

accompanied by words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “should,” “would,” “plan,” “predict,” “project,” “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 current expectations and beliefs concerning future developments and their potential effects on us and should not be relied upon as representing BigBear’s assessment as of any date subsequent to the date of this release. There can be no assurance that future developments affecting us will be those that we have anticipated. 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, including as a result of events such as war, incidents of terrorism, natural disasters, and public health concerns or epidemics; changes in government programs or applicable requirements; budgetary constraints, including any potential constraints as a result of recent or future federal government layoffs, 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, including government shutdowns or the ability of the U.S. federal government to unilaterally cancel a contract with or without cause, and more specifically, the potential impact of the U.S. DOGE Service Temporary Organization on government spending and terminating contracts for convenience; the failure of contracts comprising backlog to result in revenue due to changes in funding, terminations for convenience, or option periods going unexercised; the impact of tariffs or other restrictive trade measures; implementation of spending limits or changes in budgetary constraints; 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; our ability to remediate a material weakness in our internal control over financial reporting; risks regarding the market and our customers accepting and adopting our products, including future new product offerings; the high degree of uncertainty of the level of demand for, and market utilization of, our solutions and products; our ability to successfully execute and realize the benefits of joint ventures, channel sales relationships, partnerships, strategic alliances, subcontracting opportunities, customer contracts and other commercial agreements to which we are a party; 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 those projected 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 release. 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 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 and Adjusted EBITDA 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 expense (benefit) 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 (decrease) increase in fair value of derivatives, restructuring charges, non-recurring strategic initiatives, non-recurring litigation, transaction expenses, non-recurring integration costs, goodwill impairment, impairment of long-lived assets, and loss on extinguishment of debt.

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 and Adjusted EBITDA as non-GAAP performance measures which are reconciled to the most directly comparable GAAP measure, in the tables included in this release. 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 income (loss).

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

About BigBear.ai

BigBear.ai is a specialized defense technology company, developing and deploying mission-ready AI solutions and services. Customers and partners rely on BigBear.ai's artificial intelligence and predictive analytics capabilities in highly complex, distributed, mission-based operating environments. Headquartered in McLean, Virginia, 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. To receive email communications from BigBear.ai, register here.

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