

May 9, 2023

Q1 2023 Investor Presentation

allbirds

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In addition, this presentation contains certain “non-GAAP financial measures.” The non-GAAP measures are presented for supplemental informational purposes only. Reconciliations to the most directly comparable financial measure calculated and presented in accordance with GAAP are provided at the end of this presentation.

This presentation includes market data and other statistical information from our own internal estimates and research as well as surveys conducted by third parties. While we believe that surveys conducted by third parties are reliable, we have not independently verified third-party sources. While we believe our internal company research is reliable and the definitions of our market and industry are appropriate, neither such research nor these definitions have been verified by any independent source.

This presentation includes references to our Net Promoter Score, which we use to measure our customers’ brand loyalty and satisfaction and which can range from -100 to +100 based on the question: “How likely are you to recommend Allbirds to a friend or colleague?” Responses were collected from 0 (Would definitely not recommend) to 10 (Would definitely recommend). Our Net Promoter Score is based on a survey of approximately 2,000 consumers, commissioned by us and conducted by Boston Consulting Group in January 2023. Our Net Promoter Score was calculated by using the standard methodology of subtracting the percentage of customers who responded that they are not likely to recommend Allbirds (a score of 6 or lower) from the percentage of customers who responded that they are very likely to recommend Allbirds (a score of 9 or 10) and averaged across all geographic markets. The Net Promoter Score gives no weight to customers who declined to answer the survey question. This method is substantially consistent with how businesses across our industry and other industries typically calculate their Net Promoter Score.

Q1 2023 Key Takeaways

Teams are **executing** in a tough environment, **exceeding top and bottom line** guidance

- Significant **improvement in cash** usage, down ~50% YoY in what is typically our highest cash usage quarter
- **Strong liquidity position**, ended Q1 with \$143M of cash and cash equivalents and extended and upsized our revolving credit facility
- Solid **progress on inventory**, down YoY (-8%) and vs Q422 (-6%)
- Maintained solid **+85% full price yield on core** franchises
- On track to achieve an estimated **\$35-\$45M in annualized cost savings** by 2025 as compared to run rate at the end of 2022





Q1 2023 Income Statement Overview

- Executing Strategic Transformation plan in a tough environment, exceeding top and bottom line guidance.
- Net revenue performance reflects a decline in e-commerce and growth in retail stores and third party; international grew in local currency.
- Ongoing discretionary cost control.

(\$, M)	1Q 2023	1Q 2022
Net Revenue	\$54.4	\$62.8
<i>YOY Change</i>	<i>-13%</i>	<i>26%</i>
Gross Profit	\$21.8	\$32.6
<i>Gross Margin</i>	<i>40%</i>	<i>52%</i>
Adj. EBITDA₁	-\$21.7	-\$12.2

1. Adjusted EBITDA is a non-GAAP financial measure and is presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. This non-GAAP financial measure has limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of other GAAP financial measures. A reconciliation of this measure to the most directly comparable GAAP measures is included at the end of this presentation.



Strengthening our Cash and Capital Structure

- **Significantly slowed** the rate of cash usage in Q1 2023 vs Q1 2022
- Continue to **tighten** new inventory buys
-
- Ended Q1 with **\$143M of cash** and equivalents
- 2023 capex to come down by **more than half** YoY to \$10M - \$15M due to fewer Allbirds store openings
- **Extended and upsized revolver with JP Morgan:** maturity **through 2026** and access to up to \$50M of committed liquidity and the option to request an **upsize to \$100M**
- Overall for the year we expect 2023 total **cash usage to continue to narrow** on a YoY basis

We remain confident that there is no need for additional capital in the foreseeable future

Our Journey

Where we are today:

- Leading NPS with a core consumer who loves us
- Steady progress with high quality third-party partners: Dick's Sporting Goods, Nordstrom, REI and Scheels
- Significantly increased bench of company leaders and board members with deep footwear experience
- Realigned incentives for greater focus on cash flow and profitability

Where we are going: Strategic Transformation

- Reconnect with our core consumers
- Meet new consumers in a capital efficient way
- Intend to significantly reduce operating complexity and costs
- Focus on profitable growth



The Allbirds Core Consumer⁽¹⁾

- Fairly evenly split by gender though **core consumer skews more female** relative to industry peers
- **Young** - average age is mid-30s
- **Active** lifestyle, **adventurous** and world **traveler**
- Care about the **environment** and making a **positive impact**
- Partial to **premium** products and brands
- **Even geographic weighting** vs the general population

1. Based on a survey of ~2,000 consumers, commissioned by Allbirds and conducted by Boston Consulting Group in January 2023.





Strong Brand Fundamentals Create Significant Opportunity

- **Leading Net Promoter Score:** one of the highest in peer company group¹
- **Brand loyalty and satisfaction remain strong:** 96% of shoppers in past year say they would consider purchasing again¹
- **Quality, comfort and design** are three key reasons why customers recommend our brand¹
- Primary reason customers did not make another purchase is **products they wanted were not available**¹
- **Top 10 casual footwear brand** for men and women per L.E.K. 2023 US Footwear and Apparel Brand Heat Index²

1. Based on a survey of ~2,000 consumers, commissioned by Allbirds and conducted by Boston Consulting Group in January 2023
2. Based on The 2023 US Footwear and Apparel Brand Heat Index published by L.E.K Consulting in March 2023

Update on Transformation Strategy announced in March 2023

1. Reignite product and brand

- Recalibrated product line with greater focus on core franchise management expected in early 2024
- Social-first marketing strategy rooted in consumer insights work

2. Optimize U.S. stores and slow pace of openings

- Focus on driving traffic and conversion
- Various pilots underway, led by new head of stores

3. Evaluate a transition of our international go-to-market strategy

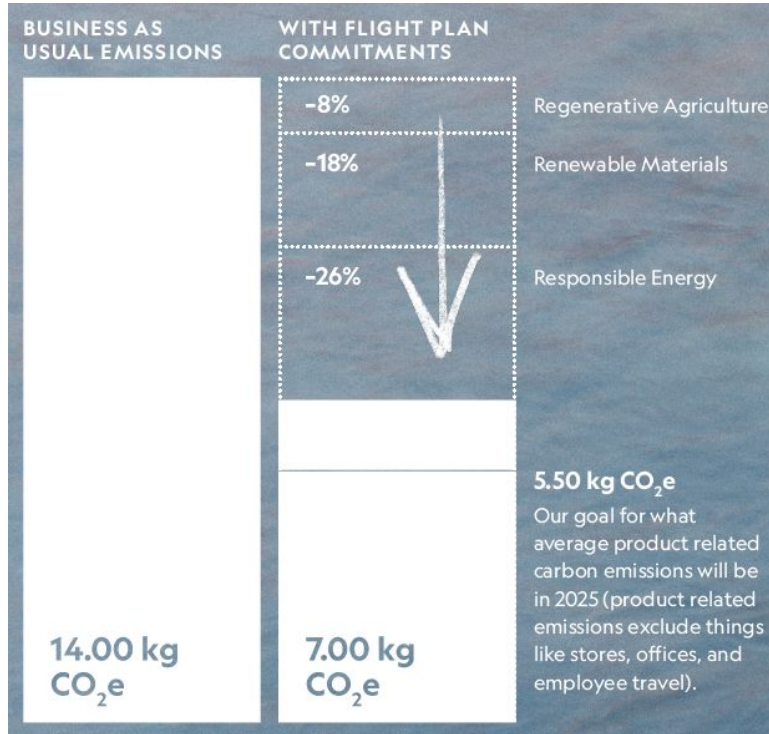
- Pleased with level of interest and pace of discussions with potential distribution partners
- Demand and brand health remain solid in our international business

4. Improve cost and capital efficiency

- Significant improvements in costs for products from our new factory partner in Vietnam; expect to see accelerated savings throughout 2023
- Recent workforce reduction will deliver approximately \$7M in annualized SG&A savings, with full year impact to be reflected beginning in 2024



Strong Commitment to Sustainability: Cut per Unit Carbon Footprint in Half by the End of 2025



Our projected average per unit carbon emissions in 2025 without any action to limit them.

Our goal for what average per unit carbon emissions will be in 2025 with Flight Plan commitments.

Allbirds Flight Plan: 10 Targets Through 2025

REGENERATIVE AGRICULTURE	RENEWABLE MATERIALS	RESPONSIBLE ENERGY
Shift farming practices to draw down carbon	Replace petroleum-based materials with natural ones	Use less and cleaner fuel and electricity
100% of wool from regenerative sources	~75% sustainably sourced natural or recycled materials	100% Renewable energy for "owned & operated" facilities
Reduce or sequester 100% of annual CO ₂ e emissions from wool	Reduce carbon footprint of raw materials by 25%	100% Renewable energy for T1 Manufacturing
	Reduce raw materials use by 25% across footwear & apparel products	Transportation: Achieve steady state of >95% ocean shipping
	x2 the lifetime of footwear & apparel products	100% of customers machine wash on cold & 50% hang-dry Allbirds apparel
UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS		
13 CLIMATE ACTION, 15 LIFE ON LAND	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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THANK EWE!

Reconciliation of Non-GAAP Measure

(\$ in Thousands)	Q1 2023	Q1 2022
Net loss	(35,166)	(21,878)
Add (deduct):		
Stock-based compensation expense	5,670	4,307
Depreciation and amortization expense	5,111	3,459
Restructuring expense	3,239	-
Other expense	74	100
Interest (income) expense	(808)	37
Income tax provision	221	1,762
Adjusted EBITDA	(21,659)	(12,213)