CORPORATE PARTICIPANTS

Travis VanderZanden, *Founder and Chief Executive Officer, Bird*
Yibo Ling, *Chief Financial Officer, Bird*

Good afternoon, everyone, and welcome to Bird's First Quarter 2022 Earnings Conference Call. Before we begin, I need to remind you that all statements made on this call that do not relate to matters of historical fact should be considered forward-looking statements under U.S. federal securities laws, including statements regarding our current expectations for the business and our financial performance. These statements are neither promises nor guarantees and are subject to risks and uncertainties that could cause actual results to differ materially from historical experience or present expectations.

A description of some of the risks and uncertainties that could cause actual results to differ materially from those indicated by the forward-looking statements on this call can be found in the Risk Factors section of our Form 10-K filed on March 15, 2022, our Form 10-Q for the quarter ended March 31, 2022 to be filed later today, and our other filings with the Securities and Exchange Commission.

This call will also reference non-GAAP measures, including Adjusted EBITDA and Adjusted Operating Expenses, that we view as important in assessing the performance of our business. A reconciliation of each non-GAAP measure to the nearest GAAP measure is available in our earnings release on the company's Investor Relations page at ir.bird.co. I will now turn the conference over to Bird's CEO and Founder, Travis VanderZanden.

Travis VanderZanden

Thank you, everyone, for joining us today.

In Q1**,** revenue grew by 48% year-over-year and exceeded our guidance range, driven by continued demand improvement into the end of March alongside expanding vehicle deployments. As we noted on our last call, performance early in the quarter was impacted by weather and the surge in Omicron cases, but we saw a significant increase in demand beginning in early March as macro headwinds eased, weather improved, and consumers turned to transportation alternatives such as Bird in light of higher gas prices. With that said, the softness early in the quarter resulted in lower utilization year-over-year which negatively impacted Adjusted EBITDA for the period.

Overall, we are very pleased with the Q1 results and the strong demand signals in March. That said, given broader market trends, we plan to accelerate our path to profitability.

As you saw in our press release, we have announced plans to streamline our operations that we expect will result in at least $80 million of annualized cost savings. As a result, we now expect to deliver our first quarter of positive Adjusted EBITDA in the third quarter of 2022. Furthermore, we are now on track for our first full year of positive Adjusted EBITDA in 2023. We understand the importance of delivering on our profitability goals, and believe the difficult decisions we are making now will allow us to accelerate our path to profitability and toward positive cash generation, positioning Bird for long term value creation and market leadership.

Before I go deeper on our path to profitability, let me turn the call over to Yibo, to review our financial results and outlook in more detail.

Yibo Ling

Thanks, Travis.

For the quarter, we reported revenue of $38 million, up 48% against Q1 2021 and driven by a 66% year over year increase in Rides.

With respect to profitability, first quarter gross margin, which is net of vehicle depreciation, was 9% compared to 8% in Q1 2021. Ride Profit Margin before Vehicle Depreciation, was 39% compared to 35% a year ago.

Adjusted Operating Expenses, which excludes $49 million of stock-based compensation expense and other certain non-cash, non-recurring or non-core expenses, increased 35% year-over-year. As a percentage of revenue, Adjusted Operating Expenses decreased 12 points versus the prior year despite increased expenses related to public company costs as well as the seasonal ramp ahead of peak operation periods.

Adjusted EBITDA loss was $37 million compared to a loss of $30 million in the prior year period given the softness in RpD, which Travis reviewed, as well as increased operating expenses. Please see today's press release for our reconciliation of GAAP to non-GAAP metrics.

Turning to our balance sheet and cash flows…

We ended the period with total cash, cash equivalents, and restricted cash and cash equivalents of $70 million, and total liquidity of $147 million including $77 million of undrawn capacity under our vehicle financing facility. Q4 of 2021 and Q1 of 2022 saw significant investments in vehicle capex of approximately $160 million for 2022 deployments and 2023 deposits, as part of our long-term supply chain management strategy in the face of global logistics and supply chain interruptions. As we move towards the seasonal upcycle, we expect our cash position to stabilize, particularly as we begin to realize the benefits of the cost saving initiatives Travis will discuss.

Additionally, we ended April with more than $90 million of total cash, cash equivalents and restricted cash and cash equivalents, and we continue to draw on our flexible vehicle financing facility with Apollo against vehicle deployments in both the US and EMEA. Finally, as outlined in our press release, we have entered into a $100 million standby equity purchase agreement, which we expect to provide us with increased financial flexibility in the medium-term and access to an upfront $21 million loan, with optional cash repayment, to further bolster liquidity ahead of the peak operating season. To be clear, any incremental issuance activity under this facility will be undertaken opportunistically as market conditions warrant.

Now, turning to our outlook…

As seen in our press release, we have revised our full year 2022 revenue outlook to take into account the actions we are taking to streamline our operations. Our updated 2022 revenue guidance reflects our focus on profitability and a slowing of expansion of our Product Sales portfolio offering. We now expect revenue to be in the $275 to $325 million range, representing 50% year-over-year growth at the midpoint. Core margins are expected to trend into the 20s owing primarily to continued scaling of our Fleet Manager operating model in the context of an ongoing fleet mix shift to newer, more innovative Bird-designed vehicles.

Through our cost savings initiatives we expect to achieve at least $80 million of annual run-rate cost savings for fiscal year 2022, the majority of which will be realized by the third quarter, resulting in an annual Adjusted Operating Expense run-rate of no more than $160 million. Given our revised topline outlook, combined with our healthy gross margin expectations and cost savings initiatives, we expect to deliver our first quarter of positive Adjusted EBITDA in the third quarter. Furthermore, we are targeting our first full year of positive Adjusted EBITDA in 2023, which is achieved with year over year revenue growth of approximately 20% to 40% based on our current expectations for 2022, alongside an acceleration toward positive cash flow generation.

Looking ahead, we are committed to maintaining a disciplined strategy with respect to capital expenditures, and expect the flexible capital structure solutions we have secured to be more than sufficient to support our updated plan to focus on profitable, growing markets for the Core Sharing business with a lower fixed cost structure. With regards to the broader supply chain landscape, conditions continue to be challenging as new COVID strains sweep across China, impacting global production and logistics across a number of sectors.

That being said, we believe our decision to pull forward meaningful portions of our 2022 and 2023 vehicle capex into the last two quarters is helping to mitigate the full impact of these persistent headwinds. We are closely monitoring the ongoing developments, particularly as we approach peak summer months, but we have already received the vast majority of the vehicles we intend to deploy in 2022. As such we believe we are well positioned with our vehicle deliveries for the balance of 2022 and will maintain a disciplined approach to vehicle allocation.

I will now turn the call back over to Travis to discuss our plans to accelerate our path to profitability.

Travis VanderZanden

Thank you, Yibo.

Key to our success over the past 5 years has been our ability to continue to evolve and adapt our operations, even amidst a dynamic macro environment, in order to best serve and address the significant market opportunity for micromobility in a scalable and efficient way. A great example of this is our Fleet Manager operating model, which was developed as a means of addressing the challenging fixed cost components of our prior operating model, especially in winter months. The Fleet Manager model paved the way for Bird's consistent ride-level profitability over the past two years, while providing a positive return to Fleet Managers and opening the door for expansion into small- to mid-sized long tail markets.

The efficiencies we unlocked through this shift in our model along with our overall operational and vehicle improvements position us well to further accelerate our path to profitability at the company level. As part of this initiative we have taken a hard look at our cost structure and have identified specific areas for immediate change. These decisions, while prudent, are never easy to make. As part of this plan, we have decided to slow the expansion of our Product Sales portfolio offering. We will additionally be realigning our resources to prioritize Sharing operations within our existing US and EMEA regions, which have proven investment returns, while taking a measured approach to further geographic expansion, and we will be open to leaving some markets that do not meet our profitability goals given current market conditions. Finally, with the accelerated investments we made on vehicle capex in Q4 2021 and Q1 2022, we do not expect further material unfinanced capital spend in the latter half of this year.

While these actions prioritize profitability over growth, we remain focused on maintaining our leading position in core Sharing markets. We expect to realize the majority of the associated cost savings by Q3, which we believe will position us to deliver our first quarter of positive Adjusted EBITDA, in addition to delivering on other profitability and cash flow objectives, which Yibo outlined.

I remain confident in the opportunity we continue to see ahead for Bird. Our Board of Directors and management team echo this sentiment and have voluntarily extended the lock-up of their equity ownership for 6 months, demonstrating their conviction towards our team, strategy, and our path to profitability. We are focused on delivering value to all of our stakeholders and the actions we are taking today are done at a time when our technology, vehicle hardware and commitment to our partners have never been stronger.

We are committed to doubling down on our path to profitability.