CORPORATE PARTICIPANTS

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Karen Tan

Good afternoon, everyone, and welcome to Bird's Second 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 for the year ended December 31, 2021 filed with the SEC on March 15, 2022, our Form 10-Q for the quarter ended March 30, 2022 filed with the SEC on May 16, 2022, our Form 10-Q for the quarter ended June 30, 2022 to be filed with the SEC later today, and our other filings with the SEC.

This call will also reference non-GAAP measures, including Adjusted EBITDA, Adjusted Operating Expenses, and Ride Profit Margin 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, Karen, and thank you, everyone, for joining us today for our first half and second quarter earnings conference call. I will begin with a few highlights on our first half performance, including an update on our path to profitability, and then Shane and Yibo will review our Q2 operational and financial performance in more detail before we open the call up for questions.

For the first half of 2022, we delivered record rides and revenues, representing increases of 39% and 34%, respectively, off of a strong rebound in both metrics in the first half of 2021, while Ride Profit Margin before Vehicle Depreciation reached 48%, up from 45% a year ago. Over the past two years, we've experienced dramatic shifts in consumer behavior patterns and despite so, our first half 2022 Sharing business revenues have nearly doubled compared to the first half of 2019, representing a compounded annual growth rate of 26%, while Sharing gross margin has turned from a loss of 159% to a positive 22%, a significant win for our core business with anticipated upside ahead.

Absent temporary distortions caused by the pandemic, these longer-term trends point to the attractive demographic tailwinds for this industry as consumer spending preferences shift from goods to services. That said, we have to contend with an evolving macro environment, including significant near-term inflation pressures on discretionary spending and resulting lower consumer sentiment, and adjust our cost structure to be agile to economic headwinds.

Bird was founded and operates today with the mission to bring environmentally friendly transportation to everyone, and I truly believe this mission has never been more important. It is what drives our whole organization and keeps us committed to delivering against our long-term goals, including delivering value to our shareholders who similarly believe in our mission and the opportunity.

As part of that commitment, earlier in the year, we announced plans to refocus the business on our path to profitability through firstly, prioritizing our core Sharing business in North America and EMEA; secondly, taking a more measured approach to expansion within our Sharing business; and finally, aligning our resources and reducing our expenses to match this newly sharpened focus. In the second quarter, we slowed our Product Sales expansion and made the difficult decision to reduce our workforce and corporate overhead. While these actions are never easy to take, we believe they best position Bird to deliver on its core mission over the long term.

Our actions in the second quarter contributed to our target $80 million annualized cost reduction plan, and will more meaningfully flow through to our consolidated operating expenses and Adjusted EBITDA in the third quarter, as reflected by our guidance. In connection with these activities we have taken a number of one-time restructuring charges which Yibo will cover later. In addition, we have remained focused on strengthening our balance sheet and remaining disciplined with our cash position. At the end of the second quarter we held $105 million on our balance sheet of cash and cash equivalents, including restricted cash and cash equivalents, compared with $70 million at the end of the first quarter.

Following our peak operating season this summer, we will conduct a thorough review of our deployed vehicle fleet by city through the lens of profitability, rightsizing our footprint based on where we anticipate positive pricing and profit per ride in fiscal year 2023. Our focus is on optimizing asset utilization, profit per vehicle, on a total consolidated basis, paving the path for our first full year of positive Adjusted EBITDA as a company.

Now, let me turn the call over to Shane, who leads our day to day operations and has been instrumental in driving our strategy. Shane will review our Q2 Sharing business performance in more detail. Shane?

Shane Torchiana

Thank you, Travis. For the second quarter, we were pleased to deliver year over year Sharing revenue growth of 28% especially on the back of 487% growth in the comparable period last year driven by the U.S. and other countries emerging from COVID-19 lockdowns following the rollout of vaccinations last spring.

Average Deployed Vehicles rose 58% in the quarter relative to a year ago. We received the majority of vehicle deliveries in Q2 as expected – without significant delays – and focused on expanding our Bird 3 fleet in our most profitable cities. As the overall fleet mix shifts toward newer vehicles, which are characterized by more ruggedized designs and possess longer useful lives leading to: 1) operational efficiency upside in our time to repair and charge vehicles and 2) reducing our need for future capex as the vehicle life extends. We believe this useful life extension of our new vehicles is also a primary driver in reducing Bird's supply chain related greenhouse gas impact, as the greater denominator of trips per vehicle reduces the GHG impact per trip when the numerator–GHG resulting from vehicle production–is by and large held constant.

Opening of new cities has been ahead of our expectations with a few major wins–for example, Seattle, Baltimore, Minneapolis, Providence–and dozens more small and mid-size cities across both North America and EMEA. Beyond these new cities, we have continued to observe increased ridership within our existing cities.

With Rides growing 29%–approximately in line with the broader category–but Average Deployed Vehicles growing 58%, and competitors significantly increasing supply, Average Rides per Deployed Vehicle per Day came down 19% year-over-year, despite healthy overall growth in revenue. Our

expectation is that this impact is temporary. We see opportunity in the remainder of 2022 and 2023 to recalibrate our deployment strategy to match increased local supply with local demand in cities, and for pricing structures to continue to shift to better fit with an increase in commuter use cases.

Ride Profit Margin before Vehicle Depreciation increased to 53% compared to 49% in Q2 last year. This improvement was driven largely by further optimization of Fleet Manager revenue share on the back of operational efficiencies mentioned previously. Ride Profit Margin after Vehicle Depreciation was 28%, up from 27% a year ago.

Looking ahead, our growth, op-model, and technology outlook lead us to believe that our revenues and margins will continue to expand year on year as the business matures. As vehicle technology continues to improve, the useful life of the vehicles will increase further, reducing capex and per-ride depreciation costs. Improvements to batteries, tracking, and vehicle durability also flow into improved economics at the unit level. These advances, along with improvement in our data analytics on vehicle positioning, will optimize the cost of day to day operations, benefiting our revenue share and margin per trip.

In the relatively more mature North American region, where we maintain a leading position and generate 76% of our Sharing revenues, our city footprint skews towards higher revenue per trip and more regulated cities, resulting in strong positive gross margins. We see additional opportunities to further consolidate our position and scale in large cities like New York and LA, as well as continuing to expand into mid-size and small cities where the response to our service has been consistently positive.

Our profitable North America Sharing business balances a broader portfolio that includes earlier, more investment-phase cities in EMEA, where we have seen strong consumer demand but a broader operating environment that has yet to mature to healthy economics. With that said, we do see a marked shift happening in real time. As EMEA cities evolve and adopt regulatory best practices, they tend to favor two to three larger, global players with an established and proven track record. We believe our leading operational and technology platform provides us a long-term competitive advantage, which will be realized over time as the EMEA micromobility landscape matures over the coming years.

Given the ongoing market and economic volatility, we will continue to assess our operating footprint, cost structure, and pricing model to make sure we're adapting quickly to prioritize total co profitability. With that I will now turn the call over to Yibo to review our financial performance and outlook in more detail.

Yibo Ling

Thanks, Shane. I want to start by noting that the second quarter was nuanced, with several large line items not core to our Sharing business but material in aggregate impacting our consolidated statement of operations. During the quarter, we recorded $248 million of non-cash, non-core and non-recurring income statement adjustments, which include: (1) $136 million of impairments and write-offs driven by the impact of the macro environment on the fair market value of long-lived assets as well as our shift in focus away from Product Sales; (2) $112 million of goodwill impairment. The adjustments were made with an eye toward putting these one-time items behind us. We believe *for this quarter* that the sharing gross margin, which is not impacted by these adjustments, as well as Adjusted EBITDA, which adjusts for these non-cash, non-core and non-recurring items, reflect the health of the go-forward business.

With that said, and turning our attention back to our second quarter financial results…

For the quarter, we reported revenue of $77 million, up 28% against Q2 2021 and driven by a 29% year over year increase in Rides.

As previously mentioned, second quarter Ride Profit Margin before Vehicle Depreciation of our Sharing business was 53% compared to 49% a year ago driven by further progress on fleet manager revenue share. Gross margin, which came in at negative 17% against positive 26% in the year ago period, was impacted by a one-time $32 million impairment charge to Product Sales. Putting aside the one-time charge and double clicking on just the core Sharing business, gross margin as a percentage of revenue was 27% compared to 28% in Q2 2021, due primarily to outsized accelerated depreciation in the quarter. Adjusted Operating Expenses, which excludes $44 million of stock-based compensation expense, $112 million of goodwill impairment, $104 million of impairment related charges, and certain other non-cash, non-recurring or non-core expenses, increased 43% year-over-year reflecting higher expenses related to an expanded operating footprint as well as operating as a public company, in addition to $4 million of bad debt expense.

All in, Adjusted EBITDA loss was $19 million compared to a loss of $12 million in the prior year period. Please see today's press release for our reconciliation of GAAP to non-GAAP metrics.

We ended the period with total cash, cash equivalents, and restricted cash and cash equivalents of $105 million, an increase of $35 million since the end of Q1. Additionally, as of June 30, 2022, we have $24

million of undrawn capacity under our vehicle financing facility with Apollo to execute against our capex needs in the US and EMEA, and up to $100 million of equity financing available through our standby equity purchase agreement, which we would use only judiciously as market conditions warrant.

As highlighted last quarter, Q4 of 2021 and Q1 of 2022 saw significant investments in vehicle capex of approximately $160 million for vehicle deliveries over the next several years, as part of our long-term supply chain management strategy in the face of global logistics and supply chain interruptions. As we had meaningfully pulled forward capex associated with the majority of our 2022 capex deployment needs, particularly ahead of our peak summer season, our vehicle capex in Q2 was $18 million.

Now, turning to our outlook…

Based on our Q2 results and our second half projections, we are reiterating our full year 2022 revenue guidance of $275 to $325 million, and while we have big weeks still ahead of us within peak season, if trends were to remain consistent with Q2, we would more likely fall into the lower end of the range. We continue to expect core Sharing gross profit margins to trend into the 20s for the full year, including the expectation for trends to meaningfully increase for the balance of the year owing to our renewed focus on our core Sharing business, optimizing asset utilization and profit per vehicle, the ongoing expansion of our Fleet Manager operating model and the mix shift benefit from increased utilization of our newer Bird 3 vehicles. We are on track to achieve our first quarter of positive Adjusted EBITDA in Q3 2022, in-line with prior guidance, as the majority of our $80 million of annualized cost savings for 2022 will be realized in the third quarter. Most of that cost savings will come as a result of reducing expenses associated with our Product Sales business, and reducing our corporate overhead.

Looking ahead to fiscal year 2023, we are targeting our first full year of positive Adjusted EBITDA, driven by our path to profitability initiatives. We expect our Adjusted Operating Expense run-rate of no more than $160 million to support growth of our core Sharing business in cities across North America and EMEA.

With that, I'll turn it over to the operator for any questions from the audience.