

## Risk Factors Comparison 2024-03-12 to 2023-03-15 Form: 10-K

Legend: **New Text** ~~Removed Text~~ ~~Unchanged Text~~ **Moved Text** **Section**

Investing in **This section describes circumstances our** ~~or~~ securities involves **events that could have** a high degree of risk. You should carefully consider **negative effect on our financial results or operations or that could change, for** the risks **worse, existing trends in our businesses. The occurrence of one or more of the circumstances or events** described below **could have a material adverse effect on our financial condition**, as well as the **results of operations and cash flows and / or on other** ~~the information~~ **trading prices of our common stock. The risks and uncertainties described** in this Annual Report on Form 10-K **are**, including our consolidated financial statements and related notes thereto and the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in our other public filings before deciding whether to invest in our securities. The occurrence of any of the events or developments described below could harm our business, financial condition, results of operations and growth prospects. In such an event, the market price of our Class A Common Stock (as defined below) and Warrants could decline. The risks and uncertainties described below may not be the only ones we face **facing us**. **In Additional risks and uncertainties** that event, the market price of **currently are not known to us** ~~our~~ **or that we currently believe are immaterial also may adversely affect** Class A Common Stock could decline, and you could lose part or all of your ~~our investment businesses and operations~~. **Risk-Risks Factor Summary**

**Related to Our Business and the Industry** **The success of our business depends on our reputation and the strength of our brand.** Our business is subject to numerous risks **depends on our reputation and the strength of our** and **brand** uncertainties that you should fully consider before investing in our Company, as fully described below. The principal factors and uncertainties that make investing in our Company risk include, among others: ● The COVID-19 pandemic and the impact of actions to mitigate the COVID-19 pandemic have materially adversely impacted our business and may adversely impact our business in the future, including our results of operations and financial condition. ● We have a history of net losses and may not be able to achieve or sustain profitability. ● If we fail to retain existing subscribers or add new subscribers, our business, results of operations and financial condition would be materially adversely affected. ● Our revenue growth may not increase at the rates we anticipate in the future or at all. ● Any financial or economic crisis, or perceived threat of such a crisis, including a significant decrease in consumer confidence and disruptions to the global supply chain, could materially and adversely affect our business, financial condition and results of operations. ● The hospitality market is highly competitive, and we may be unable to compete successfully with our current or future competitors. ● We may be unable to effectively manage our growth. ● Our subscriber support function is critical to the success of our business, and any failure to provide **provider** high-quality service could affect our reputation and ability to retain our existing subscribers and attract new subscribers. ● We may not be able to obtain sufficient new and recurring supply of luxury accommodations and experiences. **We believe that the strength of or our brand is particularly important to** **our ability to attract and retain members with at least one active paid member subscription (“Subscription”) and to compete for attractive** ~~renew~~ **new properties. Many factors can affect our reputation and the value of our brand, including the quality and location of our properties, the value we provide, our level of service, the safety of our members, our approach to health and cleanliness, publicized incidents in our** ~~or existing~~ **supply around our properties, our ability to protect and use our brand and trademarks, the levels of marketing and the prevalence of other** luxury accommodations and experiences **in the destinations we serve**. **In addition** ● We have limited experience with our pricing models, particularly for Inspirato Pass **we rely on partners**, landlords Inspirato for Good, Inspirato for Business and Inspirato Select, **third-party service providers** and **may if such partners, landlords and third parties do** not accurately predict **perform adequately or terminate the their relationships**, long-term rate of subscriber adoption or **our** renewal or the **brand may be negatively impact impacted**, these will have on our revenue or **our costs may increase** results of operations. ● We depend on our key personnel and other highly skilled personnel, and if we fail to attract, retain, motivate or integrate our personnel, our business, financial condition and results of operations could be adversely affected. ● **If we fail to retain existing members or add new members, our** business, **results** depends on our reputation and the strength of our **operations** brand ~~and~~, and any deterioration could adversely impact our business, financial condition or results of operations. ● As a result of recognizing revenue in accordance with GAAP, our consolidated financial statements may not immediately reflect changes in customer bookings, cancellations and other operating activities. ● The failure to successfully execute and integrate acquisitions could materially adversely affect our business, results of operations and financial condition. ● We rely on consumer discretionary spending and any decline or disruption in the travel or hospitality industries or economic downturn would materially adversely affect our business, results of operations and financial condition. ● The subscription travel market and the market for our subscription offerings is still relatively new, and if it does not continue to grow, grows more slowly than expected or fails to grow as large as expected, our business, financial condition and results of operations could be adversely affected. ● If we are unable to manage the risks presented by our international business model, our business, results of operations and financial condition would be materially adversely affected. **Our ability** ● We have experienced and may continue to **grow** experience significant fluctuations in our results of operations, which makes it difficult to forecast our future results. ● The hospitality industry is subject to seasonal and cyclical volatility, which may contribute to fluctuations in our results of operations and financial condition. ● Our management has identified material weaknesses in our internal control over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an **and** effective system of internal controls or effective disclosure controls and procedures, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations. ●

We face risks related to our intellectual property. • Our storage, use, disclosure and other processing of personal data exposes us to risks of internal or external security breaches and incidents and could give rise to liabilities and / or damage to reputation. • Unfavorable changes in, or interpretations or enforcement of, government regulations or taxation of the evolving hospitality, Internet and e-commerce industries could harm our operating results. • Due to errors in our consolidated financial statements related to material weaknesses in our internal control over financial reporting, we restated our previously issued condensed consolidated financial statements for the quarterly periods ended March 31, 2022 and June 30, 2022, which resulted in unanticipated costs and may have adversely affected investor confidence, our stock price, our ability to raise capital in the future and our reputation, and may result in regulatory actions.

#### Risks Related to our Business and Industry

The COVID-19 pandemic and the impact of actions to mitigate the COVID-19 pandemic have materially adversely impacted our business and may adversely impact our business in the future, including our results of operations and financial condition. The COVID-19 pandemic caused severe economic disruptions around the world and is continuing to have a negative effect on the global hospitality and travel industries. The impact of the COVID-19 pandemic has been and continues to be a complex and evolving situation. Governments, public institutions and other organizations have and may continue to impose or recommend, at various times and degrees, that businesses and individuals implement restrictions on a wide array of activities to combat its spread, such as restrictions and bans on travel or transportation (including border closures), limitations on the size of in-person gatherings, closures of, or occupancy or other operating limitations on, work facilities, hospitality facilities, schools, public buildings and businesses, cancellation of events and meetings, mandatory vaccination requirements, and quarantines and lock-downs. COVID-19 and efforts to mitigate its spread, as well as declines in overall willingness to travel due to the risk of COVID-19 transmission, dramatically reduced travel and demand for accommodations at the outset of the pandemic, and the subsequent emergence of new variants of the virus have also negatively affected our business. Similar effects may occur in the future. While vaccines, booster shots, and treatments are now available in many countries, the ability of vaccination and treatment programs to curtail the impacts of the pandemic are uncertain. These factors may contribute to delays in economic recovery and continued reluctance to travel. The COVID-19 pandemic had a materially adverse impact on our results of operations and financial condition for the years ended December 31, 2020 and 2021. Revenues declined as a result of reduced travel and management undertook cost reduction methods in response. While COVID-19 continues to impact the world, through December 31, 2022 as restrictions were lifted across travel destinations, revenues recovered to pre-pandemic levels due to pent-up demand. To the extent the increase in revenue in 2022 is attributable to pent-up demand, we may not see this trend continue. In addition, we cannot predict the impact that the COVID-19 pandemic will continue to have on our business partners and third-party vendors and service providers. We may continue to be materially adversely impacted as a result of the material adverse impacts our business partners and third-party vendors suffered previously and may suffer now and in the future. To the extent the COVID-19 pandemic continues to materially adversely affect our business, results of operations and financial condition, it may also have the effect of heightening many of the other risk factors described herein. We have a history of net losses and may not be able to achieve or sustain profitability. We incurred net losses of \$ 0.5 million, \$ 22 million and \$ 24 million for the years ended December 31, 2020, 2021 and 2022, respectively. As of December 31, 2022, we had an accumulated deficit of \$ 234 million. Our accumulated deficit and net losses historically resulted primarily from the substantial investments required to grow our business. We have invested significantly in efforts to grow our subscriptions, introduce new or expanded offerings, increase our marketing spend, expanded our operations and hire additional employees. In 2021 and thereafter, we incurred significant costs related to the Business Combination and operating as a public company after the consummation of the Business Combination. We expect to continue making significant investments in our business in the future. These efforts may prove more expensive than currently anticipated, and we may not succeed in increasing our revenue sufficiently to offset these higher expenses. In particular, the impacts of the COVID-19 pandemic on our business have also contributed to the losses incurred during 2020, 2021 and 2022, and we expect the ongoing economic impact from the COVID-19 pandemic to have an impact on our revenue and financial results for 2023, though we cannot estimate to what extent the impact will be. Adverse macroeconomic and geopolitical conditions have impacted our business and may continue to impact us in future periods. These conditions include but are not limited to the Russian invasion of Ukraine, inflation, labor shortages, fluctuations in energy prices, changes in governmental regulations, foreign currency fluctuations, rising interest rates, and reduced consumer confidence resulting in lower consumer spending.

If we fail to retain existing subscribers or add new subscribers, our business, results of operations and financial condition would be materially adversely affected. We have experienced significant subscriber growth over the past several years, particularly with respect to Inspirato Pass. Our continued business and revenue growth is dependent on our ability to retain existing subscribers **members** and add new subscribers **Subscriptions**, and we cannot be sure that we will be successful in these efforts or that subscriber **member** retention levels will not materially decline. There are a number of factors that could lead to a decline in that subscribers **members** or that could prevent us from increasing our subscribers **members**, including: • our failure to deliver offerings that subscribers **members** find attractive; • our ability to achieve and sustain market acceptance, particularly with respect to Inspirato Pass; • harm to our brand and reputation; • pricing and perceived value of our offerings; • subscribers **members** engaging with competitive products and services; • problems affecting subscribers **members** experiences; • a decline in the public's interest in luxury travel; • deteriorating general economic conditions or a change in consumer discretionary spending preferences or trends, including inflation and increases to federal interest rates in response; • political, social or economic instability, such as the ongoing geopolitical tensions related to **conflicts in the Middle East**, Russia's actions in Ukraine, resulting sanctions imposed by the U.S. and other **geopolitical events** countries and retaliatory actions taken by Russia in response to such sanctions; and • events beyond our control such as **global or regional** the COVID-19 pandemic, other pandemics and health concerns, increased or continuing restrictions on travel, immigration **restrictions**, trade disputes and the impact of climate change on travel, including fires, floods, severe weather and other natural disasters and the impact of climate change on **seasonal destinations**. In addition, if our platform is not

easy to navigate; subscribers-members have an unsatisfactory sign-up, search, booking or payment experience-experiences on our platform; the content on our platform is not displayed effectively-engagingly to subscribers-members; we are not effective in engaging subscribers-members across our various offerings and tiers; or we fail to provide an experience in a manner that meets rapidly changing demand, we could fail to acquire first-time subscribers-members and fail to retain our existing subscribers-members. As a result of these factors, we cannot be sure that our subscriber-member levels will be adequate to maintain or permit the expansion of our operations. A decline in subscriber-member levels could have an adverse effect on our business, financial condition and operating results. Our member revenue growth may not increase at the rates we anticipate in the future or at all. We have experienced significant revenue growth in the past; however, there is no assurance that historic growth rates will continue. From the years ended December 31, 2020 to 2022, our revenue increased significantly, primarily due to the increased demand for travel due to easing COVID-19 pandemic restriction and pent-up demand for travel. Our future revenue growth depends on the growth of supply and demand for our offerings, and our business is affected by general economic and business conditions worldwide as well as trends in the global travel and hospitality industries. In addition, we believe that our revenue growth depends upon a number of factors, including:

- the COVID-19 pandemic and its impact on the travel and accommodations industries;
- our ability to retain and grow our number of subscribers;
- our ability to retain and grow the number of luxury accommodations and experiences we offer;
- events beyond our control such as pandemics and other health concerns, increased or continuing restrictions on travel and immigration, trade disputes, economic downturns and the impact of climate change on travel, including fires, floods, severe weather and other natural disasters and the impact of climate change;
- political, social or economic instability, such as the ongoing geopolitical tensions related to Russia's actions in Ukraine, resulting sanctions imposed by the U. S. and other countries, and retaliatory actions taken by Russia in response to such sanctions and current adverse macroeconomic conditions including inflation, fluctuations in fuel prices, rising interest rates and reduced consumer confidence;
- competition;
- the legal and regulatory landscape and changes in the application of existing laws and regulations or adoption of new laws and regulations that impact our business, and /or subscribers, including changes in tax, short-term occupancy and other laws;
- the attractiveness of our offerings to current and prospective subscribers, including the degree to which we correctly anticipate trends in consumer travel preferences;
- the level of consumer awareness and perception of our brand;
- the level of spending on sales and marketing to attract subscribers;
- our ability to grow new offering tiers, such as Inspirato Pass, Inspirato Select, Inspirato for Good and Inspirato for Business, and to deepen our presence in certain geographies;
- timing, effectiveness and costs of expansion and upgrades to our platform and infrastructure; and
- other risks described elsewhere in this Annual Report on Form 10-K. A softening of demand, whether caused by events outside of our control, such as COVID-19, rising interest rates, reduced consumer confidence, changes in subscriber preferences or any of the other factors described above or in this Annual Report on Form 10-K, will result in decreased revenue. If our revenue does not continue to improve at the rates we expect, we may not achieve profitability and our business, results of operations and financial condition would be materially adversely affected. Any financial or economic crisis, or perceived threat of such a crisis, including a significant decrease in consumer confidence and disruptions to the global supply chain, could materially and adversely affect our business, financial condition and results of operations. In recent years, the United States and global economics suffered dramatic downturns as a result of the COVID-19 pandemic, a deterioration in the credit markets and related financial crisis as well as a variety of other factors including, among other things, extreme volatility in security prices, severely diminished liquidity and credit availability, ratings downgrades of certain investments and declining valuations of others. The United States and certain foreign governments have taken unprecedented actions in an attempt to address and rectify these extreme market and economic conditions by providing liquidity and stability to the financial markets. If the actions taken by these governments are not successful, the current adverse economic conditions may negatively impact the demand for our offerings and may negatively impact our ability to raise capital, if needed, on a timely basis and on acceptable terms or at all.

17 Additionally, on February 24, 2022, the Russian Federation commenced a military invasion of Ukraine. Russian actions with respect to Ukraine have resulted in certain sanctions and export controls being imposed by the United States, the European Union, the United Kingdom and other jurisdictions. The conflict between Russia and Ukraine, including related economic sanctions, has led, and may continue to lead, to disruption, instability and volatility in global markets and industries that could negatively impact our business. We cannot predict the impact of these ongoing sanctions and heightened military conflict or geopolitical instability, heightened inflation and cyber disruptions or attacks. Any such disruptions or resulting sanctions may adversely affect our business, but as we do no business with Russia and /or Ukraine, no such disruptions as a result of Russia's military invasion of Ukraine have yet to directly do so. The hospitality market is highly competitive, and we may be unable to compete successfully with our current or future competitors. The market to provide hospitality services is very competitive and highly fragmented. In addition, the barriers to entry are low and new competitors may enter. Our current or potential competitors include global hotel brands, regional hotel chains, independent hotels, online travel agencies and home-sharing and rental services and short term / vacation rental. Our competitors may adopt aspects of our business model, which could reduce our ability to differentiate our offerings. Additionally, current or new competitors may introduce new business models or services that we may need to adopt or otherwise adapt to in order to compete, which could reduce our ability to differentiate our business or services from those of our competitors. Increased competition could result in a reduction in revenue, fewer attractive properties, higher lease rates, higher costs or reduced market share. We believe we compete primarily on the basis of the quality of our residences, the variety and attractiveness of our residences, and our high quality subscriber experience that is a result of the luxe services provided by our care teams, concierges, and planners. Competitive factors in our industry are subject to change, such as the increased emphasis on cleaning and social distancing due to the COVID-19 pandemic. If subscribers choose to use other competitive offerings in lieu of ours, our revenue could decrease, and we could be required to incur additional expenditures to compete more effectively. Any of these events or results could harm our business, operating results and financial condition. In addition, some of our current or potential competitors, such as

major hotel brands, are larger and have more resources than we do. Many of our current and potential competitors enjoy substantial competitive advantages, such as greater name recognition in their markets, well-established loyalty programs, longer operating histories and larger marketing budgets, as well as substantially greater financial, technical and other resources. Moreover, the hospitality services industry has experienced significant consolidation, and we expect this trend may continue as companies attempt to strengthen or hold their market positions in a highly competitive industry. Consolidation amongst our competitors will give them increased scale and may enhance their capacity, abilities and resources, as well as lower their cost structures. In addition, our current or potential competitors may have access to larger developer, landlord or customer bases. As a result, our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or landlord or customer requirements. Furthermore, because of these advantages, existing and potential landlords and subscribers might accept our competitors' offerings, even if our offerings are superior in other regards. For all of these reasons, we may not be able to compete successfully against our current and future competitors. We may be unable to effectively manage our growth. We have experienced rapid growth, and we continue to pursue rapid growth in existing and new markets throughout the world. Our business is becoming increasingly complex due in part to the continued rapid evolution of the hospitality industry, the ongoing COVID-19 pandemic, our expansion into new markets, the increasing number of residences and hotels within our portfolio and changing local and national regulatory requirements. This increased complexity and rapid growth have demanded, and will continue to demand, substantial resources and attention from our management. We may need to increase headcount and hire additional specialized personnel in the future as we pursue our growth objectives. For example, we may need to hire, train and manage additional qualified data scientists, website and app developers, software engineers, financial operations and accounting personnel and sales and marketing staff to properly manage our growth. When we enter or expand operations in a particular city, we may also need to hire a substantial number of staff to effectively manage the new operations, including staff to research local laws and regulations and monitor legal compliance. If our new hires are not available when needed or perform poorly, or if we are unsuccessful in hiring, training, managing and integrating new employees or if we are unsuccessful in retaining existing employees, we may not be able to meet our business and growth objectives.

18 Our subscriber support function is critical to the success of our business, and any failure to provide high-quality service could affect our reputation and ability to retain our existing subscribers-members and attract new subscribers-members. Our ability to provide high-quality support to our subscribers-members is important for the growth of our business and any failure to maintain such standards of subscriber-member support, or any perception that we do not provide high-quality service, could affect our ability to attract and retain members and attract subscribers. Meeting the support expectations of our subscribers-members requires significant time and resources from our support team and significant investment in staffing and technology. In particular, many travel reservations made through us include planning assistance, daily housekeeping, related property services and a local concierge to assist subscribers-members during their travel. If we or our third-party services-service providers fail to provide these services in a high-quality manner, or these services are not commensurate with those offered by other luxury travel providers such as hotel brands, our brand would may be harmed. In addition, as we expand the destinations offered to our subscribers, particularly outside of North America and Europe, we need to be able to provide effective support that meets subscribers-members' expectations in a variety of countries and languages. Our local support is performed by a combination of our internal teams and third-party service providers. We rely on our internal teams and these third parties to provide timely, responsive and high-quality service to our subscribers-members. Reliance on these third parties requires that we provide proper guidance-standards for them to meet when their employees, maintain proper controls and procedures for interacting with our members-subscribers, and ensure acceptable levels of quality and subscriber-member satisfaction are achieved. We rely on information provided by subscribers-members and are at times limited in our ability to provide adequate support or help subscribers-members resolve issues due to our lack of information or control of local third-party staff. To the extent that subscribers-members are not satisfied with the timeliness, responsiveness or quality of our support, we may not be able to retain subscribers-members, and our reputation and brand, as well as our business, results of operations and financial condition, could be materially adversely affected. Providing support that is timely, responsive and high-quality is costly, and we expect such cost costs may to continue to rise in the future as we grow our business. We may not be able to obtain sufficient new and recurring supply of luxury accommodations and experiences or to renew our existing supply of luxury accommodations and experiences. We continually pursue new entering into additional leases, adding residences to existing leases, and renewing-renew and extending-extend current leases as well as other occupancy arrangements with property owners, resorts, hotels and developers. If we fail to secure or renew leases or other occupancy arrangements for attractive luxury properties, resorts and hotels, we will not be able to expand our portfolio of locations, may not have sufficient properties to satisfy the demands of our members and may not achieve our growth and financial forecasts. We may not be able to add sufficient properties that meet our brand standards at an acceptable cost to meet our strategic goals and financial forecasts. Due to the number of properties that we have already secured under leases or other occupancy arrangements in many locations and our emphasis on providing a luxury travel experience, we may find it more difficult to find additional attractive properties in those markets. When we identify suitable properties, we may not be able to negotiate leases or other occupancy arrangements on commercially reasonable terms or at all or may incur additional expenses engaging local counsel to assist with lease or other occupancy arrangement negotiations. Our leases and other occupancy arrangements are often complex and require substantial time to negotiate, which makes forecasting our revenue from new properties more difficult. In certain international markets, we have less experience and fewer may not have real estate staff, and local regulations and real estate industry practices (including customary lease provisions and governing law) may make it more difficult to identify properties that are consistent with our brand and standards. Even where Where we identify suitable properties, we may not be able to negotiate leases or other occupancy arrangements on commercially reasonable terms or at all or may incur additional expenses engaging local counsel to assist with lease or other occupancy arrangement negotiations. Our leases and other occupancy arrangements are often complex

and require substantial time to negotiate, which makes forecasting our revenue from new properties more difficult. Even where we succeed in signing a lease for a new property, the landlord or developer may be unable or unwilling to deliver the property at the time provided for, or we may encounter other unforeseen delays, such as ~~constructions~~ **construction** delays in the case of new developments or in preparing the property for initial ~~subscriber~~ **member** stays. ~~Many newly leased properties become available for subscriber stays only after a considerable period of time, which increases the risk of unforeseen delays in recognizing revenue from such properties.~~ In addition, the success of any new property will depend on our ability to integrate it into ~~our~~ existing operations and successfully market it to our ~~subscribers~~ **members**. Newly leased properties could be more difficult or expensive to onboard, have undisclosed conditions that result in unanticipated expenses or claims against us for which we may have little or no effective recourse against the landlord or otherwise may not provide their anticipated benefits.

~~19~~**14**In addition to providing luxury accommodations, our business also depends on our ability to provide high- quality, personalized service including travel planning, on- site concierges, daily housekeeping and unique travel experiences. If we are not successful in providing high- quality, luxury experiences to our ~~subscribers~~ **members**, the perceived benefits of ~~subscriptions~~ **Subscriptions** may decrease and our business, financial condition and operating results may be adversely impacted our business, results of operations and financial condition. We are subject to the risks associated with natural disasters and the physical effects of climate change, which may include more frequent, severe storms, hurricanes, flooding, rising sea levels, shortages of water, droughts and wildfires, any of which could have a material adverse effect on our business, results of operations and financial condition. To the extent climate change causes changes in weather patterns, our coastal destinations could experience increases in storm intensity and rising sea - levels causing damage to our properties and result in a reduced number of properties in these areas. Climate change may also affect our business by increasing the cost of, or making unavailable, property insurance on terms we or our landlords find acceptable in areas most vulnerable to such events, increasing operating costs, including the cost of water or energy, and requiring us or our landlords to expend funds as they ~~seek to~~. We have limited experience with ~~our inventory~~ pricing models, particularly for **new products** Inspirato Pass, Inspirato for Good, Inspirato for Business and Inspirato Select, and may not accurately predict the long- term rate of subscriber adoption or renewal or the impact these will have on our revenue or results of operations. We generate revenue primarily from travel bookings and ~~subscriptions~~ **Subscriptions** to our Inspirato Club and Inspirato Pass offerings. Our ~~subscriptions~~ **Subscriptions** provide varying degrees of travel booking rights, and additional bookings and travel- related services are available on an ad- hoc basis. We have limited experience with ~~our respect to determining the optimal prices and pricing models~~ **model** for our subscription plans and other travel- related services, particularly with respect to our newer offerings such as **products, for example** Inspirato Pass, **IFG**, which launched in 2019 and **IFB**, experienced significant disruption in 2020 and 2021 due to ~~may not accurately predict~~ the COVID- **long** - 19 pandemic, and ~~term rate of member adoption~~ **our** - or renewal new selections that launched in 2022, Inspirato for - or Good, Inspirato ~~the impact these will have on our revenue for~~ - or Business **results of operations. Further**, and Inspirato Select ~~we may not be successful in operating our member loyalty program, Rewards~~. As the markets for our offerings mature, as we create new offerings or as new competitors introduce competing offerings, we may be unable to attract new ~~subscribers~~ **members** or retain existing ~~subscribers~~ **members** at the same price or based on the same pricing model ~~as we have used historically. We also~~ **may not be successful in operating our member loyalty program, Rewards. We** have limited experience in ~~determining complementary offerings to provide in conjunction~~ **operating a loyalty program and there can be no assurance that Rewards will enhance member loyalty or that, if additional travel is booked with us** our subscription plans and which to offer ~~as a result of Rewards, add- on offerings. Our limited experience in determining the~~ **benefits** optimal manner in which to bundle ~~us will be sufficient to offset the costs of operating Rewards. In operating and accounting for~~ **Rewards, management makes estimates and assumptions regarding member travel and usage of the associated benefits. Significant change in, our** - or failure various offerings could reduce our ability to capture the value delivered by our offerings ~~management to reasonably estimate~~, which **actual member usage of Rewards benefits and associated costs** could adversely impact ~~affect~~ our business, results of operations and financial condition. ~~We~~ **Many travel providers offer loyalty programs and may offer rewards and benefits that are similar to or more attractive than ours. If we fail to differentiate Rewards from these other loyalty** 16 **programs, or if we otherwise curtail or terminate Rewards benefits in the future, member loyalty could decrease and our business could be adversely impacted. Our success** depend- **depends** on our key personnel and ~~our ability to attract, retain and motivate~~ other highly skilled personnel, and if we fail to attract, retain, motivate or integrate our personnel, our business, financial condition and results of operations could be adversely affected. Our success depends to a significant degree on the retention of our ~~founders~~, senior management team, key technical, financial and operations employees and other highly skilled personnel. Our success also depends on our ability to identify, hire, develop, motivate, retain and integrate highly qualified and diverse personnel for all areas of our organization. We may not be successful in attracting and retaining qualified personnel to fulfill our current or future needs, and ~~future governmental or regulatory orders related to COVID- 19, which remain uncertain and cannot be predicted, may also impact our employee retention.~~ Members of our management team or other key employees may terminate their employment with us at any time. **For example, we recently experienced significant changes to our leadership team. In March of 2023 we appointed a new Chief Financial Officer and in September of 2023 we appointed a new Chief Executive Officer. Although we believe these leadership changes are in the best interest of our stakeholders, these changes were significant to our business. Any leadership transition and organizational changes may result in loss of personnel with deep institutional or technical knowledge and has the potential to disrupt our operations and relationships with employees and customers due to added costs, operational inefficiencies, decreased employee morale and productivity, and increased turnover. If we experience turnover among our management team or other key employees,** it may be difficult to find suitable replacements on a timely basis, on competitive terms or at all. If we are unable to attract and retain the necessary personnel, particularly in critical areas of our business, we may not achieve our strategic goals. We face intense competition **in local markets** for highly skilled personnel **to**

**service**, especially in Denver, Colorado, where we maintain our headquarters **members and properties**. To attract and retain qualified personnel, we **must have had to offer**, and we believe we will need to continue to offer, competitive compensation and benefits packages. Job candidates and existing personnel often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, it may adversely affect our ability to attract and retain highly qualified personnel. We may need to invest significant amounts of cash and equity to attract and retain new employees and expend significant time and resources to identify, recruit, train and integrate such employees, and we may never realize returns on these investments. If we are unable to effectively manage our hiring needs or successfully integrate new hires, our efficiency, ability to meet forecasts and, employee morale, productivity and retention could suffer, which could adversely affect our business, financial condition and results of operations. 20Our **Our business success** depends on our **ability to accurately** reputation and the strength of our brand **and effectively update**, and any deterioration could adversely impact our business, financial condition or **our results of operations member's experience within our technology platforms**. Our business depends **member experiences sit on a technology platform that has allowed for flexibility in** our reputation and the strength of our **product development strategy. We have invested significantly for many years in engineering, product, brand and design in order to build out the platform and we operate a modern technology stack that allows for rapid development and deployment as well as integrations** a provider of luxury accommodations and experiences. We **rely on** believe that the strength of our brand is particularly important to our ability to attract and retain subscribers and to compete for attractive new properties. Many factors can affect our reputation and the value of our brand, including our level of service, safety of our subscribers, our approach to health and cleanliness, publicized incidents in or **our own internal engineering team** around our properties, ability to protect and use our brand and trademarks, levels of marketing, and the prevalence of other luxury accommodations and experiences in the destinations we serve. In addition, our brand and reputation could be harmed if we fail to act responsibly or we are perceived as **well** not acting responsibly or if we fail to comply with regulatory requirements as interpreted by certain governments or agencies thereof in a number of other areas such as safety and security, data security, privacy practices, provision of information about users and activities on our platform, sustainability, human rights, diversity, non-discrimination and support for employees and local communities. Reputational value is also based on perceptions, and broad access to social media makes it easy for anyone to provide public feedback that can influence perceptions of us, our brand and our properties and experiences. It may be difficult to control or effectively manage negative publicity, regardless of whether it is accurate. Social media compounds the potential scope of the negative publicity that could be generated and the speed with which such negative publicity may spread. Our efforts to preserve and enhance consumer awareness of our brands may not be successful, and even if we are successful in our branding efforts, such efforts may not be cost-effective or as efficient as they have been historically, resulting in increased customer acquisition costs. Our brand and reputation may suffer as a result of any failure to provide service to our subscribers that is commensurate with their expectations. Subscriber complaints or negative publicity about our company, properties, experiences or services could diminish subscribers' confidence in us or our brand and impair our relationships with landlords, regulators and other governmental authorities, third-party partners, **software to develop** and others that **maintain our technology platforms. We require our technology platform to adapt and scale as we develop new products or change the way current products operate within our technology platforms. If we fail to adapt appropriately or if we are unable** important or impactful to our business. Effective **effectively update our** subscriber service requires significant personnel and technology **platforms** expense, and this expense, if not managed properly, could significantly impact our profitability. Failure to manage **keep up with** or **our members' expectations, we may be unable** train subscriber service representatives properly could compromise our ability to provide travel and a **satisfactory user** experiences **experience** that are acceptable to **for our members which may result in the loss of memberships** our **or subscribers future revenues**. We also rely on third-party companies **payment processors** to **process payments made by members** provide some subscriber services, including trip planning assistance, concierge services, daily housekeeping and related property services. We **rely on a limited number** do not directly control these companies or their personnel. Negative publicity related to any of our third-party partners, including publicity related **payment processors and credit card issuers** to quality standards **process payments made by** or our **members. If any of our third-party payment processors terminates its relationship with us** process payments made by our subscribers. If any of our third-party payment processors terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms **or places additional constraints on us, such as significant cash reserves beyond our capabilities**, we **may be unable to accept payments from certain credit cards or** would need to find an alternate **a replacement** payment processor and may not be able to secure similar terms or replace such payment processor in an acceptable time frame. Furthermore, the software and services provided by our third-party payment processors may fail to meet our expectations, contain errors or vulnerabilities, be compromised or experience outages. Any of these risks could cause us to lose our ability to accept online payments or other payment transactions, any of which could adversely affect our reputation and **ability to attract** brand **and retain members** and could potentially lead to increased regulatory or litigation exposure. We may also be the subject of blog, social media or forum postings that include inaccurate or negative statements about our **or properties disrupt** or our services or our business in general that create negative publicity. Any deterioration of our brand could adversely impact our business, financial condition or results of operations. **Nearly all payments** As a result of recognizing revenue in accordance with GAAP, our consolidated financial statements may not immediately reflect changes in customer bookings, cancellations and other operating activities. We experience a difference in timing between when a booking is made **by** for travel and when we recognize revenue, which occurs over the period of stay commencing upon check-in. The effect of significant downturns in bookings in a particular quarter may not be fully reflected in our **members** results of operations until future periods because of this timing in revenue recognition. Our booking metrics are also not necessarily reflective of revenue in a specific time period as a result of potential cancellations and /or rebooking between the original booking and check-in date. For example, the COVID-19 pandemic resulted in

cancellations of bookings and those bookings were not recognized as revenue until the trips were rebooked and subsequently taken. The failure to successfully execute and integrate acquisitions could materially adversely affect our business, results of operations and financial condition. One element of our growth strategy is to acquire businesses. We may expend significant cash or incur substantial debt to finance such acquisitions, which indebtedness could result in restrictions on our business and significant use of available cash to make **made** payments of interest and principal. In addition, we may finance acquisitions by **credit card**, issuing equity or convertible debt **debit card** securities, which could result in further dilution to our **or through** stockholders. We may enter into negotiations for acquisitions that are not ultimately consummated. Those negotiations could result in diversion of management time and significant out-of-pocket costs. If we fail to evaluate and execute acquisitions successfully, our business, results of operations and financial condition could be materially adversely affected. <sup>21</sup>In addition, we may not be successful in integrating acquisitions or the businesses we acquire may not perform as well as we expect. Any future failure to manage and successfully integrate acquired businesses could materially adversely affect our business, results of operations and financial condition. Acquisitions involve numerous risks, including the following: ● difficulties in integrating and managing the combined operations, technology platforms or offerings of the acquired companies and realizing the anticipated economic, operational and other benefits in a timely manner, which could result in substantial costs and delays and failure to execute on the intended strategy and synergies; ● failure of the acquired businesses to achieve anticipated revenue, earnings or cash flow; ● diversion of management's attention or other resources from our existing business; ● our inability to maintain the business relationships of acquired businesses; ● uncertainty of entry into businesses or geographies in which we have limited or no prior experience or in which competitors have stronger positions; ● unanticipated costs associated with pursuing acquisitions or greater than expected costs in integrating the acquired businesses; ● responsibility for the liabilities of acquired businesses, including those that were not disclosed to us or exceed our estimates, such as liabilities arising out of the failure to maintain effective data protection, information security, and privacy controls, and liabilities arising out of the failure to comply with applicable laws and regulations, including short-term occupancy and tax laws; ● difficulties in or costs associated with assigning or transferring to us the acquired companies' intellectual property or its licenses to third-party intellectual property; ● inability **payment services, which subjects us** to maintain our **certain regulations and to the risk of fraud. We may in the** culture **future offer new payment options to members** and value, ethical standards, controls, procedures and policies; ● challenges in integrating the workforce of acquired companies and the potential loss of key employees of the acquired companies; ● challenges in integrating and auditing the financial statements of acquired companies that have not historically prepared financial statements in accordance with GAAP; and ● potential accounting charges to the extent goodwill and intangible assets recorded in connection with an acquisition, such as trademarks, business relationships or intellectual property, are later determined to be impaired and written down in value. <sup>22</sup>We rely on consumer discretionary spending and any decline or disruption in the travel and hospitality industries or economic downturn would materially adversely affect our business, results of operations and financial condition. Our business is particularly sensitive to trends in the travel, real estate and vacation rental markets and in the general economy, which are all unpredictable. Travel is significantly dependent on discretionary spending levels. As a result, sales of travel services tend to decline during general economic downturns, recessions and times of political or economic uncertainty as consumers engage in less discretionary spending, are concerned about unemployment or inflation, have reduced access to credit or experience other concerns or effects that reduce their ability or willingness to travel. Leisure travel in particular, which accounts for substantially all of our current business, is dependent on discretionary consumer spending levels. Downturns in worldwide or regional economic conditions, such as the downturn resulting from the COVID-19 pandemic, the ongoing geopolitical tensions related to Russia's actions in Ukraine, and the current adverse macroeconomic conditions including inflation, fluctuations in energy prices, rising interest rates and reduced consumer confidence have led to some decrease in leisure travel and travel spending, and similar downturns in the future may materially adversely impact demand for our offerings. Such a shift in consumer behavior could materially adversely affect our business, results of operations and financial condition. Our operating results, to the extent they reflect changes in the broader travel, real estate and vacation rental industries, may be subject to **additional regulations** significant fluctuations. The subscription travel market and **risks** the market for our subscription offerings is still relatively new, and if it does not continue to grow, grows more slowly than expected or fails to grow as large as expected, our business, financial condition and results of operations could be adversely affected. We offer **are also subject to a number** distinctive type of luxury travel service for which the **other laws** market is still relatively new, and **regulations relating** it is uncertain to what extent market **the payments we** acceptance **accept** will continue to grow, if at all. Our success will depend on the willingness of potential subscribers and the market at large to adopt our particular model of luxury travel, which differs from both traditional hotels and home-sharing or **our members** rental marketplaces. In many geographies, including geographies that we hope to enter in the future, the market for our subscription-based luxury travel is unproven, with little data or research available regarding **respect to money laundering, money transfers, privacy and information security, and** the **these** market and industry. If potential subscribers do not perceive our accommodations or experiences as compelling, or choose different accommodations due to concerns regarding safety, the availability of on-site staffing, amenities or services associated with traditional hotels, affordability or other reasons, then the market for our luxury travel may not further develop, may develop more slowly than expected or may not achieve our expected growth potential. Such outcomes could adversely affect our business, financial condition and results of operations. Additionally, our ability to develop the market in which we operate will depend to a substantial extent on the willingness of landlords and property developers to enter into leases, property development or other occupancy arrangements with us, and our ability to operate in markets without clear or well-established regulations covering properties used in our business. Regulation of short-term occupancy is an evolving field, and in numerous localities, local regulations have been adopted in recent years that seek to discourage short-term occupancy. Moreover, homeowners' associations and other associations in communities where our properties are located may **differ** seek to restrict the ability of

landlords to enter into lease agreements with companies such as us. Additionally, a significant portion of our revenue is driven by **locality** our subscription offerings, and the adoption of subscription models in the travel industry is relatively new. For example, Inspirato Pass was first launched in 2019 and Inspirato Select was launched in 2022. If customers do not shift to subscription travel models and subscription travel services do not achieve widespread adoption, or if there is a reduction in demand for subscription travel services, our business, financial condition, and results of operations could be adversely affected. For these and other reasons, we may be unable to accurately predict the demand for and the supply of potential units in certain markets, which could cause us to spend more in a certain market than is justified by the resulting revenues, or to miss our financial targets, and could otherwise harm our business. If we are unable to manage the risks presented by our international business model, our business, results of operations and financial condition would be materially adversely affected. We have leased properties, work with hotel and resort partners and offer Inspirato Only Experiences around the world and continue to expand our operations. Currently, we feature destinations in the U. S., Canada, Europe, Central and South America, the Caribbean and Oceania and plan to continue our efforts to expand internationally, including in jurisdictions where we do not currently operate to a significant degree, such as many countries in Europe, Asia, South America and Oceania. Operating in international markets also requires significant management attention and financial resources. Health epidemics, like the COVID-19 pandemic, may cause international travel restrictions and other regulations to change rapidly, resulting in disruptions to travel plans.<sup>23</sup> Expansion into new international emerging markets may have risks due to factors specific to those markets. Emerging markets are countries which have less developed economies and may be vulnerable to economic and political instability, such as significant fluctuations in gross domestic product, interest and currency exchange rates, civil disturbances, government instability, nationalization and expropriation of private assets, trafficking and the imposition of taxes or other charges by governments. The occurrence of any of these events in markets where we operate, and the resulting instability may adversely affect our business. We have expanded and expect to continue to expand our service to countries in the Caribbean and Latin America and possibly other jurisdictions throughout the world, some of which have less developed legal systems, financial markets and business and political environments than the U. S. and therefore present greater political, legal, regulatory, economic and operational risks. We have emphasized legal compliance and have implemented and continue to implement and refresh policies, procedures and certain ongoing training of employees with regard to business ethics and compliance, anti-corruption laws and policies and many other key legal requirements; however, there can be **expected** no assurance our employees or third party service providers in such locations will adhere to **change over** our code of business conduct, anti-corruption law and policies, other Company policies or other legal requirements. If we fail to enforce our policies and procedures properly or maintain adequate record-keeping and internal accounting practices to accurately record our transactions, we may be subject to sanctions. In the event we believe or have reason to believe our employees have or may have violated applicable laws or regulations, we may be subject to investigation costs, potential penalties and other related costs which in turn could negatively affect our reputation and our results of operations and cash flow. Managing a multinational organization is difficult, time consuming and expensive, and any international expansion efforts that we undertake may not be profitable in the near or long term or otherwise be successful. **17** We have limited operating experience in many foreign jurisdictions and are making significant investments to build our international operations. Conducting international operations subjects us to risks that we generally do not face in the U. S. These risks include: ● costs, resources and uncertainties associated with tailoring our services in international jurisdictions as needed to better address the needs of subscribers; ● costs and risks associated with local and national laws and regulations governing zoning, hotels and other accommodations, accessibility, property development and rental, health and safety, climate change and sustainability and employment; ● differences in local real estate and hotel industry practices, including leasing and hotel transaction terms, that may make it difficult for us to add properties on satisfactory terms or that may require higher than expected upfront payments or other costs; ● operational and compliance challenges caused by distance, language and cultural differences; ● costs and risks associated with compliance with international tax laws and regulations; ● costs and risks associated with compliance with the U. S. Foreign Corrupt Practices Act and other laws in the U. S. related to conducting business outside the U. S., as well as the laws and regulations of non-U. S. jurisdictions governing bribery and other corrupt business activities; ● being subject to other laws and regulations, including laws governing online advertising and other Internet activities, email and other messaging, collection, use and other processing of personal data and other content, ownership of intellectual property, taxation and other activities important to our online business practices; ● political, economic and social instability, war (including ongoing geopolitical tensions related to Russia's actions in Ukraine, resulting sanctions imposed by the U. S. and other countries, and retaliatory actions taken by Russia in response to such sanctions and the current adverse macroeconomic conditions including inflation, fluctuations in fuel prices, rising interest rates and reduced consumer confidence), armed conflict or terrorist activities; ● competition with companies that understand the local market better than we do or who have pre-existing relationships with landlords, property developers, regulators and travelers in those markets; and<sup>24</sup> ● reduced or varied protection for intellectual property rights in some countries. We cannot guarantee that our international expansion efforts in any or multiple territories will be successful. The investment and additional resources required to establish operations and manage growth in other countries may not produce desired levels of revenue or profitability and could instead result in increased costs. We have experienced and may continue to experience significant fluctuations in our results of operations, which make it difficult to forecast our future results. Our results of operations have historically varied from period to period and we expect that our results of operations will continue to fluctuate for a variety of reasons, many of which are outside of our control and difficult to predict. We experience seasonal fluctuations in our financial results. Because our results of operations may vary significantly from quarter to quarter and year to year, the results of any one period should not be relied upon as an indication of future performance. Our revenue, expenses, operating results and cash flows, as well as our key operating metrics, have fluctuated from quarter to quarter in the past and are likely to continue to do so in the future. These fluctuations are due to, or may result from, many factors, including: ● the quantity of our



accommodations; ● the timing and success of changes in amenities and services; ● the impact of the COVID-19 pandemic or other public health crises on demand for our accommodations and on our operating expenses and capital requirements; ● the introduction and performance of new properties, experiences, amenities, technologies and services, including how quickly new properties are ready for booking by subscribers and the degree to which we correctly anticipate trends in consumer travel preferences; ● the timing, cost and success of advertising and marketing initiatives; ● the amount and timing of financing activities, operating expenses and capital expenditures; ● changes in prevailing lease rates for attractive properties and any adjustments in rental rates under existing leases; ● changes in cash flow due to lease renewals and amendments and new lease acquisitions and property onboardings; ● changes in cash flow due to the seasonal nature of vacation travel and the unpredictability of subscriber cancellations; ● economic instability in major markets, such as the current adverse macroeconomic conditions including inflation, fluctuations in fuel prices, rising interest rates, reduced consumer confidence and fluctuations in exchange rates; ● geopolitical uncertainty and instability, such as the ongoing geopolitical tensions related to Russia's actions in Ukraine, resulting sanctions imposed by the U. S. and other countries and retaliatory actions taken by Russia in response to such sanctions; ● the introduction of new properties, amenities or services by our competitors; ● declines or disruptions in the hospitality industry, particularly in cities or regions where we have significant operations; ● changes in the timing of holidays or other vacation events; ● unanticipated disruptions or costs due to regulatory issues, including changes in hospitality laws, hotel regulations or zoning or accessibility laws; 25 ● litigation and settlement costs, including unforeseen attorneys' fees and costs; ● new accounting pronouncements and changes in accounting standards or practices; ● new laws or regulations, or new interpretations of existing laws or regulations, that harm our business or restrict the hospitality industry, travel, the Internet, e-commerce, online payments or online communications; and ● other risks described elsewhere in this Annual Report on Form 10-K. Fluctuations in operating results may, particularly if unforeseen, cause us to miss projections we may have provided to the public. In addition, a significant portion of our expenses and investments are fixed and such fluctuations in operating results may cause us to face short-term liquidity issues, impact our ability to retain or attract key personnel or expand our portfolio of properties or cause other unanticipated issues. The hospitality industry is subject to seasonal and cyclical volatility, which may contribute to fluctuations in our results of operations and financial condition. The hospitality industry is seasonal in nature. The periods during which our properties experience higher occupancy vary from property to property, depending principally upon their location, type of property and competitive mix within the specific location and may change with changes in overall availability of lodging and hospitality options within a local market. Based on historical results, we generally expect our revenues to be lower in the second quarter of each year than in each of the three other quarters. In addition, the hospitality industry is cyclical, and demand generally follows the general economy on a lagged basis. The hospitality industry as a whole experienced a downturn driven by the COVID-19 pandemic but has entered into a recovery phase as vaccines and treatments became more widely available and travel restrictions abated. However, this recovery may not progress to the degree expected. The seasonality and cyclicity of our industry may contribute to fluctuations in our results of operations and financial condition. Our leases may be subject to premature termination, which can be disruptive and costly. Our leases or management contracts may be subject to premature termination in certain circumstances, such as the bankruptcy of a developer or landlord, noncompliance with underlying covenants governing the property, or, under some agreements, failure to meet specified financial or performance criteria, which we may fail or elect not to waive or cure, or, in certain leases, termination for convenience by a landlord by providing us prior notice (typically one year). Some of our leased properties have been pledged as collateral for mortgage loans entered into by the owners of the properties when those properties were purchased or refinanced. If those owners cannot repay or refinance maturing indebtedness on favorable terms or at all, such owners may declare bankruptcy and / or lenders could declare a default, accelerate the related debt and foreclose on the subject property. Such foreclosures or bankruptcies could in some cases result in the termination of our leases and eliminate our anticipated income and cash flows, which could have a **history** significant negative effect on our results of **net losses** operations. Landlords or other business partners may also assert the right to terminate leases or other significant contracts even where the agreements do not provide such a right. If terminations occur for these or other reasons, we may need to enforce our right to damages for breach of contract and related claims, which may cause us to incur significant legal fees and expenses. Any damages we ultimately collect could be less than the projected future value of the revenues and income we would have otherwise generated from the property. For example, if a landlord breaches a lease agreement by terminating without cause, we may choose not to or it may be financially impractical to enforce lease provisions requiring such landlord to pay an **and** administrative fee plus the cost of relocating reservations, and we may choose to settle for a lower amount. Premature terminations of significant agreements could hurt our financial performance or our ability to grow our business. In addition, our ability to negotiate favorable terms to extend an expiring lease or to secure an alternate location will depend on then-prevailing conditions in the real estate market, such as overall rental cost increases, competition from other would-be tenants for desirable leased spaces, our relationships with current and prospective building owners and landlords and other potential factors that are not within our control. If we are not able to renew or replace an expiring lease, we will incur significant costs related to vacating that space and developing alternative space, if any. 26 The relatively long-term and fixed-cost nature of our leases may limit our operating flexibility and could adversely affect our liquidity and results of operations. We currently lease most of our properties. Our obligations to landlords under these agreements extend for periods that frequently significantly exceed the duration of customers' subscriptions, often by many years. Our leases generally provide for fixed monthly payments that are not tied to occupancy rates or revenues, and our leases typically contain minimum rental payment obligations. As a result, if we are unable to maintain sufficient occupancy rates, our lease expenses may not be sufficiently offset by our revenue from subscribers. In addition, we may not be able to lower **achieve** our **or** fixed monthly payments under our leases in **sustain profitability**. **We incurred net losses attributable to Inspirato Incorporated of \$ 22. 2 million, \$ 24. 1 million and \$ 51. 8 million for the years ended December 31, 2021, 2022 and 2023, respectively. As of December 31, 2023, we had an amount accumulated**

**deficit of \$ 285.8 million. Our accumulated deficit and net losses attributable to Inspirato Incorporated historically resulted in part from the substantial investments required to grow our business. We expect to continue making investments in our business in the future. These efforts may prove more expensive than currently anticipated, and we may not succeed in increasing our revenue sufficiently** to offset any revenue lost as a result of future prices that we charge our subscribers, which may also reduce our margins and cash flow. In any such event, we may not have the ability to reduce our rent under the lease or otherwise terminate the lease in accordance with our terms. Many of our leases provide us the ability to terminate leases with appropriate notice. We have limited flexibility to rapidly alter our portfolio of properties and our lease commitments in response to changing circumstances. Leases require substantial time to negotiate, and there is often a significant delay between a lease signing and the availability of a property to our subscribers. In addition, our leases generally require the landlord's consent to assign the lease or sublease the property, which may not be granted or may be granted only on unfavorable terms. Even if we are able to assign or sublease an unprofitable property, we may incur significant costs, including transaction costs associated with finding and negotiating with potential transferees, upfront payments or other inducements, costs to restore the property to our previous condition and other costs to exit the property. Moreover, our leases contain a variety of contractual rights and obligations that may be subject to interpretation. Our interpretations of our leases are sometimes disputed by landlords, which result in expensive and disruptive litigation in some instances. For example, certain landlords have asserted breach of contract for failure to maintain a property in "substantially the same condition" and in 2020, certain landlords disputed "force majeure" clauses in relation to the COVID-19 pandemic. Similar disputes may occur in the future. Our failure to satisfy our contractual obligations in these **higher** leases could result in defaults under the leases. Any default, claim or dispute regarding our leases or our other occupancy arrangements could result in litigation, damage to our reputation, disruption of operations and our subscribers' experiences at the affected property, a requirement that we exit the property earlier than planned and damages or other legal remedies against us, any of which could have a material and adverse effect on our business, results of operations and financial condition. If we are unable to adapt to changes in technology, our business could be harmed. Because the Inspirato website, custom applications supporting the Inspirato website, the Inspirato app and the algorithms we use to generate trip lists are critical to our business, and subscribers increasingly demand technology-driven features and amenities when they seek accommodations, we will need to continuously modify and enhance our services and business systems to keep pace with technological changes. We may not be successful in developing or obtaining from third parties necessary, functional and popular modifications and enhancements. Furthermore, uncertainties about the timing and nature of these necessary changes could result in unplanned research and development expenses. **Further** In addition, if our properties, website or app or internal systems fail to operate effectively with future technologies, we may experience subscriber dissatisfaction, lost revenue, difficulties in providing subscriber service or adding new properties to our portfolio, or other disruptions in our operations may result, any of which could harm our business. **27** **Actions** **actions** that we are taking to review and optimize our business in alignment with our strategic priorities may not be as effective as anticipated. **We are shifting our near-term focus from expanding the supply of our portfolio of accommodations to portfolio optimization in order to adapt to a rapidly changing travel landscape.** We have dedicated internal resources towards two new offerings, Inspirato for Good and Inspirato for Business, aimed at reducing long-term customer acquisition costs and sales and marketing expense by providing leads and subscriber conversion opportunities to the Inspirato sales pipeline. Further, we completed a 12% workforce reduction in January 2023 in order to further manage costs. While the shift in our business strategy and the workforce reduction are designed to reduce operating costs, improve operating margins, and return to profitability, we may encounter challenges in the execution of these **These or similar** efforts that could prevent **events may** us from recognizing the intended benefits of such efforts or otherwise adversely affect our **ability** business, results of operations and financial condition. As a result of the workforce reduction, we have incurred and may continue to incur additional costs in the short-term, including cash expenditures for severance payments, employee benefits and related facilitation costs, as well as non-cash expenditures related to vesting of share-based awards. These additional cash and non-cash expenditures could have the effect of reducing our operating margins. Our workforce reduction may result in other unintended consequences, including employee attrition beyond our intended reduction in force, which may also be further exacerbated by the actual or perceived declining value of our equity awards; damage to our corporate culture and decreased employee morale among our remaining employees, including as a result of reduced employee perks; diversion of management attention; damage to our reputation as an employer, which could make it more difficult for us to hire new employees in the future; and the loss of institutional knowledge and expertise of departing employees. If we experience any of these adverse consequences, our reductions in force and other restructuring efforts may not achieve or **and** sustain their intended benefits, or the benefits, even if achieved, may not be adequate to meet our long-term profitability and operational expectations, which could adversely affect our business, results of operations and financial condition. In addition, our workforce reduction and other shifts in our business strategy could lead us to fail to meet, or cause delays in meeting, our operational and growth targets. While positions have been eliminated, functions that they performed remain necessary to our operations, and we may be unsuccessful in effectively and efficiently distributing the duties and obligations of departed employees among our remaining employees. The workforce reduction could also prevent us from pursuing new opportunities and initiatives or require us to adjust our growth strategy. As we continue to identify areas of cost savings and operating efficiencies, we may consider implementing further measures to reduce operating costs and improve operating margins. We may not be successful in implementing such initiatives, including as a result of factors beyond our control. If we are unable to realize the anticipated savings and efficiencies from our reductions in force, other restructuring efforts and future strategic initiatives, our business, results of operations and financial condition could be harmed. We may become involved in claims, lawsuits and other proceedings that could adversely affect our business, financial condition **including those related to potential health** and results of operations **safety issues and hazardous substances at our properties**. We are involved in various legal proceedings relating to matters incidental to the ordinary course of our business

and may be subject to additional legal proceedings from time to time. Legal proceedings can be time-consuming, divert management's attention and resources and cause us to incur significant expenses or liabilities. The expense of litigation and the timing of this expense from period to period are difficult to estimate and subject to change and could adversely affect our financial condition and results of operations. In particular, the international nature of a portion of our operations and the number of countries in which we operate could subject us to increased risk of litigation in foreign jurisdictions, which may be lengthier, costlier or less predictable than comparable litigation in the United States U.S. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, settle disputes even where we have meritorious claims or defenses. Any of the foregoing could adversely affect our business, financial condition and results of operations.

**Risks Relating to Financial** 28 Our properties are relatively concentrated in a limited number of travel destinations. Our operations are relatively concentrated in a limited number of travel destinations. Our accommodations and Market Matters The price experiences are located in popular vacation destinations, some of our common stock has been and may continue to be highly volatile, which are more heavily utilized on a seasonal basis. As a result, may make it difficult for stockholders to sell our common stock when desired our or ability to realize a benefit from at attractive prices. The market price of our common stock properties in these regions is heavily dependent upon our ability highly volatile and we expect it to continue to be volatile maintain occupancy during key seasonal periods. In addition, factors influencing the desirability of our properties in a particular city or for region the foreseeable future. Adverse events including volatility in or our during a specific season operating results, regulatory developments, changes in consumer discretionary spending, and changes in securities analysts' estimates of our financial performance could negatively impact adversely affect our ability to attract new subscribers and retain existing subscribers. Moreover, to the extent that consumer travel preferences change, we may not correctly anticipate these the market price of changes in a timely manner, or our at all common stock. General market conditions, which including the level of, and fluctuations in, the trading prices of securities generally could also adversely impact our ability to maintain occupancy in our properties. Geographic concentration magnifies the risk to us of localized economic, political, public health and other conditions. We expect that our operations will continue to be concentrated in a limited number of travel destinations. Civil unrest, public health crises, unusual weather, natural disasters or other factors affecting travel to these destinations or other markets in which we are expanding, as well as changes in local competitive conditions, may have a disproportionate effect on our revenue similar negative impact. Further, we are and an on "emerging growth company" with reduced public company reporting requirements; we have identified material weaknesses in our internal controls related to financial reporting; and we have restated our previously issued condensed Consolidated Financial Statements for the quarterly periods ended March 31, 2022 and June 30, 2022 due to errors in our Consolidated Financial Statements. Each of these factors may cause reduced investor confidence, limit our ability to raise capital and increased volatility to the secure sufficient staffing, supplies or services for our largest markets market price of. In addition, our property leasing and onboarding process can take common stock. Similar factors could also affect the trading price of our Public Warrants. A small number of stockholders have substantial control over time, which may make it more difficult to compete for subscribers in a newly popular travel destination. We face possible risks associated with natural disasters and the physical effects Company. A small number of climate change stockholders have substantial control over the Company, which may include more frequent, severe storms, hurricanes, flooding, rising sea levels, shortages of water, droughts and wildfires, any this significant concentration of which could ownership may have a negative impact material adverse effect on our business, results of operations and..... our landlords to expend funds as they the trading price seek to repair and protect their properties in connection with such events. As a result of the foregoing and other climate-related issues, we may be unable to provide properties in certain areas due to climate change, and we may lose both landlords and guests, which could have a material adverse effect on our business, results of operations and financial condition. We require additional capital to support business growth, and this capital might not be available in a timely manner or for on favorable terms. We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop or our acquire new properties or experiences or enhance our existing properties or experiences, enhance our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If additional funds are raised through further issuances of equity or convertible debt securities, existing stockholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders our Inspirato Incorporated Class A common stock, par value \$ 0.0001 per share ("Class A Common Stock") because investors often perceive disadvantages in owning stock in companies with controlling stockholders. Any In addition, these stockholders will be able to exercise influence over all matters requiring stockholder approval, including the election of directors and approval of corporate transactions, such as a merger or other sale of the Company or our assets. This concentration of ownership could limit other stockholders' ability to influence corporate matters and may have the effect of delaying or preventing a change in control, including a merger, consolidation or other business combination or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control, even if that change in control would benefit the other stockholders. In addition, should these stockholders sell some or all of their shares, this may negatively impact the market price of Class A Common Stock. The Company has Public Warrants that it may amend or redeem. We have outstanding certain Public Warrants (as defined in Note 3 to our Consolidated Financial Statements). We may amend the terms of the Public Warrants in a manner adverse to a holder if holders of at least a majority of the then outstanding Public Warrants approve of such amendment. Examples of such amendments could be amendments to, among other things, increase the exercise price 18of the Public Warrants, convert the Public Warrants into stock or cash, shorten the exercise period or decrease the number of warrant shares issuable upon exercise of a Public Warrant. Further, we may redeem outstanding Public Warrants in certain circumstances. Redemption of the outstanding Public

Warrants could force warrant holders (i) to exercise their Public Warrants and pay the exercise price at a time when it may be disadvantageous for them to do so, (ii) to sell their Public Warrants at the then-current market price when they might otherwise wish to hold their Public Warrants or (iii) to accept the nominal redemption price which, at the time the outstanding Public Warrants are called for redemption, is likely to be substantially less than the market value of their Public Warrants. We have existing debt financing could involve restrictive covenants relating to financial and operational matters, which may in the future require make it more difficult for us to obtain additional capital and to pursue business opportunities continue to operate, which might including potential acquisitions or strategic partnerships. In addition, we may not be able to obtain available in a timely manner, on acceptable terms or at all. The issuance of additional securities may adversely affect existing stockholders. We cannot be certain when or if our operations will generate sufficient cash to fund our ongoing operations or the growth of our business. We intend to make investments to support our current business and may require additional funds to respond to business challenges, including the need to develop new features or enhance our software, improve our operating infrastructure or acquire complementary businesses and technologies. Additional financing may not be available on favorable terms, if at all. If we adequate funds are not available on acceptable terms, we may be unable to obtain adequate satisfy existing obligations or invest in or our satisfactory future growth opportunities, which could harm our business, operating results and financing financial condition. Holders of our debt have rights senior to holders of our Class A Common Stock to make claims on our assets. The terms of any future debt could restrict, and the Note (as defined in Management's Discussion and Analysis of Financial Condition and Results of Operations — "Overview — Capital One Ventures Strategic Partnership and Investment") currently restricts, our operations, including our ability to pay dividends on our Class A Common Stock. If we issue additional equity securities in the future, including pursuant to our 2021 Equity Incentive Plan (the "2021 Plan"), stockholders will experience dilution, and the new equity securities could have rights senior to those of our Class A Common Stock. Because the decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing or nature of any future issuances of debt or equity securities. As a result, stockholders will bear the risk that future issuances of debt or equity securities will reduce the value of their Class A Common Stock and dilute their interest. Further, servicing our existing and potential future debt, including the Note, may require a significant amount of cash, and we may not have sufficient cash flow from our business to satisfy our obligations. In particular, we may not have the ability to raise the funds necessary to repurchase the Note if and when we require required it under the terms of the Note, and our future debt may contain limitations on our ability to repurchase the Note. The Note and related documents continue contain to support restrictions that will limit our flexibility in operating our business growth and to respond to business challenges the issuance of our Common Stock upon conversion of the Note could be significantly dilutive limited. 29 We are subject to risks associated with the employment of hospitality personnel and the use of third-party subscriber services contractors. Our hospitality employees and other subscriber services personnel are critical to our ability to add properties, maintain our properties, strengthen our reputation for subscriber service and attract and retain subscribers. If our relationship with employees in any city or key property, or within our central subscriber services function, deteriorates for any reason, our reputation, subscriber relationships and revenue may suffer, and we may incur costs to replace and retrain additional personnel or third-party contractors. In addition, many may depress the market price of our Class A Common Stock. There can be no assurance subscriber services representatives and housekeepers who provide services to us and our subscribers are employed by third-party agencies, that our securities will continue to we do not control. Our business and reputation could be listed on Nasdaq harmed in the event of any dispute with these agencies, whether by their staff or with us or if their staff fail to provide services that will meet our or our subscribers' standards and expectations. In addition, labor costs are a significant component of our operating expenses, and any increase in the cost of wages, benefits or other employee-related costs could cause our results of operations and cash flow to be able lower than anticipated. Our costs associated with any future governmental or regulatory orders related to COVID-19 or the current economic or geopolitical instability related to Russia's actions in Ukraine, which remain uncertain and unpredictable, may also impact worker retention and increase costs associated with any re-training of newly hired or newly engaged workers. We may also incur increased legal costs and indirect labor costs because of disputes involving our workforce. The resolution of labor disputes or labor contracts could lead to increased labor costs, either by increases in wages or benefits or by changes in work rules that raise operating costs. Labor disputes and disruptions may also occur within landlords' workforces at buildings we occupy, which could harm our subscribers' experience and reduce bookings at the affected property. We incur costs relating to the preparation, maintenance, refurbishment and remediation of our luxury properties, which are typically high compared to other travel companies and may be higher than anticipated. We typically incur expenses to prepare a newly leased property for our initial subscribers and to keep our leased properties in an attractive condition. Although we attempt to have the landlord or developer bear some of the capital repair costs, we are often responsible for all or a significant portion of routine property care and maintenance. Even where landlords and developers are contractually responsible for some costs, they may dispute or fail to comply with their the continued listing standards obligations. In addition, the terms of Nasdaq. Our Class A Common Stock and Public Warrants our leases generally require that we ensure that the spaces we occupy are listed kept in good repair throughout the term of the lease. Our leases may also require that we return the space to the landlord at the end of the lease term in essentially the same condition it was delivered to us, which may require removing all fixtures and improvements to the space and often requires repainting and other repair work. The costs associated with our onboarding, maintenance, removal and repair work are often significant and may vary from our forecasts. This is further exacerbated by interruptions to global supply chains and inflation. Because of our focus on Nasdaq providing unique, luxury accommodations, we may incur significantly greater expenses, with greater frequency, to maintain our accommodations in a condition that is satisfactory to our subscribers as compared to other companies in the travel industry. For example, we may expend significantly more on premium fixtures than

other travel companies and may be unable to realize economies of scale available to larger hotel companies that utilize standard furniture across rooms in their properties. Accordingly, the costs incurred by us for refurbishing our properties may be less predictable than other travel companies. Any failure to provide luxury accommodations that are acceptable to our subscribers would harm our brand and reputation. If we do not effectively anticipate subscriber preferences and tastes, we may incur additional costs related to further refurbishment or may experience under-utilization of a given property, either of which could harm our business, financial condition and results of operations. 30 We are exposed to fluctuations in currency exchange rates. Since we conduct a significant portion of our business outside the U. S. but report our results in U. S. dollars, we face exposure to adverse movements in currency exchange rates, which may cause our revenue and operating results to differ materially from expectations. In addition, fluctuation in our mix of U. S. and foreign currency denominated transactions may contribute to this effect as exchange rates vary. Moreover, as a result of these -- **the symbols " ISPO "** exchange rate fluctuations, revenue, cost of revenue, operating expenses and **" ISPOW "** other operating results may differ materially from expectations when translated from the local currency into U. S. dollars upon consolidation. For example, **" respectively "** if the U. S. dollar weakens relative to foreign currencies, our non-U. S. expenses would be adversely affected when translated into U. S. dollars. Conversely, a rise in the U. S. dollar relative to foreign currencies would decrease our non-U. S. expenses when translated into U. S. dollars. As exchange rates vary, cost of revenue, operating expenses and other operating results, when translated, may differ materially from expectations. In addition, our operating results are subject to fluctuation if our mix of U. S. and foreign currency denominated transactions and expenses changes in the future. We may enter into hedging arrangements in order to manage foreign currency exposure, but such activity may not completely eliminate fluctuations in our operating results. We are subject to claims and liabilities associated with potential health and safety issues and hazardous substances at our properties. We and the owners of our leased properties are exposed to potentially significant liabilities and compliance costs as a result of any hazardous or unsafe conditions at our properties, including under environmental, health and safety laws and regulations. These laws and regulations govern matters such as the release, use, storage and disposal of hazardous and toxic substances and unsafe or unhealthy conditions at hotels and other residential premises. Failure to comply with these laws, including any required permits or licenses, can result in substantial fines or possible revocation of the authority to conduct operations. Any impairment of our or our landlords' authority to permit hospitality operations at our leased properties, due to these factors, could harm our reputation and revenue. We could also be liable under environmental, health and safety laws for the costs of investigation, removal or remediation of hazardous or toxic substances or unsafe or unhealthy conditions at our currently or formerly leased or managed properties, even if we did not know of or cause the presence or release of the substances or conditions and even where it is contractually the responsibility of our landlord. The presence or release of toxic, unhealthy or hazardous substances or conditions at our properties, such as asbestos, mold, radon gas or lead, could result in governmental investigations and third-party claims for personal injury, property or natural resource damages, business interruption or other losses and costly disputes with our landlords and subscribers. We may encounter claims, governmental investigations and potential enforcement actions about property conditions and related matters in the future. These claims and the need to investigate, remediate or otherwise address hazardous, toxic or unsafe conditions could adversely affect our business, reputation, results of operations and financial condition. Environmental, health and safety requirements have also become increasingly stringent, and our costs may increase as a result. New or revised laws and regulations or new interpretations of existing laws and regulations, such as those related to climate change, could affect the operation of our properties or result in significant additional expense and restrictions on our business operations. We rely on our third-party landlords to deliver properties to us in a safe and suitable condition. We expect to continue to rely on landlords to disclose information about their properties, though such disclosures may be inaccurate or incomplete, and to keep the properties in a safe and compliant condition in accordance with the terms of our leases and applicable law. If unsafe or unhealthy conditions are present or develop at our properties, our subscribers may be harmed, we may be subject to expensive and disruptive claims, and our reputation, business, results of operations and financial condition could be materially and adversely affected. 31 Operating -- **Operating** as a public company has and will require **requires** us to incur substantial costs and substantial management attention. In addition, key members of our management team have limited experience managing a public company. **Further** As a public company, we have and **there can be no assurance that our securities** will continue to be listed on Nasdaq or that will be able to comply with the continued listing standards of Nasdaq. From February 2022 through September 2023, we received four notices from Nasdaq that we were not in compliance with various Nasdaq listing standards, including standards relating to the minimum number of stockholders, failure to file Exchange Act reports in a timely manner, the failure to maintain the minimum trading price of our Class A Common Stock and having a majority of our directors be independent. Although we have been able to regain compliance with each of these standards, our ability to continue to satisfy all relevant standards is uncertain. In addition, in November 2023, we received a notice from Nasdaq that we were no longer in compliance with the Nasdaq listing standard relating to the minimum market value of publicly held shares. Under applicable Nasdaq rules, the Company will have 180 calendar days from the date of the Notice, or until May 28, 2024, to regain compliance by meeting the continued listing requirements. If Nasdaq delists the Company's securities from trading on its exchange for failure to meet the listing standards, the Company and our stockholders could face increased legal, accounting, administrative and significant negative consequences including: • limited availability of market quotations for other -- **the costs and expenses Company's securities;** 19 • a determination that we did not incur as **our Class A Common Stock is a " penny stock "** which private company. The Sarbanes-Oxley Act, including the requirements of Section 404, as well **will as require brokers trading in our Class A Common Stock to adhere to more stringent** rules and regulations subsequently implemented by the SEC, • a possible reduction in the level **Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and trading activity in the rules secondary trading market for shares of our Class A Common Stock;** • a limited amount of analyst coverage; and regulations promulgated and • a decreased ability to **issue** be promulgated thereunder, the PCAOB and Nasdaq,

impose additional reporting and securities or obtain additional financing in other -- the future obligations on public companies. Compliance with public company requirements has and will continue to increase costs and make certain activities more time-consuming. Furthermore, if any issues in complying with those requirements are identified (see the risk factor below titled "Our management has identified material weaknesses in their internal control over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our financial statements or cause us to fail to meet our periodic reporting obligations."), we could incur additional costs rectifying those issues, and the existence of those issues could harm our reputation or investor perceptions of us. It may also be more expensive to obtain Directors and Officers liability insurance. Risks associated with our status as a public company may make it more difficult to attract and retain qualified persons to serve on our Board or as executive officers. The additional reporting and other obligations imposed by these rules and regulations will increase legal and financial compliance costs and the costs of related legal, accounting and administrative activities. These increased costs will require us to divert a significant amount of money that could otherwise be used to expand the business and achieve strategic objectives. Advocacy efforts by stockholders and third parties may also prompt additional changes in governance and reporting requirements, which could further increase costs. In addition, we may be subject to shareholder or stockholder activism, which can lead to additional substantial costs, distract management and impact the manner in which we operate our business in ways that we cannot currently anticipate. As a result of disclosure of information in this Annual Report on Form 10-K and in filings required of a public company, our business and financial condition has become more visible, which may result in threatened or actual litigation, including by competitors. Our executive officers have limited experience in the management of a publicly traded company. Our management team may not successfully or effectively manage our transition to a public company that will be subject to significant regulatory oversight and reporting obligations under federal securities laws. Their limited experience in dealing with the increasingly complex laws pertaining to public companies could be a significant disadvantage in that it is likely that an increasing amount of their time may be devoted to these activities, which will result in less time being devoted to the management and growth of Inspirato. We may not have adequate personnel with the appropriate level of knowledge, experience and training in the accounting policies, practices or internal controls over financial reporting required of public companies in the U. S. The development and implementation of the standards and controls necessary for us to achieve the level of accounting standards required of a public company in the U. S. may require costs greater than expected. We are continuing to expand our employee base and hire additional employees to support our operations as a public company, which will increase our operating costs in future periods. Our management has identified material weaknesses in our internal control over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls or effective disclosure controls and procedures, which may result in material misstatements of our financial statements or cause us to fail to meet our periodic reporting obligations. **Further, the We have identified and are currently working to remediate material weaknesses in our internal control may result in challenges related to the completeness and accuracy of data used for internal decision making and external reporting as well as the failure to monitor key performance indicators to understand financial performance and make sound business decisions. Due to errors in our Consolidated Financial Statements related to material weaknesses in our internal control over financial reporting, we related restated to our previously issued condensed Consolidated financial Financial closing Statements for the quarterly periods ended March 31, 2022 and reporting process June 30, 2022, which resulted in unanticipated costs and may have adversely affected investor confidence, our stock price, our ability to raise capital in the future and our reputation, and has resulted in stockholder litigation and may result in more stockholder litigation our- or regulatory actions information technology general controls ("ITGCs"). A material weakness In particular, on February 16, 2023, a class action lawsuit was filed in the U. S. District Court in the District of Colorado captioned Keith Koch, Individually and on behalf of all others similarly situated v. Inspirato Incorporated, Brent Handler, and R. Webster Neighbor to recover damages allegedly caused by violations of federal securities law in connection with the restatements. Other potential plaintiffs may also file additional lawsuits in connection with the restatement. The outcome of any such litigation is a deficiency uncertain. The defense or settlement of this litigation and any future additional litigation could be time- consuming and expensive, divert the attention of management away from or our business a combination of deficiencies, and, if any litigation in internal control over financial reporting such that there is a reasonable possibility that adversely resolved against us, could have a material misstatement of annual- adverse effect on or our interim financial statements will condition. Any additional regulatory consequences, litigation, claim or dispute, whether successful or not be prevented, could subject us to additional costs, divert the attention of or our management detected on a timely basis. As a public company, or impair our reputation we are required to maintain an effective system of internal controls over financial reporting and to report any material weaknesses in such internal controls. Each As a private company, Inspirato LLC historically had limited accounting and financial reporting personnel and other resources with respect to its internal control over financial reporting. 32 The following material weaknesses remain unremediated as of these consequences could have December 31, 2022:**

- We identified a material weakness in our internal control over financial reporting as it relates to the implementation of new accounting standards. Specifically, deficiencies were identified relating to the Company's implementation of Accounting Standard Codification No. 2016-02, Leases (Topic 842) ("ASC 842") and the on-going accounting for the Company's controlled and managed properties under ASC 842. During 2022, the Company completed a restatement of the Company's balance sheets for the quarterly periods ending March 31, 2022 and June 30, 2022 (collectively, the "Non-Reliance Periods") and its financial statements as of and for the Non-Reliance Periods due to errors relating to the material weakness identified over the Company's implementation and on-going accounting for the Company's controlled and managed properties under ASC 842.
- We further identified deficiencies in various aspects of our process level control activities related to various financial statement items and assertions and management concluded such deficiencies aggregated to a material weakness.
- We further identified a

material weakness in internal controls over financial reporting related to ineffective ITGCs in the areas of user access and segregation of duties related to administration of certain information technology (“IT”) systems that support the Company’s financial reporting process. We continue to remediate the material weaknesses identified. We are committed to continuing to improve our internal control over financial reporting and will continue to review and improve our internal control over financial reporting controls and ITGCs, as described above. We have hired a number of key appropriately qualified personnel with the appropriate level of knowledge and experience in the application of GAAP, including five Certified Public Accountants with one designated as the Lead Property Accountant and one designated the Vice President of Internal Audit. We have also engaged third party consultants to assist with the design and implementation of ITGCs, more specifically designing additional change management and access controls for our relevant IT applications to further restrict privileged access and implementing controls to review activities for those users who have privileged access. In addition, due to the material weaknesses in internal control over financial reporting, we have also determined that our disclosure controls and procedures are ineffective. If the steps we are taking are insufficient to remediate the material weaknesses successfully and otherwise establish and maintain an effective system of internal control over financial reporting, the reliability of our financial reporting, investor confidence in Inspirato, and the value of our Common Stock could be materially and adversely affected. We can give no assurance that the implementation of this plan will remediate these deficiencies in internal control or that additional material weaknesses or significant deficiencies in our internal control over financial reporting will not be identified in the future. Our failure to implement and maintain effective internal controls over financial reporting could result in further errors in our financial statements that could result in additional restatements of our financial statements and could cause us to fail to meet our reporting obligations, any of which could diminish investor confidence in Inspirato and cause a decline in the price of our Class A Common Stock. Failure to implement and maintain effective internal controls over financial reporting could also subject us to potential delisting from Nasdaq or any other stock exchange on which our stock is listed or to other regulatory investigations and civil or criminal sanctions. For example, as a result of the material weaknesses and related restatements due to the matters described above, we were not able to timely file our Quarterly Report on Form 10-Q for the period ended September 30, 2022 and received a delisting notice from Nasdaq. For more information, see the risk factor titled “There can be no assurance that our securities will continue to be listed on Nasdaq or that we will be able to comply with the continued listing standards of Nasdaq.” Additionally, our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until after we are no longer an emerging growth company. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the market price of our Class A Common Stock.

**Risks** Related to Our Organizational Structure Our principal asset is our **controlling** interest in Inspirato LLC, and we are dependent upon Inspirato LLC and its consolidated subsidiaries for our results of operations, cash flows and distributions. We are a holding company and have no material assets other than our ownership of limited liability company interests of Inspirato LLC following the Business Combination (the “New Common Units”). As such, we have no independent means of generating revenue or cash flow, and our ability to pay taxes and operating expenses, including payments under a **the** tax receivable agreement **discussed below** (the “Tax Receivable Agreement”), or declare and pay dividends in the future, if any, are dependent upon the results of operations and cash flows of Inspirato LLC and its consolidated subsidiaries and distributions we receive from Inspirato LLC. **Subject to the obligation of** There can be no assurance that Inspirato LLC **to make tax distributions** and its subsidiaries **to reimburse us for corporate and other overhead expenses, the Inspirato LLC Board will have the right** generate sufficient cash flow to **determine when** distribute **distributions** funds to us or that applicable state law and contractual restrictions, including negative covenants in its debt instruments, **will permit be made to the Inspirato LLC unitholders and the amount of any** such distributions. Our ability **If the Inspirato LLC Board authorizes a distribution, such distribution will be made** to pay **the Inspirato LLC unitholders, including the Company, on a pro rata basis in accordance with their respective percentage ownership of New Common Units. However, we are not required to distribute any corresponding amounts as dividends to the holders of our Class A Common Stock. Further, because the Company may have liabilities for** taxes and expenses, including payments under the Tax Receivable Agreement **or otherwise**, any amounts we may **distribute as dividends to the holders of our Class A Common Stock could be limited less on a per share basis than the amounts distributed** by our structure. Our principal asset is a controlling equity interest in Inspirato LLC. As such, we have no independent means of generating revenue. Inspirato LLC will continue to **the** be treated as a partnership for U. S. federal income tax purposes and, as such, generally will not be subject to U. S. federal income tax. Instead, taxable income will be allocated to holders of its New Common Units, including the Company. Accordingly, we will incur income taxes on our allocable share of any net taxable income of Inspirato LLC and will also incur expenses related to its operations. Pursuant to the Ninth Amended and Restated Limited Liability Company Agreement of Inspirato LLC (“A & R Inspirato LLC Agreement”), Inspirato LLC will make cash distributions to the owners of New Common Units in an amount sufficient to fund their tax obligations in respect of the taxable income for the taxable year in excess of taxable losses of Inspirato LLC allocated to them, to the extent previous tax distributions from Inspirato LLC for the taxable year have been insufficient. In addition to tax expenses, we will incur expenses related to our operations, plus payments under the Tax Receivable Agreement, which may be substantial. We intend to cause Inspirato LLC to make distributions or, in the case of certain expenses, payments in an amount sufficient to allow us to pay our taxes and operating expenses, including distributions to fund any payments due under the Tax Receivable Agreement. However, Inspirato LLC’s ability to make such distributions may be subject to various limitations and restrictions. If we do not have sufficient funds to pay tax or other liabilities or to fund our operations (as a **per unit** result of Inspirato LLC’s inability to make distributions due to various limitations and restrictions or as a result of the acceleration of the

obligations under the Tax Receivable Agreement), we may have to borrow funds and thus our liquidity and financial condition could be materially and adversely affected. To the extent that we do not make payments under the Tax Receivable Agreement when due, as a result of having insufficient funds or otherwise, interest will generally accrue at a rate equal to LIBOR plus 100 basis points or in some cases LIBOR plus 500 basis points until paid. **20** We Nonpayment of our obligations for a specified period may constitute a breach of a material obligation under the Tax Receivable Agreement, and therefore, may accelerate payments due under the Tax Receivable Agreement resulting in a lump-sum payment. We are required to pay the Continuing Inspirato Members and Blocker ~~Shareholders~~ **Stockholders** for certain tax benefits we may claim, and it is expected that the payments we are required to make may be substantial. Exchanges or redemptions of New Common Units for cash or shares of our Class A Common Stock are expected to produce favorable tax attributes for the Company. When the Company acquires New Common Units from Members of Inspirato LLC ~~prior to the Closing~~ other than blocker corporations affiliated with certain institutional investors (the “Blockers”, and the other Members of Inspirato LLC, the “Continuing Inspirato Members”) through these exchanges or redemptions, anticipated tax basis adjustments are likely to increase (for tax purposes) our depreciation and amortization deductions and therefore reduce the amount of income tax we would be required to pay in the future in the absence of this increased basis. This increased tax basis may also decrease the gain (or increase the loss) on future dispositions of certain assets to the extent the tax basis is allocated to those assets. Under the Tax Receivable Agreement, we generally expect to retain the benefit of 15 % of the applicable tax savings after our payment obligations as described below are taken into account. **34** ~~In connection with Business Combination, we entered into the Tax Receivable Agreement.~~ Under the Tax Receivable Agreement, we generally will be required to pay to the ~~shareholders~~ **stockholders** of the Blockers (the “Blocker ~~Shareholders~~ **Stockholders**”) or Continuing Inspirato Members, as applicable, 85 % of the tax savings that we realized as a result of increases in tax basis in Inspirato LLC’s assets resulting from the sale of New Common Units for the consideration paid pursuant to the Business Combination Agreement **(as that term is defined in Note 1 to our Consolidated Financial Statements)** and the exchange of New Common Units for shares of our Class A Common Stock (or cash) ~~pursuant to the A & R Inspirato LLC A~~, and certain pre-existing tax attributes of the Blocker ~~Shareholders~~ **Stockholders**, as well as certain other tax benefits related to entering into the Tax Receivable Agreement, including tax benefits attributable to payments under the Tax Receivable Agreement. The increase in tax basis, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the timing of exchanges or redemptions, the price of Class A Common Stock at the time of the exchange or redemption, whether such exchanges or redemptions are taxable, the amount and timing of the taxable income we generate in the future, the U. S. federal and state tax rates then applicable, and the portion of our payments under the Tax Receivable Agreement constituting imputed interest. Payments under the Tax Receivable Agreement are expected to give rise to certain additional tax benefits attributable to either further increases in basis or in the form of deductions for imputed interest, depending on the circumstances. Any such benefits are covered by the Tax Receivable Agreement and will increase the amounts due thereunder. ~~In addition, the Tax Receivable Agreement will provide for interest, generally at a rate equal to LIBOR plus 100 basis points or in some cases LIBOR plus 500 basis points, accrued from the due date (without extensions) of the corresponding tax return to the date of payment specified by the Tax Receivable Agreement.~~ We anticipate that the payments that we will be required to make under the Tax Receivable Agreement may be substantial. To the extent that we are unable to make timely payments under the Tax Receivable Agreement for any reason, the unpaid amounts will be deferred and will accrue interest until paid. Nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement and therefore may accelerate **additional** payments due under the Tax Receivable Agreement. Furthermore, our future obligation to make payments under the Tax Receivable Agreement could make us a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the tax benefits that may be deemed realized under the Tax Receivable Agreement. Payments under the Tax Receivable Agreement will be based on the tax reporting positions that the Company determines. Although we are not aware of any issue that would cause the U. S. Internal Revenue Service, or IRS, to challenge a tax basis increase or other tax attributes subject to the Tax Receivable Agreement, if any subsequent disallowance of tax basis or other benefits were so determined by the IRS, generally it would not be reimbursed for any payments previously made under the Tax Receivable Agreement (although it would reduce future amounts otherwise payable under the Tax Receivable Agreement). As a result, payments could be **made required** under the Tax Receivable Agreement in excess of the tax savings that the Company realizes in respect of the attributes to which the Tax Receivable Agreement relate. The amounts that we may be required to pay under the Tax Receivable Agreement may be accelerated in certain circumstances and may also significantly exceed the actual tax benefits that we ultimately realize. The Tax Receivable Agreement provides that if certain mergers, asset sales, other forms of business combination, or other changes of control were to occur or if, at any time, the Company elects an early termination of the Tax Receivable Agreement, then the Tax Receivable Agreement will terminate and our obligations, or our successor’s obligations, to make future payments under the Tax Receivable Agreement would accelerate and become immediately due and payable. ~~The amount due and payable in those circumstances is determined based on certain assumptions, including an assumption that the Company would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the Tax Receivable Agreement. We may need to incur debt to finance payments under the Tax Receivable Agreement to the extent our cash resources are insufficient to meet our obligations under the Tax Receivable Agreement as a result of timing discrepancies or otherwise.~~ In these situations, our obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combination or other changes of control. There can be no assurance that we will be able to finance our obligations under the Tax Receivable Agreement. **35** ~~Our organizational structure, including the Tax Receivable Agreement, confers certain benefits upon holders of New Common Units that will not benefit holders of our Class A Common Stock to the same extent as it will benefit the holders of New Common Units. Our organizational structure, including the Tax Receivable Agreement, confers certain benefits upon~~



the holders of New Common Units (other than the Company and our Subsidiaries) that will not benefit the holders of our Class A Common Stock to the same extent as it will benefit such holders of New Common Units. We entered into the Tax Receivable Agreement with the Blocker Shareholders and Continuing Inspirato Members, which provides for the payment by us to the Blocker Shareholders or Continuing Inspirato Members, as applicable, of 85 % of the tax savings that we realize as a result of increases in tax basis in Inspirato LLC's assets resulting from the sale of New Common Units for the consideration paid pursuant to the Business Combination Agreement and the exchange of New Common Units for shares of our Class A Common Stock (or cash) pursuant to the A & R Inspirato LLCA, and certain pre-existing tax attributes of the Blockers, as well as certain other tax benefits related to entering into the Tax Receivable Agreement, including tax benefits attributable to payments under the Tax Receivable Agreement. Although the Company will retain 15 % of the amount of such tax benefits, this and other aspects of our organizational structure may adversely impact the future trading market for Class A Common Stock. Subject to the obligation of Inspirato LLC to make tax distributions and to reimburse us for corporate and other overhead expenses, the Inspirato LLC Board will have the right to determine when distributions will be made to the Inspirato LLC unitholders and the amount of any such distributions. If the Inspirato LLC Board authorizes a distribution, such distribution will be made to the Inspirato LLC unitholders, including the Company, on a pro rata basis in accordance with their respective percentage ownership of New Common Units. However, we are not required to distribute any corresponding amounts as dividends to the holders of our Class A Common Stock. Further, because the Company may have liabilities for taxes resulting from the completion of the Business Combination, under the Tax Receivable Agreement or otherwise, any amounts we may distribute as dividends to the holders of our Class A Common Stock could be less on a per share basis than the amounts distributed by Inspirato LLC to the holders of New Common Units on a per unit basis. Generally **21**Generally, we will not be reimbursed for any payments made under the Tax Receivable Agreement in the event that any tax benefits are disallowed. If the IRS challenges the tax basis or other tax attributes that give rise to payments under the Tax Receivable Agreement and the tax basis or other tax attributes are subsequently required to be adjusted, generally the recipients of payments under the Tax Receivable Agreement will not reimburse us for any payments previously made to them. Instead, any excess cash payments made by the Company under the Tax Receivable Agreement will be netted against any future cash payments that the Company might otherwise be required to make under the terms of the Tax Receivable Agreement. However, a challenge to any tax benefits initially claimed by the Company may not arise for a number of years following the initial time of such payment or, even if challenged early, such excess cash payment may be greater than the amount of future cash payments that the Company might otherwise be required to make under the terms of the Tax Receivable Agreement and, as a result, there might not be future cash payments to net against. The applicable U. S. federal income tax rules are complex and factual in nature, and there can be no assurance that the IRS or a court will not disagree with our tax reporting positions. As a result, it is possible that we could make cash payments under the Tax Receivable Agreement that are substantially greater than our actual cash tax savings. **Changes in our effective 36**The disparity between the U. S. corporate tax rate **could harm our future operating results. The Company is subject to federal and state income taxes in the U. S. and in various international jurisdictions. Our provision for income taxes and our effective tax rate applicable are subject to volatility and could be adversely affected by several factors, including:** • **earnings being lower than anticipated in countries that have lower tax rates and higher than anticipated in countries that have higher tax rates;** • **effects of certain non-corporate members tax-deductible expenses, including those arising from the requirement to expense stock-based compensation;** • **changes in the valuation of our deferred tax assets and liabilities;** • **adverse outcomes resulting from any tax audit, including transfer pricing adjustments with respect to intercompany transactions;** • **limitations on our ability to utilize our net operating losses and other deferred tax assets; and** • **changes in accounting principles or changes in tax laws and regulations, or the application of tax laws and regulations, including those relating to income tax nexus or possible U. S. changes to the deductibility of expenses attributable to foreign income or the foreign tax credit rules. Significant judgment is required in the application of accounting guidance relating to uncertainty with respect to income taxes. If tax authorities challenge our (including Inspirato LLC's) tax positions may complicate our ability to maintain our intended capital structure, which any such challenges that are settled unfavorably could adversely impact our provision for income taxes** impose transaction costs on us and require management attention. If and when **Additionally, as the Inspirato LLC generates taxable income, Inspirato LLC will generally make quarterly tax distributions to each of its members** **Members**, including **continue to exchange the their** Company, based on each member's allocable share of net taxable income (calculated under certain assumptions) multiplied by an assumed tax rate. The assumed tax rate for this purpose will be the highest effective marginal combined federal, state and local income tax rate applicable to an individual or corporate resident of California (whichever is higher). Currently, the highest marginal federal income tax rate applicable to corporations such as the Company is significantly lower than the highest marginal federal income tax rate applicable to non-corporate taxpayers. As a result of this disparity, we expect to receive tax distributions from Inspirato LLC significantly in excess of our actual tax liability and our obligations under the Tax Receivable Agreement, which could result in the Company accumulating a significant amount of cash. This would complicate our ability to maintain certain aspects of our capital structure. Such cash, if retained, could cause the value of a New Common Unit **Units for** to deviate from the value of a share **shares** of our Class A Common Stock. In addition, **we will be responsible for** such cash, if used to purchase additional New Common Units, could result in deviation from the one-to-one relationship between our Class A Common Stock outstanding and New Common Units held by us and our subsidiaries unless a **greater** corresponding number of additional shares **share** of our Class A Common Stock are distributed as a stock dividend. We may, if permitted under our debt agreements, choose to pay dividends to all holders of Class A Common Stock with any excess cash. These considerations could have unintended impacts on the pricing of our Class A Common Stock and may impose transaction costs and require management efforts to address on a recurring basis. To the extent that the Company does not distribute such excess cash as dividends on our Class A Common Stock and instead, for example, holds such cash balances or lends them **the tax payments**

due to Inspirato LLC, holders of New Common Units during a period in which the Company holds such cash balances could benefit from the value attributable to such cash balances as a result of redeeming Inspirato LLC's operations. Our structure and intercompany arrangements cause us to be subject to the tax laws of various jurisdictions, and we could be obligated to pay additional taxes, which could materially adversely affect our business, financial condition, results exchanging their New Common Units and obtaining ownership of our Class A Common Stock (operations and prospects. We generally conduct our international operations through wholly-owned subsidiaries and are or may be required to report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. Our intercompany relationships are subject to complex transfer pricing regulations administered by tax authorities in various jurisdictions. The amount of taxes we pay in different jurisdictions may depend on the application of the tax laws of such jurisdictions, including the U. S., to our international business activities, changes in tax rates, new or revised tax laws, interpretations of existing tax laws and policies and our ability to operate our business in a manner consistent with our structure and intercompany arrangements. The relevant tax authorities may disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash payment flows and lower overall profitability of our operations. 22If existing tax laws, rules or regulations are amended, or if new unfavorable tax laws, rules or regulations are enacted, including with respect to occupancy, sales, value-added, excise, withholding or revenue-based taxes, unclaimed property or other tax laws applicable to multinational businesses, the results of these changes could increase our tax liabilities. Possible outcomes include double taxation, multiple levels of taxation, or additional obligations, prospectively or retrospectively, including the potential imposition of interest and penalties. If such costs are passed on to our members, demand for our products and services could decrease, or there could be increased costs to update or expand our technical or administrative infrastructure, or the scope of our business activities could be effectively limited should we decide not to conduct business in particular jurisdictions. We are subject to federal, state and local income, sales and other taxes in the U. S. and income, withholding, transaction and other taxes in numerous foreign jurisdictions. Evaluating our tax positions and our worldwide provision for taxes is complicated and requires exercising significant judgment. During the ordinary course of business, there are many activities and transactions for which the ultimate tax determination is uncertain. In addition, our tax obligations and effective tax rates could be adversely affected by changes in the relevant tax, accounting and other laws, regulations, principles, and interpretations. Although we believe our tax estimates are reasonable, the final determination of any tax audits or litigation could differ materially from our historical tax provisions and accruals, which could have an adverse effect on our results of operations or cash flows in the period or periods for which a determination is made. There is also a high level of uncertainty in today's tax environment stemming from both global initiatives and unilateral measures being implemented by various countries due to a lack of consensus on these global initiatives. Tax authorities may successfully assert that we should have collected, or in the future should collect, sales and use, value added or similar taxes, and we could be subject to substantial liabilities with respect to past or future sales, which could materially adversely affect our business, financial condition and results of operations. We currently collect and remit applicable sales taxes and other applicable transfer taxes in jurisdictions where we, through our employees or economic activity, have a presence and where we have determined, based on the applicable legal precedents, that our business activities are classified as taxable. We do not currently collect and remit state and local excise, utility user, or ad valorem taxes, fees or surcharges in jurisdictions where we believe we do not have sufficient "nexus." The application of indirect taxes, such as sales and use, value of our Class A Common Stock). In addition, goods and services, business, and gross receipts taxes, to businesses that transact online, such ease as ours, is a complex and evolving area. There is uncertainty as to what constitutes sufficient nexus for a state or local jurisdiction to levy taxes, fees and surcharges on sales made over the Internet, and these there holders is also uncertainty as to whether our characterization of New Common Units our traveler accommodations in certain jurisdictions will be accepted by state and local tax authorities. It is possible that we could receive disproportionate value face indirect tax audits and that one for or more states, local jurisdictions or foreign tax authorities could seek to impose additional indirect or their other New Common Units exchanged during this time frame tax collection and record-keeping obligations on us or may determine that such taxes should have, but have not been, paid by us. There are substantial ongoing costs associated with complying with the various indirect tax requirements in the numerous markets in which we conduct or may conduct business. The application of existing or future indirect tax laws, whether in the U. S. or internationally, or the failure to collect and remit such taxes, could materially adversely affect our business, financial condition and results of operations.

Risks Related to Intellectual Property and Data Privacy We face risks related to our intellectual property. Our intellectual property is important to our success, and we rely on domain name registrations, registered and unregistered trademarks, copyright law, trade secret protection and confidentiality and / or license agreements with our employees, third party providers, partners and others to protect our proprietary rights. We have also applied for patent rights with respect to certain aspects of our technology. We endeavor to defend our intellectual property rights diligently, but intellectual property litigation is expensive and time-consuming and may divert managerial attention and resources from our business objectives. We may not be able to successfully defend our intellectual property rights, which could have a material adverse effect on our business, brand and results of operations. From time to time, in the ordinary course of business, we may be subject to legal proceedings and claims relating to the intellectual property rights of others, and we expect that third parties will continue to assert intellectual property claims, in particular trademark claims, against us, particularly as we expand the complexity and scope of our business. Successful claims against us could result in a significant monetary liability or prevent us from operating our business or portions of our business. In addition, resolution of claims may require us to obtain licenses to use intellectual property rights belonging to

third parties, which may be expensive to procure, or to cease using those rights altogether. Any of these events could have a material adverse effect on our business, results of operations and financial condition. ~~Our~~ **23** Our technology contains third-party open-source software components, and failure to comply with the terms of the underlying open-source software licenses could restrict our ability to operate as intended or could increase our costs. Certain of our owned and third-party technology contains software modules licensed to us by third-party authors under “open-source” licenses. Use and distribution of open-source software may entail greater risks than use of third-party commercial software, as open-source licensors generally do not provide support, warranties, indemnification or other contractual protections regarding infringement claims or the quality of the code. In addition, the public availability of such software may make it easier for others to compromise or copy our technology. ~~Some~~ **Some** open-source licenses contain requirements that could obligate us to make available source code for modifications or derivative works we ~~creates~~ **create** based upon the type of open-source software we use or grant other licenses to our intellectual property. If we combine our proprietary software with open-source software in a certain manner, we could, under certain open-source licenses, be required to release the source code of our proprietary software to the public. This ~~would~~ **may** allow our competitors to create similar offerings with lower development **time and** effort ~~and time~~ and ultimately could result in a loss of our competitive advantages. Alternatively, to avoid the public release of the affected portions of our source code, we could be required to expend substantial time and resources to re-engineer some or all of our software. Although we monitor our use of open-source software to avoid subjecting our technology to conditions we ~~does~~ **do** not intend, the terms of many open-source licenses have not been interpreted by U.S. or foreign courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to provide or distribute our technology. From time to time, there have been claims challenging the use of open-source software against companies that incorporate open-source software into their solutions. As a result, we could be subject to lawsuits by parties claiming violation by us of the terms of an open-source license or ownership of what such parties believe to be their open-source software. Moreover, we cannot **provide assurance** that our processes for controlling our use of open-source software in our technology will be effective. If we are held to have breached or failed to fully comply with all the terms and conditions of an open-source software license, we could face infringement or other liability or be required to seek costly licenses from third parties to continue providing our offerings on terms that may not be economically feasible, re-engineer our technology, discontinue or delay the provision of our offerings if re-engineering could not be accomplished on a timely basis or make generally available, in source code form, our proprietary code, any of which could adversely affect our business, financial condition and results of operations. Our storage, use, disclosure and other processing of personal data exposes us to risks of internal or external security **incidents and** breaches ~~and incidents~~ and could give rise to liabilities and / or damage to reputation. The security of data when engaging in electronic commerce is essential to maintaining consumer confidence. Among other things, we may collect ~~subscribers~~ **members**’ credit card data, proof of identity and other ~~personal~~ **Personal Identifiable Information (“PII”)** as part of the ~~booking our business~~ process. Additionally, we collect and process other personal information, such as ~~personal information~~ **the PII** of our employees and contractors, and we process and maintain other confidential and proprietary information, such as our confidential and proprietary business information. Cyberattacks and other attempts to obtain unauthorized access to systems or data by individuals, groups of hackers and state-sponsored organizations are increasing in frequency and sophistication and are constantly evolving. Because our ~~subscribers~~ **members** are generally high-income or high net-worth individuals, we may be particularly attractive as a target for cyberattacks and other attacks. Security **incidents and** breaches ~~and incidents~~ may also occur due to misuse or misappropriation of ~~subscribers~~ **members**’ **PII** ~~personal data~~ by employees or third-party contractors. Additionally, we make use of third-party service providers to store and otherwise process data on our behalf, and they face similar risks of security **incidents and** breaches ~~and incidents~~ and may suffer from security vulnerabilities or malicious code and may introduce them to our systems. Any security **incident, breach, or other** cyberattack ~~or other security incident~~, whether instigated internally or externally on our systems or third-party systems, or the perception that any such breach or incident has occurred, could significantly harm our reputation and therefore our business, brand, market share and results of operations. It is possible that computer circumvention capabilities, new discoveries or advances **(e.g., Artificial Intelligence (“AI”))** or other developments, including our own acts or omissions, could result in a compromise ~~or of~~ systems used in our business or a security **incident or** breach ~~or incident~~ impacting ~~member~~ **breach of** ~~subscriber~~ data or other data stored or processed by us or on our behalf. For example, ~~third parties~~ **malicious actors** may attempt to fraudulently induce employees, ~~or subscriber services~~ contractors, travel service provider partners or consumers to disclose usernames, passwords or other sensitive information (“phishing”), which may in turn be used to access our information technology systems, ~~or to~~ defraud our partners or ~~subscribers~~ **members, encrypt our systems so they cannot be used until we pay a ransom (“ransomware”) or use our processing power for the mining of cryptocurrencies (“cryptojacking”)**. Third parties may also attempt to take over ~~subscribers~~ **members**’ accounts by using passwords, usernames and other personal information obtained elsewhere **(“social engineering”)**. We have experienced targeted and organized phishing and ~~account takeover~~ **social engineering** attacks and may experience more in the future. These risks are likely to increase as we expand our business and store and process more data, including personal information. Our efforts to protect information from unauthorized access may be unsuccessful or may result in the rejection ~~of~~ **24** legitimate attempts to book reservations, each of which could result in lost business and have a material adverse effect on our business, reputation and results of operations. ~~Our~~ **Our** existing security measures may not be successful in preventing security **incidents or** breaches ~~and other security incidents~~. A party (whether internal, external, an affiliate or unrelated third party) that is able to circumvent our security systems could gain unauthorized access to our systems and steal, modify, encrypt or otherwise render unavailable, destroy, disclose or otherwise without authorization process ~~subscriber~~ **member** information, transaction data or other information. In the last several years, major companies experienced high-profile security breaches that exposed their systems and information and / or their consumers’ or employees’ **PII** ~~personal information~~, and it is expected that these types of

events will continue to occur. ~~It Although we are increasing resources to protect against security breaches and incidents, it is virtually impossible for us to eliminate entirely mitigate these risks, particularly as the frequency and sophistication of cyberattacks increases. For example, cybersecurity researchers have warned of potential increases in cyberattack activity in connection with Russia's activities in Ukraine. We have experienced and responded to cyberattacks, which we believe have not had a significant impact on the integrity of our systems or the security of data, including subscriber data we maintain. These issues are likely to become more difficult to manage as we expand the number of places where we operate and the number of our subscribers, and as the tools and techniques used in such attacks become more advanced.~~ Additionally, the security risks we and our third- party service providers face are heightened by many of our respective employees and service providers working remotely. Security ~~incidents or~~ breaches ~~or incidents~~, including ransomware attacks and other cyberattacks and attacks introducing other types of malicious code, could result in severe disruptions of and damage to our information technology infrastructure, including damage that could impair our ability to book stays, collect payments or otherwise operate our business, or the ability of consumers to make reservations or access our properties or in- room features and services, as well as loss or other unauthorized processing of ~~subscriber~~ **member**, financial or other data that could materially and adversely affect our ability to conduct our business or satisfy our commercial obligations. ~~Security~~ **Cybersecurity incidents or** breaches ~~and cyberattacks or other security incidents~~, or the perception that any of these has occurred, could also result in negative publicity, damage our reputation, expose us to risk of loss or litigation and possible liability, subject us to regulatory investigations and other proceedings, penalties and sanctions or cause consumers to lose confidence in our security and ~~not use~~ **choose to stay with** our ~~competitors services~~, any of which ~~would may~~ have a negative effect on our brand, market share, results of operations and financial condition. Our insurance policies have coverage limits ~~which and deductibles and~~ may not be adequate to reimburse us for all losses caused by security ~~incidents or~~ breaches ~~and incidents~~. We also face risks associated with security ~~incidents and~~ breaches ~~and incidents~~ affecting third parties conducting business over the Internet. Consumers generally are concerned with security and privacy on the Internet, and any publicized security problems could negatively affect consumers' willingness to provide private information or affect online commercial transactions generally. Additionally, our ~~subscribers~~ **members** could be affected by security ~~incidents and~~ breaches ~~and incidents~~ at third parties such as travel service providers. A security ~~incident or~~ breach ~~or incident~~ impacting any such third party could be perceived by consumers as a security breach or incident impacting our systems and ~~in any event~~ could result in negative publicity, subject us to notification requirements, damage our reputation, expose us to risk of loss or litigation and possible liability and subject us to regulatory penalties and sanctions. In addition, such third parties may not comply with applicable disclosure requirements, which could expose us to liability. ~~39H~~ **If** we fail to comply with federal, state and foreign laws and regulations relating to privacy, data protection and information security, we may face potentially significant liability, negative publicity and an erosion of trust, and increased regulation could materially adversely affect our business, results of operations and financial condition. In our processing of travel transactions and information about ~~subscribers~~ **members** and their stays, we receive and store a large volume of data, including personal data and other data relating to individuals. Numerous federal, state, local and international laws and regulations relate to privacy, data protection, information security and the storing, sharing, use, transfer, disclosure protection and other processing of personal information and other content, the scope of which are changing, subject to differing interpretations, and may be inconsistent among jurisdictions or conflict with other rules. These laws and regulations relating to privacy, data protection and information security are evolving and may result in ever- increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. For example, the European Union's ("EU") General Data Protection Regulation (the "GDPR") **promulgated by the European Union (the "** in effect since May 25, 2018, imposes more stringent data protection requirements than previous EU") data protection laws and provides for penalties for noncompliance of up to the greater of € 20 million or four percent of worldwide annual revenues. ~~The~~ **In addition, the** Court of Justice of the European Union ( ~~the~~ **the** CJEU") **invalidated decision to not recognize** the U. S. ~~EU Privacy Shield and~~ **in July 2020. The GDPR requires certain measures in order for the personal data of EU residents to be transferred to the U. S. for processing. The U. S. EU Privacy Shield was one such measure. The CJEU's decision also called into question the validity of the EU Standard Contractual Clauses ("SCC") the other widely used means for transferring data to the U. S. The CJEU opinion found the SCCs a valid basis for transfer but found that a data processor must also have in place additional safeguards to provide GDPR- level protection for EU personal data. The European Commission has issued revised SCCs to address these and other concerns, and the United Kingdom has issued new standard contractual clauses. These both are required to be implemented. The CJEU opinion and related developments have necessitated additional steps to legitimize impacted personal data transfers, and we may find it necessary or desirable to further modify our data handling practices in connection with this decision or future legal challenges or related developments relating to cross- border data transfers from the European Economic Area ("EEA"), United Kingdom, Switzerland or other jurisdictions. This could result in increased costs of compliance and limitations on us and our service providers and other third parties we work with. This CJEU decision or future legal challenges also could result in Inspirato being required to implement duplicative, and potentially expensive, information technology infrastructure and business operations or could limit our ability to collect or process personal information in Europe or other regions, may necessitate additional contractual negotiations and may serve as a basis for our personal data handling practices, or those of our service providers or other third parties we work with, to be challenged. Any of these or other changes or developments impacting cross- border data transfers could disrupt our business and otherwise adversely impact our business, financial condition and operating results. The number of data protection laws globally is rising as more jurisdictions explore new or updated comprehensive data protection regimes or propose or enact other laws or regulations addressing local storage of data or other matters. **25In** In Canada, numerous laws and regulations, including the Personal Information Protection and Electronic Documents Act and provincial legislation, apply to the collection, use and other processing of personal information, with potential fines, penalties and other liabilities for noncompliance. The United Kingdom enacted a Data Protection Act in May 2018 that substantially implements the GDPR and has implemented legislation referred to**

as the “UK-GDPR” that generally provides for the GDPR to be implemented in the United Kingdom. This legislation provides for substantial penalties for noncompliance of up to the greater of £ 17.5 million or four percent of worldwide revenues. While the EU has deemed the United Kingdom an “adequate country” to which personal data could be exported from the EEA, this decision is required to be renewed after four years of being in effect and may be modified, revoked or challenged in the interim, creating uncertainty regarding transfers of personal data to the United Kingdom from the EEA. In the U. S., the California Consumer Privacy Act (the “CCPA”) went into effect on January 1, 2020. Among other things, the CCPA requires covered companies to provide new disclosures to California consumers and afford such consumers new abilities to access and delete their personal information and to opt-out of certain sales of personal information. **The** On November 3, 2020, California voters approved the California Privacy Rights Act (the “CPRA”), which became operative effective January 1, 2023. The CPRA significantly modifies the CCPA and further aligns California privacy laws with the GDPR. Similar legislation has been proposed or adopted in other states. For example, Virginia, Colorado, Utah, and Connecticut have all enacted omnibus privacy legislation that went into effect, or will go into effect, in 2023. These state laws in Virginia, Colorado, Utah and Connecticut share similarities with the CCPA, CPRA and legislation proposed in other states. Aspects of the CCPA, the CPRA and these other state laws and regulations, as well as their enforcement, remain unclear. Additionally, the U. S. federal government is contemplating data security and privacy legislation. **40** We We will need to closely monitor developments, including enforcement actions or private litigation under the GDPR, CCPA, CPRA and other laws to determine whether we will need to modify our data processing practices and policies, which may result in us incurring additional costs and expenses in an effort to comply. We are also subject to the terms of our privacy policies and contractual obligations to third parties related to privacy, data protection and information security and may be subject to other actual or asserted obligations, including industry standards, relating to privacy, data protection and information security. We strive to comply with applicable laws, regulations, policies and other legal obligations relating to privacy, data protection and information security to the extent possible. However, the regulatory frameworks for privacy, data protection and information security worldwide are evolving rapidly, and it is possible that these or other actual or alleged obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to subscribers members or other third parties, applicable laws or regulations or any of our other legal obligations could materially adversely affect our business. Additionally, if third parties we work with, such as sub-processors subprocessors, vendors or developers, violate applicable laws or regulations, contractual obligations or our policies, or if it is perceived that such violations have occurred, such actual or perceived violations may also have an adverse effect on our business. Further, any significant change to applicable laws, regulations or industry practices regarding the collection, use, retention, security, disclosure or other processing of data, or regarding the manner in which the express or implied consent of users for the collection, use, retention, disclosure or other processing of data is obtained, could increase our costs and require us to modify our business practices. **Risks Related to Cybersecurity incidents could have adverse effects on our business. We have implemented enhanced security measures to safeguard our systems and data, and we intend to continue implementing additional measures in the future.** Our Reliance on Third Parties We rely on partners measures may not be sufficient to maintain the confidentiality, security, or availability of the data we collect, store, and third-party use to operate our business. Security measures implemented by our service providers or other and if such third parties do not perform adequately or terminate their relationships, our costs may increase and our business, financial condition and results of operations could be adversely affected. Our success depends in part on our relationships with our partners and third-party service providers also may not be sufficient. Efforts to hack For or example circumvent security measures, we use efforts to gain unauthorized access to, exploit or disrupt the operation or integrity of our data or systems, failures of systems or software to operate as designed or intended, viruses, “ransomware” or other malware, “supply chain” attacks, “phishing” or other types of business communications compromises, operator error, or inadvertent releases of data could impact our information systems and records or those of our service providers or other third parties. Security measures, no matter how well designed or implemented, may only mitigate and not fully eliminate risks, and security events, when detected by security tools or third parties, may not always be immediately understood or acted upon. Our reliance on computer, Internet-based, and mobile systems and communications, and the frequency and sophistication of efforts by third parties to provide housekeeping gain unauthorized access or prevent authorized access to such systems, have greatly increased in recent years. Our increased reliance on cloud-based services, manage our reservation and on remote access to information systems increases and maintain our subscription platform. If any of our third-party providers terminates their relationship with us or our refuses exposure to potential cybersecurity incidents renew their agreement with us on commercially reasonable terms, we would need to find alternate providers and may not be able to secure similar terms or replace such providers in acceptable time frames. Any Third-party providers which do not have readily available alternate solutions in the marketplace may require internally developed products in order to maintain current functionality. Moreover, we are limited by exclusivity terms and other restrictions with certain third-party service providers which may limit our ability to enter into relationships with new or alternative third-party service providers. Our relationships with our partners continue to shift as industry dynamics change, and our partners may be less willing to partner with us as such shifts occur. If any significant partner decided theft of, unauthorized access to compete with, compromise or loss of, loss of access to, or fraudulent use use, it of member or our data could adversely impact our sales reputation and could harm our business, operating results result in legal and prospects. Furthermore, regulatory and other consequences any negative publicity related to any of our third-party partners, including remedial any publicity related to quality standards or safety concerns, could adversely affect our reputation and brand-- and other expenses, fines, and could potentially lead to increased regulatory or litigation exposure. Depending 41 We depend on landlords the nature and scope of the event, compromises in the security of our information systems for or maintenance and those of our service providers or other significant obligations related to our properties, and

any failures in this area could hurt our business. We do not own any of our properties and manage and operate them under leases or other occupancy arrangements with third-party landlords. At certain of our properties, our subscriber units comprise only a portion of the building, and common areas and amenities are often shared with other tenants or unit owners. We depend on our landlords to deliver properties in a suitable condition and to perform important maintenance, repair and other activities that affect our operations and subscribers' experience at certain properties. We have no control over common areas of buildings in which certain of our units are located. If our landlords do not fulfill their obligations or fail to maintain and operate their buildings appropriately, our business, reputation and subscriber relationships may suffer. The nature of our rights and responsibilities under our leases may be subject to interpretation and will from time to time give rise to disagreements, which may include disagreements over the timing and amount of capital investments or improvements, operational and repair responsibilities, liability to third parties, a party's right to terminate a lease and reimbursement for, or certain renovations and costs. We seek to resolve any disagreements and develop and maintain positive relations with current and potential landlords, but we cannot always do so. Failure to resolve such disagreements has resulted in litigation in the **other past and future disruptions or compromises of data or systems, could lead to future interruptions in, or other adverse effects on, the operation of our systems or those of our service providers or other third parties. This** could result in **operational interruptions** litigation in the future. If any such litigation results in an **and /** adverse judgment, settlement or court order, we could suffer significant losses, our **or outages and a loss of** profits could be reduced, and our ability..... local regulators, including state Attorneys General, as well as **negative publicity** those levied by foreign regulators. In addition to fines, penalties for failing to comply with applicable rules and regulations could include criminal and civil proceedings, forfeiture of significant assets or other enforcement actions. We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny. Payment regulations and standards are evolving and unfavorable industry-specific laws, regulations, interpretive positions or standards could harm our business. Our payment processors expect attestation of compliance with the Payment Card Industry Data Security Standard (the PCI-DSS). If we are unable to comply with the PCI-DSS or other applicable policies, guidelines or controls, or if our third-party payment processors are unable to obtain approval to process payments, our business may be harmed. For example, failing to maintain our Attestation of Compliance for the PCI-DSS could result in monthly fines or other adverse **effects on** consequences until compliance is achieved and may result in cessation of third-party credit card processing services, increased costs of processing credit card payments, as well as potential fines, penalties and other liabilities. Existing third parties or **our** future business partnerships may opt out of processing payment card transactions if we are unable to achieve or maintain industry-specific certifications or other requirements or standards relevant to our subscribers and business partners.

**Risks Related to Government Regulation**

Unfavorable changes in, **26** or interpretations or enforcement of, government regulations or taxation of the evolving hospitality, Internet and e-commerce industries could harm our operating results. We operate in markets throughout the world, in jurisdictions which have various regulatory and taxation requirements. Our regulatory compliance efforts are burdensome because each local jurisdiction has different requirements, including with respect to zoning, licensing and permitting, sanitation, accessibility, taxes, employment, labor and health and safety, and regulations in the industry are constantly evolving. We operate units in multiple states and international jurisdictions. Our business efficiencies and economies of scale depend on reducing variations among properties and subscriber services across all jurisdictions in which we operate. Compliance requirements that vary significantly from jurisdiction to jurisdiction reduce our ability to achieve economies of scale, add compliance costs and increase the potential liability for compliance deficiencies. In addition, laws or regulations that may harm our business could be adopted, or interpreted in a manner that affects our activities, including but not limited to the regulation of personal and consumer information, consumer advertising, labor laws, accessibility, health and safety and real estate and hotel licensing and zoning requirements. Violations or new interpretations of these laws or regulations may result in penalties, disrupt our ability to operate existing properties or to develop new ones, negatively impact our subscriber relations or operations in other ways, increase our expenses and damage our reputation and business. In addition, since we began our operations, there have been, and continue to be, regulatory developments that affect the travel industry and the ability of companies like Inspirato to offer accommodations for specified durations or in certain neighborhoods. These include short-term occupancy regulations and restrictions adopted by municipalities and homeowners' associations where our properties are located. In addition, many of the fundamental statutes and regulations that impose taxes or other obligations on travel and lodging companies were established before the growth of the Internet and e-commerce, which creates a risk of these laws being used in ways not originally intended that could harm our business. These and other similar new and newly interpreted regulations could increase our costs, require us to reduce or even cease operations in certain locations, reduce the diversity and number of units available for us to lease and offer to subscribers and otherwise harm our business and operating results.

From time to time, we may become involved in challenges to or disputes with government agencies regarding laws and regulations. There can be no assurance that we will be successful in these challenges or disputes. Furthermore, if we were required to comply with regulations and government requests that negatively impact our relations with subscribers, our business, operating results and financial results could be adversely impacted. Additionally, new, changed or newly interpreted or applied laws, statutes, rules, regulations or ordinances, including tax laws, could increase landlords' compliance, operating and other costs. This, in turn, could deter landlords from renting their properties to us, negatively affect lease renewals, impair landlords' ability or willingness to repair and maintain leased properties or increase costs of doing business. Any or all of these events could adversely impact our business and financial performance. Furthermore, as we expand or change our business and the services that we offer or the methods by which we offer them, we may become subject to additional legal regulations, tax requirements or other risks. Whether we comply with or challenge these additional regulations, our costs may increase, and our business may otherwise be harmed. Changes in our effective tax rate could harm our future operating results. The Company is subject to federal and state income taxes in the U. S. and in various international jurisdictions. Our provision for income taxes and our effective tax rate are subject to volatility and could be

adversely affected by several factors, including: ● earnings being lower than anticipated in countries that have lower tax rates and higher than anticipated in countries that have higher tax rates; ● effects of certain non-tax-deductible expenses, including those arising from the requirement to expense stock-based compensation; ● changes in the valuation of our deferred tax assets and liabilities; ● adverse outcomes resulting from any tax audit, including transfer pricing adjustments with respect to intercompany transactions; ● limitations on our ability to utilize our net operating losses and other deferred tax assets; and ● changes in accounting principles or changes in tax laws and regulations, or the application of tax laws and regulations, including those relating to income tax nexus or possible U. S. changes to the deductibility of expenses attributable to foreign income or the foreign tax credit rules. Significant judgment is required in the application of accounting guidance relating to uncertainty with respect to income taxes. If tax authorities challenge our (including Inspirato LLC's) tax positions, any such challenges that are settled unfavorably could adversely impact our provision for income taxes. Additionally, as the Inspirato LLC Members continue to exchange their New Common Units for shares of our Class A Common Stock, we will be responsible for a greater share of the tax payments due as a result of Inspirato LLC's operations. 44 Our structure and intercompany arrangements cause us to be subject to the tax laws of various jurisdictions, and we could be obligated to pay additional taxes, which could materially adversely affect our business, financial condition, results of operations and prospects. We are expanding our international operations and personnel to support our business in international markets. We generally contract our international operations through wholly-owned subsidiaries and are or may be required to report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. Our intercompany relationships are subject to complex transfer pricing regulations administered by tax authorities in various jurisdictions. The amount of taxes we pay in different jurisdictions may depend on the application of the tax laws of such jurisdictions, including the U. S., to our international business activities, changes in tax rates, new or revised tax laws, interpretations of existing tax laws and policies and our ability to operate our business in a manner consistent with our structure and intercompany arrangements. The relevant tax authorities may disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our operations. If existing tax laws, rules or regulations are amended, or if new unfavorable tax laws, rules or regulations are enacted, including with respect to occupancy, sales, value-added, excise, withholding or revenue-based taxes, unclaimed property or other tax laws applicable to the multinational businesses, the results of these changes could increase our tax liabilities. Possible outcomes include double taxation, multiple levels of taxation, or additional obligations, prospectively or retrospectively, including the potential imposition of interest and penalties. If such costs are passed on to our subscribers, demand for our products and services could decrease, or there could be increased costs to update or expand our technical or administrative infrastructure, or the scope of our business activities could be effectively limited should we decide not to conduct business in particular jurisdictions. We are subject to federal, state and local income, sales and other taxes in the U. S. and income, withholding, transaction and other taxes in numerous foreign jurisdictions. Evaluating our tax positions and our worldwide provision for taxes is complicated and requires exercising significant judgment. During the ordinary course of business, there are many activities and transactions for which the ultimate tax determination is uncertain. In addition, our tax obligations and effective tax rates could be adversely affected by changes in the relevant tax, accounting and other laws, regulations, principles, and interpretations. For example, the Inflation Reduction Act (the "IRA") was signed into law on August 16, 2022, and became effective beginning in 2023. The IRA imposes a 15% minimum tax on global adjusted financial statement income for tax years beginning after December 31, 2022, and a 1% excise tax on certain share repurchases occurring after December 31, 2022. We do not currently expect that the IRA will have a material impact on our income tax liability. Furthermore, we may be audited in various jurisdictions, and such jurisdictions may assess additional taxes (including income taxes, sales taxes and value added taxes) against us. Although we believe our tax estimates are reasonable, the final determination of any tax audits or litigation could differ materially from our historical tax provisions and accruals, which could have an adverse effect on our results of operations or cash flows in the period or periods for which a determination is made. There is also a high level of uncertainty in today's tax environment stemming from both global initiatives put forth by the Organization for Economic Co-operation and Development ("OECD") and unilateral measures being implemented by various countries due to a lack of consensus on these global initiatives. As an example, the OECD has put forth two proposals — Pillar One and Pillar Two — that revise the allocation of revenues to market jurisdictions based on customer jurisdiction rather than physical presence of the provider and ensure a minimal level of taxation, respectively. These measures and corresponding tariffs in response to such measures create additional tax liabilities and uncertainty. As a result, we may have to pay higher taxes in countries where such rules are applicable. 45 Tax authorities may successfully assert that we should have collected, or in the future should collect, sales and use, value added or similar taxes, and we could be subject to substantial liabilities with respect to past or future sales, which could materially adversely affect our business, financial condition and results of operations. We currently collect and remit applicable sales taxes and other applicable transfer taxes in jurisdictions where we, through our employees or economic activity, have a presence and where we have determined, based on applicable legal precedents, that our business activities are classified as taxable. We do not currently collect and remit state and local excise, utility user, or ad valorem taxes, fees or surcharges in jurisdictions where we believe we do not have sufficient "nexus." The application of indirect taxes, such as sales and use, value added, goods and services, business, and gross receipts taxes, to businesses that transact online, such as ours, is a complex and evolving area. There is uncertainty as to what constitutes sufficient nexus for a state or local jurisdiction to levy taxes, fees and surcharges on sales made over the Internet, and there is also uncertainty as to whether our characterization of our traveler accommodations in certain jurisdictions will be accepted by state and local tax authorities. It is possible that we could face indirect tax audits and that one or more states, local jurisdictions or foreign tax authorities could seek to impose additional indirect or other tax collection and record-keeping obligations on us or may

determine that such taxes should have, but have not been, paid by us. There are substantial ongoing costs associated with complying with the various indirect tax requirements in the numerous markets in which we conduct or may conduct business. The application of existing or future indirect tax laws, whether in the U. S. or internationally, or the failure to collect and remit such taxes, could materially adversely affect our business, financial condition and results of operations. The costs and other risks associated with the Americans with Disabilities Act and similar legislation outside of the U. S. may be substantial. We are subject to the Americans with Disabilities Act, commonly referred to as the ADA, and similar laws and regulations in certain jurisdictions outside of the U. S. These laws and regulations require public accommodations to meet certain requirements related to access and use by people with disabilities. Our landlords may not have designed, constructed or implemented procedures on their properties to comply fully with the ADA or similar laws, and efforts by them or by us to achieve compliance may be costly, may delay planned openings of newly leased properties and could be disruptive to existing subscribers. Operators of websites or other online tools are also occasionally targeted by complaints that they have failed to make their websites sufficiently accessible. We may be required to expend substantial resources to remedy any noncompliance at our leased properties or in our app or website, or to defend against complaints of noncompliance, even if they lack merit. If we fail to comply with the requirements of the ADA or similar laws, we could be subject to fines, penalties, injunctive action, costly legal proceedings, reputational harm and other business effects that could materially and adversely affect our brand and results of operations. Failure to comply with consumer protection, marketing and advertising laws, including with regard to direct marketing and Internet marketing practices, could result in fines or place restrictions on our business. Our business is subject to various laws and regulations governing consumer protection, advertising and marketing. We may encounter governmental and private party investigations and complaints in areas such as the clarity, accuracy and presentation of information on our website. In addition, our marketing activities will be subject to various laws and regulations in the U. S. and internationally that govern online and other direct marketing and advertising practices. Its marketing activities could be restricted, our subscriber relationships and revenues could be adversely affected, and our costs could increase due to changes required in our marketing, listing or booking practices or any investigations, complaints or other adverse developments related to these laws and regulations. Failure to comply with anti-bribery and anti-corruption laws and anti-money laundering laws, and similar laws, could subject us to penalties and other adverse consequences. We are subject to the U. S. Foreign Corrupt Practices Act of 1977 (the "FCPA"), the U. S. domestic bribery statute contained in 18 U. S. C. § 201 and possibly other anti-bribery and anti-corruption laws and anti-money laundering laws in countries outside of the United States where we conduct our activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees, agents, representatives, business partners and third-party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. <sup>46</sup>We sometimes leverage third parties to sell our products and conduct our business abroad. Inspirato, our employees, agents, representatives, business partners and third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and we may be held liable for the corrupt or other illegal activities of these employees, agents, representatives, business partners or third-party intermediaries even if we do not explicitly authorize such activities. We cannot assure you that all of our employees, agents, representatives, business partners or third-party intermediaries will not take actions in violation of applicable law for which we may be ultimately held responsible. As we increase our international sales and business, our risks under these laws may increase. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have policies and procedures to address compliance with such laws, we cannot assure you that none of our employees, agents, representatives, business partners or third-party intermediaries will take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. Any allegations or violation of the FCPA or other applicable anti-bribery and anti-corruption laws and anti-money laundering laws could result in whistleblower complaints, sanctions, settlements, prosecution, enforcement actions, fines, damages, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions or suspension or debarment from government contracts, all of which may have an adverse effect on our reputation, business, results of operations and prospects. Responding to any investigation or action will likely result in a materially significant diversion of our management's attention and resources and significant defense costs and other professional fees. We are subject to governmental export and import controls and economic sanctions programs that could impair our ability to compete in international markets or subject us to liability if we violate these controls. In many cases, our business activities are subject to U. S. and international import and export control laws and regulations including trade and economic sanctions maintained by the Office of Foreign Assets Control. As such, an export license may be required to export or reexport our services to certain countries and end-users, including to certain U. S. embargoed or sanctioned countries, governments and persons and for certain end-uses. If we were to fail to comply with such import or export control laws and regulations, trade and economic sanctions or other similar laws, we could be subject to both civil and criminal penalties, including substantial fines, possible incarceration for employees and managers for willful violations and the possible loss of our export or import privileges. Obtaining the necessary export license for a particular sale or offering may not be possible and may be time-consuming and may result in the delay or loss of sales opportunities. The following developments could result in decreased use of our services by or in our decreased ability to provide our services to existing or potential end-customers with international operations: any change in export or import laws or regulations, economic sanctions or related legislation; shift in the enforcement or scope of existing export, import or sanctions laws or regulations; or change in the countries, governments, persons or technologies targeted by such export, import or sanctions laws or regulations. Any decreased use of our products or services or limitation on our ability to export to or sell our products or services in international markets could adversely affect our business, financial condition and results of operations. At present, we do not have any properties within Eastern Europe or Northern Asia, and have thus, not been affected by those sanctions posed by and / or against the Russian Federation. <sup>47</sup>Risks Related to Ownership of Securities of the



CompanyThe market price of shares of our Class A Common Stock may be volatile, which could cause the value of your investment to decline. The market price of our Class A Common Stock may be highly volatile and could be subject to wide fluctuations. Securities markets worldwide experience significant price and volume fluctuations. The securities markets have experienced significant volatility since the COVID-19 pandemic. Market volatility, as well as general economic, market or political conditions, such as the ongoing geopolitical tensions related to Russia's actions in the Ukraine and the current adverse macroeconomic conditions including inflation, fluctuations in energy prices, rising interest rates and reduced consumer confidence, could reduce the market price of shares of our Class A Common Stock regardless of our operating performance. Our operating results could be below the expectations of public market analysts and investors due to a number of potential factors, including: (1) variations in quarterly operating results or dividends, if any, to stockholders, (2) additions or departures of key management personnel, (3) publication of research reports about our industry, (4) litigation and government investigations, (5) changes or proposed changes in laws or regulations or differing interpretations or enforcement of laws or regulations affecting our business, (6) adverse market reaction to any indebtedness incurred or securities issued in the future, (7) changes in market valuations of similar companies, (8) adverse publicity or speculation in the press or investment community, (9) announcements by competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments and (10) economic instability in major markets and geopolitical and recessionary macroeconomic conditions. In response, the market price of shares of our Class A Common Stock could decrease significantly. You may be unable to resell your shares of our Class A Common Stock at or above your purchase price. Following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against such company. Such litigation, if instituted against us, could result in substantial costs and a diversion of management's attention and resources. Our ability to timely raise capital in the future may be limited, or capital may be unavailable on acceptable terms, if at all. The failure to raise capital when needed could harm our business, operating results and financial condition. Debt or equity issued to raise additional capital may reduce the value of our Class A Common Stock. We cannot be certain when or if our operations will generate sufficient cash to fund our ongoing operations or the growth of our business. We intend to make investments to support our current business and may require additional funds to respond to business challenges, including the need to develop new features or enhance our software, improve our operating infrastructure or acquire complementary businesses and technologies. Additional financing may not be available on favorable terms, if at all. If adequate funds are not available on acceptable terms, we may be unable to invest in our future growth opportunities, which could harm our business, operating results and financial condition. If we incur debt, the debt holders could have rights senior to holders of our Class A Common Stock to make claims on our assets. The terms of any debt could restrict our operations, including our ability to pay dividends on our Class A Common Stock. If we issue additional equity securities in the future, stockholders will experience dilution, and the new equity securities could have rights senior to those of our Class A Common Stock. Because the decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing or nature of any future issuances of debt or equity securities. As a result, stockholders will bear the risk of future issuances of debt or equity securities reducing the value of their Class A Common Stock and diluting their interest. A small number of stockholders have substantial control over the Company, which may limit other stockholders' ability to influence corporate matters and delay or prevent a third party from acquiring control over the Company. A small number of stockholders have substantial control over the Company, and this significant concentration of ownership may have a negative impact on the trading price for our Class A Common Stock because investors often perceive disadvantages in owning stock in companies with controlling stockholders. In addition, these stockholders will be able to exercise influence over all matters requiring stockholder approval, including the election of directors and approval of corporate transactions, such as a merger or other sale of the Company or our assets. This concentration of ownership could limit stockholders' ability to influence corporate matters and may have the effect of delaying or preventing a change in control, including a merger, consolidation or other business combination or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control, even if that change in control would benefit the other stockholders. 48 There can be no assurance that our securities will continue to be listed on Nasdaq or that we will be able to comply with the continued listing standards of Nasdaq. Our Class A Common Stock and Warrants are listed on Nasdaq under the symbols "ISPO" and "ISPOW," respectively. On February 14, 2022, we received written notice from the Staff of the Listing Qualifications Department (the "Staff") of Nasdaq stating that the Staff had determined that we had not complied with the requirements of IM-5101-2 because (i) we had not demonstrated that our Class A Common Stock complied with the minimum 400 Round Lot Holder requirement in Listing Rule 5405 (a) (3) and (ii) our Warrants did not qualify for initial listing since the security underlying the Warrant, our Class A Common Stock, did not qualify. On March 9, 2022, we received a letter from the Staff of Nasdaq informing us that we had regained compliance with Nasdaq Listing Rule IM-5101-2 and that we were in compliance with the Nasdaq Global Market's listing requirements and our securities continue to trade on Nasdaq. Even though we were able to regain compliance with the Nasdaq listing standards with respect to our Class A Common Stock and Warrants, we can provide no assurance that we can maintain compliance with those standards. Separately, on November 18, 2022, we received a notice from the Staff notifying us that we were not in compliance with the periodic filing requirements for continued listing set forth in Nasdaq Listing Rule 5250 (e) (1) as a result of our failure to file our Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 with the SEC by the required due date. We filed our Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 on December 19, 2022 to regain compliance with Nasdaq Global Market's listing requirements. If Nasdaq delists the Company's securities from trading on its exchange for failure to meet the listing standards, the Company and our stockholders could face significant negative consequences including: ● limited availability of market quotations for the Company's securities; ● a determination that our Class A Common Stock is a "penny stock" which will require brokers trading in our Class A Common Stock to adhere to more stringent rules; ● possible reduction in the level of trading activity in the secondary trading market for shares of our Class A Common Stock; ● a limited amount of analyst

coverage; and • a decreased ability to issue additional securities or obtain additional financing in the future. If our operating and financial performance in any given period does not meet the guidance provided to the public or the expectations of investment analysts, the market price of our Class A Common Stock may decline. We may, but are not obligated to, provide public guidance on our expected operating and financial results for future periods. Any such guidance will consist of forward-looking statements, subject to the risks and uncertainties described in this Annual Report on Form 10-K and in our other public filings and public statements. The ability to provide this public guidance, and the ability to accurately forecast our results of operations, may be impacted by the COVID-19 pandemic. Our actual results may not always be in line with or exceed any guidance we have provided, especially in times of economic uncertainty, such as the current global economic uncertainty being experienced as a result of the COVID-19 pandemic or the ongoing geopolitical tensions related to Russia's actions in the Ukraine or current adverse macroeconomic conditions including inflation, fluctuations in energy prices, rising interest rates and reduced consumer confidence. If, in the future, our operating or financial results for a particular period do not meet any guidance provided or the expectations of investment analysts, or if we reduce its guidance for future periods, the market price of our Class A Common Stock may decline as well. Even if we do issue public guidance, there can be no assurance that we will continue to do so in the future. 49 We are an "emerging growth company." The reduced public company reporting requirements applicable to emerging growth companies may make our common stock less attractive to investors. We are an "emerging growth company" under SEC rules. As an emerging growth company, we are permitted and plan to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These provisions include: (1) an exemption from compliance with the auditor attestation requirement in the assessment of internal control over financial reporting pursuant to Section 404 of Sarbanes-Oxley, (2) not being required to comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, (3) reduced disclosure obligations regarding executive compensation arrangements in periodic reports, registration statements and proxy statements and (4) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this exemption from new or revised accounting standards and, therefore, will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. As a result, the information we provide will be different than the information that is available with respect to other public companies that are not emerging growth companies. If some investors find our Class A Common Stock less attractive as a result, there may be a less active trading market for our Class A Common Stock, and the market price of our Class A Common Stock may be more volatile. We will remain an emerging growth company until the earliest of: (1) the last day of the fiscal year (a) following the fifth anniversary of the closing of Thayer's initial public offering, (b) in which we have total annual gross revenue of at least \$1.235 billion or (c) in which we qualify as a "large accelerated filer", which, in addition to certain other criteria, means the market value of our common equity that is held by non-affiliates exceeds \$700 million as of the end of the prior fiscal year's second fiscal quarter or (2) the date on which we have issued more than \$1 billion in non-convertible debt securities during the prior three-year period. If securities or industry analysts do not publish research or reports about our business or publish negative reports, the market price of our Class A Common Stock could decline. The trading market for our Class A Common Stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If regular publication of research reports ceases, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume of our Class A Common Stock to decline. Moreover, if one or more of the analysts who cover Inspirato downgrades our Class A Common Stock or if reporting results do not meet their expectations, the market price of our Class A Common Stock could decline. 50 If our security holders exercise their registration rights, it may negatively impact the market price of Class A Common Stock. In connection with the Closing, we filed a registration statement to register for resale (i) the shares of Class A Common Stock that were issued upon the conversion of shares of Thayer Class B Common Stock in connection with the Business Combination and shares of Class A Common Stock issuable upon exercise of the private placement warrants to purchase Class A Common Stock (the "Private Warrants") held by Thayer Venture Acquisitions Holdings LLC, a Delaware limited liability company (the "Sponsor") and (ii) the shares of Class A Common Stock to be issued to the Inspirato LLC unitholders in the Business Combination. Further, we have provided (i) the Inspirato LLC unitholders with unlimited demand registration rights; (ii) the Inspirato LLC unitholders and the Sponsor with customary underwritten takedown rights (subject to customary priorities, minimums, frequency and quantity limits, cutbacks, deferrals and other terms); and (iii) the Inspirato LLC unitholders and the Sponsor, on a pari passu basis, "piggy back" registration rights with respect to any underwritten offerings by the other stockholders and by the Company. The sale or possibility of sale of these additional securities trading in the public market may negatively impact the market price of our securities. The Company has no current plans to pay cash dividends on our common stock; as a result, stockholders may not receive any return on investment unless they sell their Class A Common Stock for a price greater than the purchase price. We have no current plans to pay dividends on our Class A Common Stock. Any future determination to pay dividends will be made at the discretion of our Board, subject to applicable laws. It will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual, legal, tax and regulatory restrictions, general business conditions and other factors that our Board may deem relevant. In addition, the ability to pay cash dividends may be restricted by the terms of debt financing arrangements, as any future debt financing arrangement likely will contain terms restricting or limiting the amount of dividends that may be declared or paid on our Class A Common Stock. As a result, stockholders may not receive any return on an investment in our Class A Common Stock unless they sell their shares for a price greater than that which they paid for them. The Company may issue additional shares of common stock or other equity securities without your approval, which would dilute ownership interests and may depress the market price of Class A Common

Stock. Pursuant to the 2021 Equity Incentive Plan (the “2021 Plan”), our board of directors or its duly authorized committee is authorized to grant equity awards to our employees, directors, and consultants. Initially, the aggregate number of shares of our Class A Common Stock that may be issued pursuant to equity awards under the 2021 Plan was 15,900,000 shares, plus shares subject to awards that were assumed in the Business Combination that, after the date of stockholder approval of the 2021 Plan, expire or otherwise terminate without having been exercised in full or are forfeited to or repurchased by us (provided that the maximum number of shares that may be added to the 2021 Plan pursuant to awards assumed in the Business Combination is 7,453,734 shares). The number of shares of our Class A Common Stock reserved for issuance under the 2021 Plan will be cumulatively increased on the first day of each fiscal year, beginning with our 2022 fiscal year and ending on the ten-year anniversary of the date our board of directors approved the 2021 Plan equal to the least of 19,900,000 shares, 5% of the total number of shares of all classes of our Common Stock outstanding as of the last day of the immediately preceding fiscal year, and a lesser number of shares determined by the administrator of the 2021 Plan. Unless the administrator of the 2021 Plan elects not to increase the number of shares available for future grant each year, our stockholders may experience additional dilution. We may also issue additional shares of common stock or other equity securities of equal or senior rank in the future in connection with, among other things, future acquisitions or repayment of outstanding indebtedness, without stockholder approval, in a number of circumstances. The issuance of additional shares or other equity securities of equal or senior rank would have the following effects: ● existing stockholders’ proportionate ownership interest in the Company will decrease; ● the amount of cash available per share, including for payment of dividends in the future, may decrease; ● the relative voting strength of each previously outstanding common stock may be diminished; and ● the market price of our Class A Common Stock may decline.<sup>51</sup> Provisions in our organizational documents and certain rules imposed by regulatory authorities may delay or prevent an acquisition by a third party that could otherwise be in the interests of stockholders. Our Certificate of Incorporation and Bylaws contain several provisions that may make it more difficult or expensive for a third party to acquire control of the Company without the approval of our Board. These provisions, which may delay, prevent or deter a merger, acquisition, tender offer, proxy contest or other transaction that stockholders may consider favorable, include the following: ● the division of our Board into three classes and the election of each class for three-year terms; ● advance notice requirements for stockholder proposals and director nominations; ● provisions limiting stockholders’ ability to call special meetings of stockholders, to require special meetings of stockholders to be called and to take action by written consent; ● restrictions on business combinations with interested stockholders; ● in certain cases, the approval of holders representing at least 66 2/3% of the total voting power of the shares entitled to vote generally in the election of directors will be required for stockholders to adopt, amend or repeal the bylaws or amend or repeal certain provisions of the certificate of incorporation; ● no cumulative voting; ● the required approval of holders representing at least 66 2/3% of the total voting power of the shares entitled to vote at an election of the directors to remove directors; and ● the ability of our Board to designate the terms of and issue new series of preferred stock without stockholder approval, which could be used, among other things, to institute a rights plan that would have the effect of significantly diluting the stock ownership of a potential hostile acquirer, likely preventing acquisitions. These provisions of our Certificate of Incorporation and Bylaws could discourage potential takeover attempts and reduce the price that investors might be willing to pay for shares of our Class A Common Stock in the future, which could reduce the market price of our Class A Common Stock. The provision of our Certificate of Incorporation requiring exclusive venue in the Court of Chancery in the State of Delaware and the federal district courts of the U. S. for certain types of lawsuits may have the effect of discouraging lawsuits against directors and officers. Our Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for: (1) any derivative action or proceeding brought on behalf of the Company, (2) any action asserting a claim of breach of fiduciary duty owed by any director, officer, agent or other employee or stockholder to the Company or its stockholders, (3) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law (“DGCL”), our Certificate of Incorporation or Bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, (4) any claim or cause of action seeking to interpret, apply, enforce or determine the validity of our Certificate of Incorporation or Bylaws or (5) any action asserting a claim governed by the internal affairs doctrine, in each case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein.<sup>52</sup> This provision would not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or the Exchange Act, or any other claim for which the federal courts have exclusive jurisdiction. In addition, to prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the U. S. will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, including all causes of action asserted against any defendant named in such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. However, as Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder, there is uncertainty as to whether a court would enforce such provision. Our Certificate of Incorporation further provides that any person or entity holding, owning or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions. Investors also cannot waive compliance with the federal securities laws and the rules and regulations thereunder. These choice of forum provisions may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring such a claim

arising under the Securities Act against us, our directors, officers or other employees in a venue other than in the federal district courts of the United States. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our Certificate of Incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and we cannot assure you that the provisions will be enforced by a court in those other jurisdictions. If a court were to find either exclusive forum provision in our Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could harm our business.

**Risks Related to the Warrants** We may amend the terms of the warrants to purchase Class A Common Stock issued in connection with the IPO of Thayer (the “Public Warrants”) and the Private Warrants (the Public Warrants and Private Warrants collectively, the “Warrants”) in a manner that may be adverse to holders with the approval by the holders of at least a majority of the then-outstanding Public Warrants. The Warrants were issued in registered form subject to the Assignment, Assumption and Amendment Agreement between the Company and Computershare Trust Company, N. A., as warrant agent, in respect of the Warrant Agreement between Thayer and Continental Stock Transfer & Trust Company (collectively, the “Warrant Agreement”). The Warrant Agreement provides that the terms of the Warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision but requires the approval by the holders of at least a majority of the then-outstanding Warrants to make any change that adversely affects the interests of the registered holders. Accordingly, we may amend the terms of the Warrants in a manner adverse to a holder if holders of at least a majority of the then-outstanding Warrants approve of such amendment. Although our ability to amend the terms of the Warrants with the consent of at least a majority of the then-outstanding Warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the Warrants, convert the Warrants into stock or cash, shorten the exercise period or decrease the number of warrant shares issuable upon exercise of a Warrant. <sup>53</sup>We may redeem your unexpired Public Warrants prior to their exercise at a time that is disadvantageous to you, thereby making your Public Warrants worthless. We have the ability to redeem outstanding Public Warrants (excluding the Private Warrants and any warrants issued to the Sponsor, officers or directors in payment of working capital loans made to us) at any time after they become exercisable and prior to their expiration, at a price of \$ 0. 01 per Warrant, provided that the last reported sales price of our Class A Common Stock equals or exceeds \$ 18. 00 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations) for any 20 trading days within a 30 trading-day period commencing at any time after the Warrants become exercisable and ending on the third business day prior to proper notice of such redemption provided that on the date we give notice of redemption and during the entire period thereafter until the time we redeem the Public Warrants, we have an effective registration statement under the Securities Act covering the shares of common stock issuable upon exercise of the Warrants and a current prospectus relating to them is available. If and when the Public Warrants become redeemable by us, we may not exercise our redemption right if it is unable to register or qualify the component securities for sale under all applicable state securities laws. Redemption of the outstanding Warrants could force you (i) to exercise your Public Warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so, (ii) to sell your Public Warrants at the then-current market price when you might otherwise wish to hold your Public Warrants or (iii) to accept the nominal redemption price which, at the time the outstanding Public Warrants are called for redemption, is likely to be substantially less than the market value of your Public Warrants.

**Risk Related to the Restatement of our Financial Statements** Due to errors in our consolidated financial statements related to material weaknesses in our internal control over financial reporting, we restated our previously issued condensed consolidated financial statements for the quarterly periods ended March 31, 2022 and June 30, 2022, which resulted in unanticipated costs and may have adversely affected investor confidence, our stock price, our ability to raise capital in the future and our reputation, and has resulted in stockholder litigation and may result in more stockholder litigation or regulatory actions. As disclosed in our Current Report on Form 8-K, filed with the SEC on November 14, 2022, the Audit Committee concluded, after discussion with management, that our originally filed unaudited condensed consolidated financial statements as of and for the Non-Reliance Periods included in the Quarterly Reports on Form 10-Q filed with the SEC for the Non-Reliance Periods should no longer be relied upon and required restatement. We completed the restatement of our financial statements and filed our Amended Quarterly Reports for the Non-Reliance Periods with the SEC on December 15, 2022. We incurred unanticipated costs for accounting and legal fees in connection with the restatement of our financial statements for the Non-Reliance Periods, and we were not able to timely file our third quarter Quarterly Report on Form 10-Q. Such restatements may have the effect of eroding investor confidence in our company and our financial reporting and accounting practices and processes and may raise reputational issues for our business. The restatements may negatively impact the trading price of our securities and make it more difficult for us to raise capital on acceptable terms, or at all. In addition, the material weaknesses in our internal control over financial reporting and the related restatements may also result in additional stockholder litigation against us, or adverse regulatory consequences, including investigations, penalties or suspensions by the SEC or Nasdaq. For example, we received a delisting notice from Nasdaq for failure to timely file our third quarter Quarterly Report on Form 10-Q as further described in the risk factor titled “There can be no assurance that our securities will continue to be listed on Nasdaq or that we will be able to comply with the continued listing standards of Nasdaq.” Further, on February 16, 2023, a class action lawsuit was filed in the U. S. District Court in the District of Colorado captioned Keith Koeh, Individually and on behalf of all others similarly situated v. Inspirato Incorporated, Brent Handler, and R. Webster Neighbor to recover damages allegedly caused by violations of federal securities law in connection with the restatement of our unaudited condensed consolidated financial statements as of and for the Non-Reliance Periods. Other potential plaintiffs may also file additional lawsuits in connection with the restatement. The outcome of any such litigation is uncertain. The defense or settlement of this litigation and any future additional litigation could be time-consuming and expensive, divert the attention of management away from our business, and, if any litigation is adversely resolved against us, could have a material adverse effect on our financial condition. Any additional regulatory consequences, litigation, claim or dispute, whether successful or not, could subject us to

additional costs, divert the attention of our management, or impair our reputation. Each of these consequences could have a material adverse effect on our business, results of operations and financial condition. 54