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Distressed Scooter Giant Bird Global Sold to Third Lane Mobility for \$145 Million

By Bob Clair

Bird Global Inc., one of the largest scooter rental businesses in North America, was sold to its debtholders in a bankruptcy-led process.

Bird, which went public via SPAC in 2019, had failed to reach profitability and burned more than \$650 million of cash from 2020 through 2022. In total, the company dispatched more than \$1.1 billion in venture funding.

“They were very successful in raising capital for a substantial period of time, but the markets have not been as forgiving for growth companies as they were a few years ago,” said James Cassel, chairman and co-founder of Miami-based investment bank Cassel Salpeter & Co., Bird’s financial advisor.

After reaching a peak valuation of \$2.5 billion in its Series D, the business was delisted in September 2023 and entered into Chapter 11 bankruptcy in December—prompted by debtors’ desire for a Section 363 sale.

First lien holders were led by MidCap Financial, an affiliate of [Apollo Global Management](#), while second lien holders were led by Obelysk Inc. The group provided up to \$33 million in new money first lien DIP financing at a 15% interest rate (6% cash, 9% payment-in-kind), along with \$6 million in new money second lien notes at an 18% PIK interest rate.

Speaking to Transacted, Cassel described a broad sale process with a mix of sponsor and strategic interest.

“We went to 137 potential purchasers, 81 that we identified as strategic parties,” Cassel said. “We talked to anybody and everybody. People like Lime and Uber and Citi Bike, as well as private equity firms that buy distressed businesses. We went to all the players, both domestic and foreign.”

Christopher Rankin, Bird’s Chief Restructuring Officer, confirmed there was interest from strategics, though declined to share how far competitors progressed in the bidding process.

When asked, Lime, the Uber-backed industry leader, said via spokesman Russell Murphy only that “we are not going to comment on Bird’s situation.”

In the absence of a competitive offer, Bird was purchased by stalking horse bidder Third Lane Mobility, an entity formed by a consortium of the company’s first and second lien holders.

“The stalking horse bidders were a related party, so that adds a fair amount of complexity to make sure the proper process was run and that we went to the proper parties. We got the cooperation of management, which, on the one hand, may be conflicted because they are part of the buyer, but on the other hand, they are part of the seller,” Cassel said.

MidCap Financial did not respond to requests for comment.

Bird’s outcome is the latest setback for the challenged scooter and bike rental industry. Once a hotbed of venture activity, unprofitable operators have shut down or consolidated in recent years – Bird itself had bought rival Spin and platform partner Bird Canada as recently as late 2023.

Cassel said he expects further consolidation, particularly among the large number of smaller regional players.

Along with scale, Cassel notes that micromobility M&A “can be a way to get into certain markets or a way to obtain certain contracts.”

As for Bird, Rankin said he doesn’t expect new owner Third Lane to be acquisitive anytime soon.

“I don’t think they’ll be making acquisitions. It’s up to them, but I don’t expect that,” Rankin said.

Bob Clair

Bob Clair is a reporter at Transacted covering private equity and investment banking. He has covered breaking M&A news for several years and is a general assignment freelance reporter for The New York Times, where he shared in a 2021 Pulitzer Prize win.