

Risk Factors Comparison 2023-03-16 to 2022-03-28 Form: 10-K

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You should carefully review and consider the following risk factors and the other information contained **in this report**, **including the section entitled “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations ”** and our consolidated financial statements and related notes thereto included elsewhere in this report, in making an investment decision. Our business, operating results, financial condition, or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. If any of the risks actually occur, our business, operating results, financial condition and prospects could be adversely affected. In that event, the market price of our common stock or other publicly traded securities could decline, and you could lose part or all of your investment. The occurrence of one or more of the events or circumstances described in these risk factors, alone or in combination with other events or circumstances, may have a material adverse effect on our business, cash flows, financial condition, and results of operations. The risks discussed below may not prove to be exhaustive and are based on certain assumptions made by us that later may prove to be incorrect or incomplete. We may face additional risks and uncertainties that are not presently known to us, or that are currently deemed immaterial, which may also impair our business or financial condition. The following discussion should be read in conjunction with the financial statements and notes to the financial statements included herein. Risk Factor Summary Below is a summary of the principal factors that could materially harm our business, operating results and / or financial condition, impair our future prospects, or cause the price of our publicly traded securities to decline. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below under the heading “ Risk Factors ” and should be carefully considered, together with other information in this Annual Report on Form 10-K, ~~including and our the other filings with the SEC before~~ **section titled “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations ”** and our consolidated financial statements and related notes thereto included elsewhere in this Annual Report on Form 10-K, in making an investment decision **regarding our securities**. • Our actual results may differ materially from our forecasts and projections. • Our focus on achieving positive free cash flow within 2023 without additional fundraising may be unsuccessful, and restructuring initiatives may not provide the expected benefits and could adversely affect us. • Our results could be negatively affected by inflation and other macroeconomic factors and by changes in travel, hospitality, real estate, and vacation markets. • We may be unable to negotiate satisfactory leases or other arrangements to operate new properties, onboard new properties in a timely manner, or renew or replace existing properties on satisfactory terms or at all. • Delays in real estate development and construction projects could adversely affect our ability to generate revenue from the related leased properties. • Newly leased properties may generate revenue later than we estimated and may be more difficult or expensive to integrate into our operations than expected. • Our limited operating history and evolving business make it difficult to evaluate our future prospects and challenges. • We may be unable to manage our growth effectively. • Costs relating to the opening, operation and maintenance of our leased properties could be higher than expected. • We depend on landlords to deliver properties in a suitable condition and to manage and maintain them. • Our long- term and fixed- cost leases limit our flexibility. • Under certain circumstances, our leases may be subject to termination prior to the scheduled expiration of the term, which can be disruptive and costly. • Public health concerns, including but not limited to the COVID- 19 pandemic and any future public health crises, may have a negative impact on us. • We may be unable to attract new guests or generate repeat bookings. • We may be unable to introduce upgraded amenities, services or features for our guests in a timely and cost- efficient manner. • We operate in the highly competitive hospitality market. • We use third- party distribution channels to market our units, which have historically accounted for a substantial percentage of our bookings. • Our results of operations vary from period- to- period, and historical performance may not be indicative of future performance. • Our long- term success depends, in part, on our ability to expand internationally, and our business is susceptible to risks associated with international operations. • **Our business depends on our reputation and the strength of our brand**, ~~operating results~~ and any deterioration could adversely impact our market share, revenues, business, financial condition, or prospects **results of operations**. • Claims, lawsuits, and other proceedings could **adversely affect** ~~also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. If any of the risks actually occur, our business and~~ ~~operating results, financial condition and prospects could~~. • **We may be subject to liability** ~~adversely affected. In that event, the market price of our- or reputational damage~~ common stock could decline, and you could lose part or **for all of guests’ activities or other incidents at your- our** investment **properties**. • We are subject to claims and liabilities associated ~~The occurrence of one or more of the events or circumstances described in these risk factors, alone or in combination with other events~~ **potential health and safety issues and hazardous substances at properties**. • We face challenges in attracting and retaining sufficient, highly skilled personnel, including hourly employees, who are necessary to ~~or our circumstances success~~, may and are subject to risks associated with the employment of hospitality personnel, including unionized labor. • We ~~have a~~ **identified and may in the future identify** material weaknesses in our internal control over ~~adverse effect on the business, cash flows, financial condition~~ **reporting or otherwise fail to maintain and- an results-effective system of internal controls** operations of Sonder. The risks discussed below may not prove to be exhaustive, and are based on certain assumptions made by Sonder that later may prove to be incorrect or incomplete. Sonder may face additional risks and uncertainties that are not presently known to it, or that are

currently deemed immaterial, which may also impair our business **result in material misstatements of or our consolidated financial condition.** The following discussion should be read in conjunction with the financial statements. • We rely on third parties for important services and notes to technologies, and the their availability and performance are uncertain. • Our processing, storage, use and disclosure of personal data expose us to risks of internal or external security breaches and could give rise to claims, governmental investigations and penalties, other liabilities, increased costs including higher insurance premiums, damage to reputation, and / or reduced revenue. • Failure to comply with privacy, data protection, consumer protection, marketing and advertising laws could adversely affect us. • We face risks related to our intellectual property. • Our business is highly regulated across multiple jurisdictions, including evolving and sometimes uncertain short- term rental regulations and tax laws, which may limit our growth or otherwise negatively affect us. • We may require additional capital, which might not be available in a timely manner or on favorable terms. • We may fail to continue to meet Nasdaq' s listing standards. • Our indebtedness and credit facilities contain financial statements included herein. The risk factors below reflect covenants and other restrictions that may limit our operational and financial flexibility our- or otherwise adversely affect us. Risks Related to Our Business and Industry Unless the context requires otherwise, references to " Sonder, " " we, " " our " and " us " in this section are to the business and operations after the closing of Legacy Sonder prior to the Business Combination and our business and operations as directly or indirectly affected by Legacy Sonder by virtue of our ownership of the business of Legacy Sonder through our subsidiaries following the Business Combination . Risks Related to Our Business and Industry Sonder' s forecasts and projections are based upon assumptions, analyses and estimates developed by its our management. If these assumptions, analyses or estimates prove to be incorrect or inaccurate, our Sonder' s actual results may differ materially from those forecasted or projected. Our Sonder' s forecasts and projections, including projected revenues, margins, profitability, cash flows, Bookable Nights, Revenue per Available Room (" RevPAR "), lease signings and Live Units, and the our anticipated market opportunity, growth and penetration, are subject to significant uncertainty uncertainties and are based on assumptions, analyses and estimates developed by our Sonder' s management, including with reference to third- party forecasts, any or all of which may prove to be incorrect or inaccurate. These include assumptions, analyses and estimates about future pricing and Occupancy Rates, and the anticipated cost savings, more favorable capital requirements and other benefits of our Cash Flow Positive Plan, announced in June 2022. Other assumptions include the type and size of future properties, the timing of lease signings, building openings and development , the satisfaction of conditions or contingencies in signed leases , local regulatory environments, the terms of future leases, and future costs, all of which are subject to a wide variety of business, regulatory and competitive risks and uncertainties. If these assumptions, analyses or estimates prove to be incorrect or inaccurate, our Sonder' s actual results may differ materially from those forecasted or projected, adversely affecting the value of our Common common Stock stock . Sonder' s Our focus on achieving positive quarterly Free Cash Flow within 2023 may be unsuccessful, we may not realize some or all of the expected benefits of our previously announced restructuring or any future restructuring initiatives, and our restructuring efforts may adversely affect our business. The focus of our Cash Flow Positive Plan is to achieve positive quarterly Free Cash Flow (" FCF ") within 2023 without additional fundraising, by reducing cash costs, reducing our planned pace of signing new Contracted Units, increasing our focus on signing " capital light " properties, and focusing on rapid payback RevPAR initiatives. The Cash Flow Positive Plan includes a restructuring of operations, with a reduction in corporate and frontline headcount in mid- 2022, as well as a further reduction in corporate headcount announced on March 1, 2023. In early 2020, we also undertook staff furloughs and reductions, lease exits, and other cost- saving actions due to the COVID- 19 pandemic, and we may undertake other restructuring or cost- saving initiatives in the future. The actions we announced in June 2022 and on March 1, 2023, as well as future restructuring or cost- saving initiatives, may not achieve our goal of achieving positive quarterly FCF within 2023 without additional fundraising, or at all, increase the number of " capital light " properties in our portfolio, or otherwise achieve our cash flow, profitability or operational objectives. The reduction in our pace of signings and our increased focus on signing " capital light " properties may result in fewer Live Units than we have forecasted, which may result in lower than expected revenues and cash flow. In addition, implementing any restructuring plan presents potential risks that may impair our ability to achieve anticipated cost reductions, revenue enhancements, or operational improvements. These risks include management distraction from ongoing business activities, potential failure to maintain adequate controls and procedures while executing our restructuring plans, and damage to our reputation and brand image with real estate owners, potential guests and others. Additionally, as a result of restructuring initiatives, we may experience a loss of continuity and accumulated knowledge, as well as adverse effects on employee morale and productivity and on our ability to attract and retain highly skilled employees. Increased employee attrition and difficulties in recruiting could, among other things, impair our ability to maintain and enhance our internal controls and procedures, complicate our efforts to pursue new RevPAR initiatives, cause inefficiencies, and make it more difficult to pursue, open and operate new properties. Any of the above consequences could adversely impact our business, and we may not achieve positive FCF when we anticipate, or at all. Our revenue, expenses and operating results could be materially adversely affected by changes in travel, hospitality, and real estate markets, as well as general economic conditions such as an economic downturn or recession. Our Sonder' s business is particularly sensitive to trends in the travel, hospitality, and real estate markets, and trends in the general economy, which are unpredictable. Travel, including demand for accommodations, is highly dependent on discretionary spending levels. As a result, hospitality sales tend to decline during general economic downturns and 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 we believe accounted accounts for a substantial majority of our bookings Sonder' s pre- COVID- 19 pandemic traveler demographic, is dependent on discretionary consumer

spending levels. Downturns in worldwide or regional economic conditions, such as the current downturn resulting from the COVID-19 pandemic, have led to a general decrease in leisure travel and travel spending, and similar downturns or inflationary pressures in the future, such as from geopolitical and recessionary macroeconomic conditions, may materially adversely impact demand for our Sonder's accommodations. Such a shift in consumer behavior could materially and adversely affect our Sonder's business, results of operations, and financial condition. Therefore, our Sonder's operating results may be adversely affected by changes in the broader economy and the travel, real estate and vacation rental industries. In addition to the impact of economic conditions, our Sonder's business could be adversely affected by other factors that cause reductions in travel, such as:

- Public health concerns, including but not limited to the COVID-19 pandemic or other future public health crises;
- Regional hostilities, war, terrorist attacks or civil unrest, such as the 2022 Russian invasion of Ukraine;
- Immigration policies and other governmental restrictions on residency and travel;
- Imposition of travel- or hospitality- related taxes or surcharges by regulatory authorities;
- Changes in regulations, policies, or conditions related to sustainability, including climate change, and the impact of climate change on seasonal destinations;
- Work stoppages or labor unrest at a potential travel destination;
- Natural disasters or adverse weather conditions.

In addition to affecting demand, economic downturns, rising interest rates, rising construction costs, and other adverse developments in real estate markets may result in decreases in new construction starts, property conversions and renovations, and increases in foreclosures, which could result in fewer units available for leasing. Any or all of these and other factors could reduce the demand for our Sonder's services and the supply of new units, thereby reducing our Sonder's revenue. The above factors could also require higher marketing and other costs to attract guests, and could result in less favorable terms for new leases, which would increase our Sonder's expenses. Sonder We may be unable to successfully negotiate satisfactory leases or other arrangements to operate new properties, onboard new properties in a timely manner, or renew or replace existing properties on satisfactory terms or at all, any of which may limit our Sonder's growth and could cause Sonder us to miss its our growth or financial forecasts. Sonder We currently leases- lease all of its our locations. Sonder We continually pursues- pursue additional units by signing new leases or additions to existing leases, and we also pursues- pursue management agreements and other arrangements with property owners and developers. If Sonder we fails- fail to secure or renew leases or other arrangements for attractive properties, it we will not be able to expand its our portfolio of locations- properties and may not achieve its our growth and financial forecasts. Sonder We may not be able to add sufficient properties to its our portfolio that meet its our brand standards, at an acceptable cost and on acceptable terms, to meet its our strategic growth goals and financial forecasts. Due to the number of properties that Sonder has we have already secured under leases or other arrangements in many major U. S. and Canadian cities, it we may find it more difficult to find additional attractive properties in those markets. In Europe and other international markets, Sonder has we have less experience and fewer real estate personnel, and local regulations and real estate industry practices may make it more difficult to locate properties that are strategically aligned with our Sonder's business model. Recent increases in interest rates, inflation in construction and other costs, and concerns about a recession have caused and may continue to cause some property developers to delay or abandon development projects that we would otherwise seek to add to our portfolio. Even where Sonder we identifies- identify suitable properties, it we may not be able to negotiate leases or other arrangements on commercially reasonable terms. Real estate owners may not accept our proposed terms, including due to our recently increased focus on signing agreements with lower capital expenditure obligations and quick payback timeframes. We may have difficulties in providing real estate owners with acceptable letters of credit in lieu of cash deposits, and these difficulties may intensify due to the March 2023 government- arranged closure and receivership of Silicon Valley Bank ("SVB"), one of the financial institutions that we had used for letters of credit. Any such difficulties may result in higher cash outlays for lease security deposits, delays in signing leases as alternative sources of security are sought, or additional complications in signing leases in a timely manner. Real estate owners may also be less willing to enter into transactions with us due to the recent decline in our stock price and related concerns of owners or their lenders about our creditworthiness, future cash position or ability to raise capital. In addition, commercial terms that are negotiated by our Sonder's real estate teams in existing markets may not be widely accepted in new markets, which may complicate or delay our Sonder's planned expansion or make such expansion less attractive. Competition for attractive properties can be intense, and competitors may offer owners and developers more attractive terms. Sonder We also has have relatively little experience with management agreements or other alternatives to traditional leases, which may make it more difficult for it us to secure properties where the owner or developer prefers a management agreement or other occupancy arrangement over a lease. Furthermore In addition, our Sonder's ability to extend an expiring lease on favorable terms 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 Sonder's relationships with current and prospective building landlords, real estate owners' perceptions of our creditworthiness and prospects, and other potential factors that are not within our Sonder's control. For example, in markets where the prevailing rents for apartments have been increasing, real estate owners may also believe that, compared to the terms that we offer, they can achieve a superior return through more traditional individual tenancies. If Sonder is we are not able to renew or replace an expiring lease, it we will lose the opportunity to generate additional revenue from that space and will incur costs related to vacating it. If Sonder we renews- renew or replaces- replace a lease with higher than expected rent or on terms that are otherwise less favorable to Sonder us than it we expected, our Sonder's profitability and cash flow could be adversely affected. Delays in real estate development and construction projects related to our Sonder's leases could adversely affect our Sonder's ability to generate revenue from such leased buildings- properties, and newly leased properties may be more difficult or expensive to integrate into our operations than expected. Our Sonder's business is also subject to property development risks. We often From time to time, Sonder enters- enter into arrangements with property developers to lease all or a portion of a building that is being built or converted for housing accommodations. Sonder We expects- expect the number of these early- stage development projects

within ~~its~~ **our** business to increase. Even where a project proceeds as planned, it can be many months or even years before the leased property is completed and Live Units become available for guest booking. In addition, the commitments of owners and developers under these arrangements are subject to various conditions and the completion of such development and construction projects are subject to numerous risks, including, in many cases, the owner's or developer's ability to obtain adequate financing, construction materials or labor, and governmental or regulatory approvals. ~~Sonder has~~ **Recent increases in interest rates, and inflation in construction and other costs, have caused and may continue to cause some property owners and developers to have difficulty financing, refinancing, or completing projects that we plan to lease. We have** experienced unforeseen ~~terminations of and~~ delays in the readiness of property developments, and ~~we expects-~~ **expect** to encounter similar ~~delays events~~ in the future. As a result, any such properties in ~~our~~ **our** Sonder's forecast property pipeline may ~~never not~~ develop into new sources of revenue when ~~Sonder we~~ **anticipated** or at all. ~~Newly leased properties may generate revenue later than Sonder estimated, and may be more difficult or expensive to integrate into Sonder's operations than expected.~~ Even when ~~Sonder we succeeds-~~ **succeed** in signing a lease for a new property, the landlord or developer may be unable or unwilling to deliver the property in the timeline initially provided for, or ~~Sonder we~~ **may** encounter other unforeseen delays in preparing the property for initial guest bookings. ~~Sonder We refers-~~ **refer** to this process as "building opening." Delays ~~in building openings~~ also may occur due to supply chain shortages including fixtures, furnishings and other materials, ~~delays in governmental permits and approvals, landlords' and developers' delays in obtaining adequate financing, labor shortages,~~ or the unavailability of third-party contractors. ~~Many newly leased properties become available to Sonder only after a considerable period of time, which increases the risk of unforeseen delays in building openings.~~ Later than expected building openings at properties also results in a delay in generating revenue from such properties, which could cause ~~Sonder us~~ **us** to miss ~~its-our~~ financial forecasts. In addition, the success of any new property will depend on ~~our~~ **our** Sonder's ability to integrate ~~it the property~~ into existing operations, which is subject to uncertainties including potential difficulties in integrating guest-facing and back-office systems or in engaging third-party vendors to service the properties. Newly leased properties could be more difficult or expensive to onboard, have undisclosed conditions that result in unanticipated expenses or claims against ~~Sonder us~~ **us** for which ~~it we~~ **we** may have little or no effective recourse against the landlord, or otherwise may not provide their anticipated benefits. ~~Our~~ **Our** Sonder's limited operating history and evolving business make it difficult to predict whether ~~Sonder we~~ **we** will achieve ~~its-our~~ financial, operating and growth forecasts. ~~Our~~ **Our** Sonder's business continues to evolve. ~~Sonder has We have~~ **We have** expanded significantly since ~~its-our~~ inception, including the number of cities and countries in which ~~it we operates-~~ **operate**. Within the last few years, ~~it we~~ **we** also ~~has have~~ **has** begun to operate properties with traditional hotel room layouts and ~~with more extensive and complex amenities and systems, and~~ to focus ~~our more of its-~~ **our** expansion efforts on leasing full buildings or larger numbers of units or floors within a property. In addition, ~~Sonder has we have~~ **we have** operated many of ~~its-our~~ leased properties for a limited period of time, and their early results may not be indicative of their long-term performance. For example, ~~approximately 45% a large portion~~ of units available for guest bookings as of December 31, ~~2021-2022~~, which ~~Sonder we refers-~~ **refer** to as "live" units, had been live for less than one year. ~~Our~~ **Our** Sonder's relatively limited operating history and evolving business make it difficult to evaluate the likelihood that ~~Sonder we~~ **we** will achieve ~~its-our~~ financial, operating and growth forecasts, and to predict and plan for the risks and challenges ~~Sonder we~~ **we** may encounter. These risks and challenges include ~~our~~ **our** Sonder's ability to: • Forecast ~~its-our~~ revenue and budget for and manage ~~its-our~~ expenses, particularly at new buildings or in new markets; • Onboard new, high-quality units in a timely and cost-effective manner; • Keep existing units available for booking and reduce nights lost to repairs or other interruptions; • Comply with existing and new laws and regulations applicable to ~~its-our~~ business, including those related to the COVID-19 pandemic or any future public health crises; • Plan for and manage capital expenditures for current and future properties, including renovations of units and development of new properties, and manage relationships with landlords, developers, service providers and other partners; • Anticipate and respond to macroeconomic changes, fluctuations in travel and tourism, and other changes in the markets in which ~~Sonder we operates-~~ **operate**; • Maintain and enhance the value of ~~its-our~~ reputation and brand; • Effectively manage growth; • Successfully expand ~~its-our~~ geographic reach; • Hire, integrate and retain talented people at all levels of ~~its-our~~ organization; and • Successfully develop ~~or integrate~~ new features, amenities and services to enhance the experience of guests. If ~~Sonder we fails-~~ **fail** to address ~~the-these~~ risks and difficulties ~~that it faces-~~ **our** including those associated with the challenges listed above as well as those described elsewhere in this section titled "Risk Factors," Sonder's business, financial condition and results of operations could be adversely affected. Further, because ~~Sonder has we have~~ **we have** limited historical financial data and ~~operates-~~ **operate** in a rapidly evolving industry, any predictions about future revenue and expenses may not be as accurate as they would be if ~~it we~~ **we** had a longer operating history or operated in more predictable markets. If ~~Sonder does we do~~ **we do** not address these risks successfully, or if ~~our~~ **our** Sonder's assumptions regarding these risks and uncertainties, which are used to plan and operate ~~our~~ **our** Sonder's business, are incorrect or change, ~~our~~ **our** Sonder's results of operations could differ materially from expectations and ~~its-our~~ **our** business, financial condition, and results of operations could be adversely affected. ~~Sonder We~~ **We** may be unable to effectively manage ~~its-our~~ **our** growth. Since ~~its-our~~ inception, ~~Sonder has we have~~ **we have** experienced rapid growth and ~~continues-~~ **continue** to pursue significant unit growth in existing and new markets throughout the world. ~~The number-~~ **As we announced in June 2022, we have moderated our planned pace** of Sonder signing new units available for and intend to drive near-term growth primarily by opening already Contracted Units; however, we continue to pursue additional signings in various markets. ~~Despite our staff reductions announced in June 2022 and March 2023, we continue to recruit and hire personnel to support building openings, guest bookings service and other functions,~~ **both in the United States and internationally** which are referred to as Live Units, increased to over 7,600 Live Units as of December 31, 2021. ~~Our~~ **Our** Sonder's worldwide employee headcount grew from approximately 1,000 employees at December 31, 2020 to approximately 1,600 as of December 31, 2021. ~~Sonder's~~ **Sonder's** business is becoming increasingly complex due in part to the continued rapid evolution of the hospitality industry ~~;(including rapid changes in regulations and guest preferences due to the ongoing COVID-19 pandemic),~~ **our**

continued Sonder's expansion into new markets, the increasing number of hotels within its-our portfolio, the growing scope and variety of property amenities and systems for which we have or share responsibility, changing local and national tax regimes and, regulatory requirements, and labor markets. This increased complexity and rapid growth have demanded, and will continue to demand, substantial resources and attention from our Sonder's management. To support its-our planned growth, Sonder-we will need to improve and maintain its-our technology infrastructure and business systems, which may be costly and is subject to uncertainties. Sonder-We will also need to increase headcount and hire additional specialized personnel in the future as it pursues its-we balance the pursuit of our profitability and growth objectives. For example, Sonder-we will need to hire, train and manage additional qualified employees to support its-our engineering, real estate, and operations (including financial operations and support teams accounting, sales and marketing, legal, customer service, and trust and safety personnel), as well as employees experienced in security and hospitality operations to support its-our growing city teams to properly manage its-our growth. When Sonder-we enters-enter or expands-expand operations in a particular city, it-we will also need to hire a substantial number of building opening and guest services staff to meet target dates for opening new properties even before these properties begin to generate revenues. Sonder-is-We are experiencing, and may in the future experience, shortages of qualified hospitality personnel, including in markets where hotels and other accommodations are re-opening due to improved public health. Hospitality personnel in many markets left the industry in the past year due to the effects of the COVID-19 pandemic, and we may Sonder has also experienced-experience temporary staffing shortages when its hospitality employees or their family members have contracted COVID-19, and may experience such shortages again in the future. Local labor shortages may arise for other reasons, from time to time. If Sonder-is-we are unable to hire, train and integrate a sufficient number of hospitality personnel when needed, if new hires perform poorly, or if Sonder-is-we are unsuccessful in retaining existing employees, Sonder-we may not be able to meet its-our business and growth objectives and provide effective guest services. The COVID-19 pandemic and efforts to-A shortage of qualified hospitality personnel could also result in higher wages that would increase our labor costs, which could reduce our profits. We its spread have had and are expected to continue to have a history material detrimental impact on Sonder's business, operations and financial results. The COVID-19 pandemic has severely restricted the level of net losses economic activity around the world, and is continuing to have an and we unprecedented effect on the global hospitality and travel industries. The global spread of COVID-19 has been and continues to be a complex and evolving situation. Governments, public institutions and other organizations have and 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, 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, including sporting events, conferences and meetings, and quarantines and lock-downs. COVID-19 and efforts to mitigate its spread have dramatically reduced travel and demand for accommodations, which has impacted and will continue to impact Sonder's business. While many countries have begun the process of vaccinating their residents against COVID-19, the unprecedented scale and logistical challenges of vaccine distribution, as well as uncertainty over the efficacy of the vaccines against new variants of the virus, may contribute to delays in the loosening of restrictions and economic recovery and continued reluctance to travel. The extent to which the COVID-19 pandemic impacts Sonder's business, operations, and financial results, including the duration and magnitude of such effects, will depend on numerous evolving factors that Sonder may not be able to achieve accurately predict or assess, including: • The continued duration and scope of the COVID-19 pandemic, as well as whether and to what extent additional variants or resurgences of the virus occur (including due to the Delta, Omicron and any other variants of the virus); • The COVID-19 pandemic's negative impact on global and regional economies and economic activities, including the duration and magnitude of its impact on unemployment rates and consumer discretionary spending; • The COVID-19 pandemic's short and long-term impact on the demand for-or maintain profitability travel and for accommodations in Sonder's markets; • The actions governments, businesses and individuals take in response to the COVID-19 pandemic, including quarantines and lock-downs, and limiting or banning travel and/or in-person gatherings; • The COVID-19 pandemic's effect on the financial health, budgets and business activities of current and potential landlords and property developers; • The effectiveness, availability and deployment of COVID-19 vaccines; and • How quickly economies, travel activity and demand for accommodations recover after the initial COVID-19 pandemic subsides. Sonder's responses to the COVID-19 pandemic and future public health crises may adversely affect guest loyalty and satisfaction, employee relations, and hospitality operations. We In response to the COVID-19 pandemic's effect on demand for accommodations, Sonder took steps to reduce operating costs, including, in March 2020, laying off a substantial number of employees, and temporarily furloughing, reducing compensation, or implementing reduced work weeks for other personnel. The ongoing COVID-19 pandemic and any other future regional or global public health crises may also necessitate more restrictive approaches to providing guest services, changes in guest cancellation and refund practices, or additional guest support resources related to enhanced health and hygiene requirements. These steps and further changes Sonder may make to respond to public health concerns or reduce costs may negatively impact guest satisfaction, guest services and hospitality operations, or Sonder's ability to attract and retain employees, and its reputation and market share may suffer as a result. The COVID-19 pandemic may also cause financial difficulties for Sonder's landlords, resulting in inadequate maintenance or other problems at the properties Sonder offers to guests, which could damage Sonder's revenues and reputation, disrupt its operations, and lead to costly or disruptive disputes. The COVID-19 pandemic and any future public health crisis may result in higher costs, slower than anticipated growth and lower than expected revenues. Sonder has adopted measures to address the COVID-19 pandemic that have increased its short-term costs and..... Prospectively, Sonder also expects to incur incurred restart costs and other expenses associated with..... concerns. Sonder has a history of net losses and it-negative cash flow each year since our inception, and we may not be able to achieve or maintain profitability or positive cash flow in the future. We Sonder has incurred substantial net losses each over the past several year

years since its inception, resulting in and an accumulated deficit it may not be able to achieve or maintain profitability in the future. Sonder incurred net losses of \$ 294.980.6 million at December 31, 2022. We also had negative cash flow from operating activities of \$ 149.0 million and \$ 179.4 million and \$ 250.3 million for the years ended December 31, 2022 and 2021 and December 31, 2020, respectively. Our In addition, Sonder had an accumulated deficit of \$ 814.8 million as of December 31, 2021. Sonder's expenses will likely increase in the future as it we seeks seek to expand in existing and new domestic and international markets, focus heavily on sales and marketing efforts, continue to invest in new technologies, internal systems, designs and unit amenities, expand its our operations, and hire additional employees. These efforts may be more costly than expected and may not result in expected increases in revenue or growth in its our business, which would impair our Sonder's ability to achieve or maintain profitability or positive cash flow. Our Cash Flow Positive Plan announced in June 2022 may not provide the cash flow, cost savings or other benefits that we anticipate, as described above. In addition, Sonder we generally leases lease properties under multi- year arrangements, but guest revenues are generated through stays that currently average less than one week. Any failure to increase our Sonder's revenue sufficiently to keep pace with the fixed components of its our lease obligations, investments and other expenses could prevent it us from achieving or maintaining profitability or positive cash flow on a consistent basis or at all. If Sonder is we are unable to successfully address these risks and challenges, its our business, financial condition and results of operations would be adversely affected. Sonder We expends expend resources relating to the preparation and repair of its our leased properties, which may be higher than anticipated. Sonder We typically devotes devote resources to prepare a newly leased property for its initial guests, referred to as building openings, and to keep its our leased properties in a safe and attractive condition. Although Sonder attempts we endeavor to have the landlord or developer bear the out- of- pocket opening costs, it is we are sometimes responsible for all or a portion of these costs. Even where landlords and developers are contractually responsible for some costs, they may dispute or fail to comply with their obligations. In addition, while the majority of our Sonder's leases require landlords to bear responsibility for the repair and maintenance of building structures and systems, at times we are Sonder may be responsible for some of these obligations, and in most cases, Sonder is we are responsible for the repair and maintenance of damage caused by its our guests. Our Sonder's leases may also require that it we return the space to the landlord at the end of the lease term in essentially the same condition it was delivered to Sonder us, which may require repair work. The costs associated with our Sonder's building openings, repair and maintenance may be significant and may vary from its our forecasts. Sonder We also periodically refurbishes refurbish some of its our units to keep pace with the changing needs of its our guests and to maintain its our brand and reputation. Although Sonder we includes include estimated refurbishments in its our business and financial planning, refurbishments can result in lost revenues at the affected unit, may be more costly and time- consuming than Sonder we expects expect, may impair guests' experiences in other units, and may otherwise adversely affect its our results of operations and financial condition. Sonder We depends depend on landlords for certain maintenance and other significant obligations related to its our properties, and any failures in this area could hurt its our business. Sonder does We do not own any of its our properties, and manages manage and operates operate them under leases with third- party landlords. At some properties, our Sonder's guest units comprise only a portion of the building and common areas and amenities are shared with other tenants or unit owners. Sonder We often has have limited control over the common areas and amenities of buildings in which its our units are located. In addition, Sonder we depends depend on its our landlords to deliver properties in a suitable condition and to perform important ongoing maintenance, repair and other activities with respect to common areas, amenities and building systems such as plumbing, elevators, electrical, fire and life safety. If our Sonder's landlords do not fulfill their obligations or fail to maintain and operate their buildings appropriately, Sonder we could be subject to claims by guests and other parties, and its our business, reputation and guest relationships may suffer. Disputes and litigation relating to our Sonder's leases have occurred and can be expected to occur in the future, which may result in significant costs, damage to landlord relationships, slower than expected expansion, and lower revenues. The nature of our Sonder's rights and responsibilities under its 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 certain renovations and costs. Sonder We seeks seek to resolve any disagreements and develop and maintain positive relations with current and potential landlords, but it we cannot always do so. Failure to resolve such disagreements has resulted in litigation in the past and could result in litigation in the future. Disputes may be expensive to litigate, even if the outcome is ultimately in our Sonder's favor. Sonder We cannot predict the outcome of any litigation. An adverse judgment, settlement, or court order in a proceeding could cause significant expenses and constraints in our Sonder's business operations and expansion plans. For example, Sonder is we are involved in litigation with its our former landlord at 20 Broad Street in New York, arising out of the landlord's failure to address Legionella bacteria contamination in the building's water supply and the associated health risks posed to its our guests. In response, Sonder we withheld payment of rent on grounds of, among other reasons, constructive eviction. Sonder's In response, the landlord disagreed with the contentions and terminated the lease in July 2020 and subsequently filed a lawsuit seeking unpaid rent from Sonder us. Sonder We counter- sued against its the landlord and is are seeking, among other remedies, substantial monetary damages against the landlord. If the Sonder's landlord prevails, there may be significant damages against Sonder us. Sonder is We are unable to predict the outcome of the this dispute with its the landlord, or its our ultimate responsibility for any adverse outcome in the lawsuit. Even if this lawsuit is resolved favorably, the proceeding will has required and may continue to require substantial management attention as well as significant legal fees and expenses. The long- term and fixed- cost nature of our Sonder's leases may limit its our operating flexibility and could adversely affect its our liquidity and results of operations. Sonder We currently leases lease all of its our properties and is are committed for the leases' terms, generally without the right to terminate early. Our Sonder's obligations to landlords under these agreements extend for years, while Sonder does we do not have a corresponding source of guaranteed revenue because

guests typically stay for less than a week at **our** a Sonder property **properties**. **Our** Sonder's leases generally provide for fixed monthly payments that are not tied to Occupancy Rates or revenues, and **its** **our** leases typically contain minimum rental payment obligations. **We sometimes offer landlords** Sonder increasingly seeks to negotiate leases with lower minimum payments in return for a share of the property's revenues, or other variable terms, but **it those currently represent a small portion of our portfolio, and we** may be unsuccessful in securing variable or participating lease terms. **There can be no assurance that we will be able to sign and operate successfully under leases with revenue-sharing or other variable terms.** As a result **of our fixed lease expenses**, if Sonder ~~is~~ **we are** unable to maintain sufficient Occupancy Rates and pricing, **its** **our** lease expenses may exceed **its** **our** revenue and **it** **we** may not achieve **its** **our** financial projections. **In addition** **For example**, in an environment where the prevailing cost of accommodations ~~is~~ **may be** decreasing, Sonder ~~we~~ **we** may not be able to lower **its** **our** fixed monthly payments under **its** **our** leases at rates commensurate with the rates at which **it** **we** would be pressured to lower **its** **our** guest rates, which may also reduce **its** **our** margins and cash flow. In any such event, Sonder ~~we~~ **we** may be unable to reduce **its** **our** rent under the lease or otherwise terminate the lease in accordance with its terms. **Sonder has** **We have** limited flexibility to rapidly alter **its** **our** portfolio of properties and **its** **our** lease commitments in response to changing circumstances. Leases require substantial time to negotiate and are typically multi-year commitments that can only be revised or terminated with the landlord's agreement. In addition, some of **our** Sonder's leases 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 ~~Sonder is~~ **we are** able to assign or sublease an unprofitable property, **it** **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 its previous condition, and other costs to exit the property. **Our** Sonder's leases may be subject to termination before their scheduled expiration, which can be disruptive and costly. **Our** Sonder's leases may be subject to termination before they are scheduled to expire, in certain circumstances including the bankruptcy of a developer or ~~other~~ landlord, noncompliance with underlying covenants governing the property, or, under some agreements, failure to meet specified financial or performance criteria. Some leases also contain conditions to the landlord's or **our** Sonder's obligations, or permit the landlord to terminate before the scheduled expiration date, typically in the later years of the lease **including due to any failure by us to provide a cash security deposit or and an acceptable letter / or upon payment of specified compensation to Sonder credit, surety bond or other security instrument**. Some leases for Contracted Units, (which are units that have signed real estate contracts but are not yet available for guests to book,) have contingencies **(including construction financing contingencies, zoning, permitting or other regulatory conditions, and landlord purchase contingencies)** that must be satisfied prior to **our** Sonder's takeover of the units. **If these contingencies are not satisfied prior to or our takeover of the units, the lease is terminable by us or the landlord. In addition, certain leases** are terminable by Sonder ~~or~~ the landlord **for** prior to Sonder's takeover of ~~the other~~ **units reasons**. Many of **our** Sonder's 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. In addition, some of **our** Sonder's units are subleased from parties that lease the underlying property from its owner. If **our** Sonder's landlord fails to comply with its underlying lease, or the lease is otherwise terminated earlier than expected, ~~Sonder~~ **we** could lose the right to continue to operate **its** **our** units or could be forced to cure the landlord's failure without being assured of recouping the related costs. From time to time, ~~Sonder has~~ **we have** experienced the loss or disruption of leases for Contracted Units and Live Units for reasons such as those described above, and similar events may occur in the future. The termination of **our** Sonder's leases due to any of the foregoing events would eliminate **its** **our** anticipated income and cash flows from the affected property, which could have a significant negative effect on **its** **our** results of operations and liquidity. 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, ~~Sonder~~ **we** may need to enforce **its** **our** right to damages for breach of contract and related claims, which may cause **it** **us** to incur significant legal fees and expenses. Any damages ~~Sonder~~ **we** ultimately ~~collects~~ **collect** could be less than the projected future value of the revenues and income ~~it~~ **we** would have otherwise generated from the property. Early terminations of significant agreements could hurt ~~Sonder~~ **our financial performance or our ability to grow our business. The COVID- 19 pandemic and any future public health crises have had, and may continue to have, a material detrimental impact on our business, operations, and financial results. The COVID- 19 pandemic caused severe economic disruptions around the world. 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 ongoing impact of the COVID- 19 pandemic, including due to any new variants and resurgence of infections, and any future public health crises, includes the following:**

- Governments, public institutions and other organizations have in the past and may in the future 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 at times negatively affected, and together with any possible new virus outbreaks, may again in the future negatively affect, our business.
- The COVID- 19 pandemic necessitated more restrictive approaches to providing guest services, changes in guest cancellation and refund practices, and additional guest support resources related to enhanced

health and hygiene requirements. We also implemented new cleaning procedures and health and safety protocols, and restricted certain bookings due to pandemic- related travel restrictions. These steps and further changes we may make to respond to current or future public health concerns may negatively impact guest satisfaction, guest services and hospitality operations, and our reputation and market share may suffer as a result. • The COVID- 19 pandemic or any other future public health crisis may also cause financial difficulties for our landlords, resulting in inadequate maintenance or other problems at the properties we offer to guests, which could damage our revenues and reputation, disrupt our operations, and lead to costly or disruptive disputes. • In response to the COVID- 19 pandemic we have increased its short- term costs in response to a future public health crisis may negatively impact our ability to attract and reduced near- term revenues retain employees, and our reputation and market share may suffer as a result. In addition For instance, through lease renegotiation and exercise of termination rights, we Sonder phased out nearly 3,400 units from our Total portfolio Portfolio from March 1 through December 31, 2020 (including both Live Units and units that were leased but not yet receiving guests), which resulted in lease termination costs and other offboarding- related expenses, disputes with landlords, and foregone revenue from the phased- out units. A future public health crisis may also implemented new cleaning procedures and health crisis may and safety protocols, and restricted certain bookings due to pandemic- related travel restrictions. Prospectively, Sonder also expects to incur result in reductions in financial performance difficulties or for its some existing and prospective landlords, which may impair their willingness or ability to grow invest in property developments, improvements or conversions necessary to add to our portfolio of its units development activities. The COVID- 19 pandemic is also causing financial difficulties for some existing caused construction delays due to government restrictions on non- essential activities and prospective landlords shortages of supplies caused by supply chain interruptions, which and a future public health crisis may similarly affect real estate development activities impair their willingness or ability to invest in property improvements or conversions necessary to add to Sonder's portfolio of units. As a result, some of the properties in our Sonder's pipeline may not enter the market or become part of its our portfolio when anticipated, or at all. Delays, increased costs, and other impediments to projects under development, or to its our unit opening process, would reduce our Sonder's ability to realize revenue. We Sonder also cannot predict the long- term effects of the COVID- 19 pandemic or any future public health crisis on its our partners and their business restart costs and operations or other -- the ways expenses associated with reopening offices that were closed during the COVID- 19 pandemic or a future public health crisis may alter the travel and hospitality industries. A future pandemic or other public health crisis crises may require similar responses or and have similar impacts that may result in other cost increases, including higher operating expenses due to the need to invest in new technology, amenities, or unit designs in order to satisfy new health and safety regulations or to conform to evolving guest expectations. Similarly In addition, the ongoing COVID- 19 pandemic we may need to adjust to future supply shortages or other changes a future public health crisis may disrupt or delay Sonder's planned growth in its property portfolio, for example, by adversely affecting the ability our supply chain as well as structural changes to certain types of travel. If Sonder we fails fail to attract new guests or generate repeat bookings from previous guests, its our business, results of operations, and financial condition would be materially adversely affected. Our Sonder's success depends significantly on attracting new guests and securing repeat bookings from previous guests. Our Sonder's ability to attract and retain guests could be materially and adversely affected by a number of factors, including: • The impact of events beyond its our control on demand for travel and accommodations in our Sonder's markets, such as the COVID- 19 pandemic or a future public health crisis, changes in government travel restrictions or policies, labor or civic unrest, war, travel- related incidents and weather; • Failing to meet guests' expectations, including increased expectations for cleanliness in light of the COVID- 19 pandemic; • Increased competition from other hotel and alternative accommodation providers; • Any failure to provide differentiated, high- quality experiences at competitive prices; • Guests not receiving timely and adequate customer / guest service support; • Failure to provide new or enhanced amenities and services that guests value; • Any disruptions in guests' access to properties or to the properties' amenities; • Ineffectiveness of marketing efforts; • Negative associations with, or failure to raise awareness of, our Sonder's brand; • Negative perceptions of the safety of our Sonder's properties or the security of its our app or website, including due to the security incident involving unauthorized access to one of our systems that included certain guest records, which we disclosed in November 2022, or any future data security incident; and • Inflation, economic recessions or other Macroeconomic macroeconomic factors, and other conditions outside of our Sonder's control affecting travel and the hospitality industries industry generally. In addition, Sonder we could fail to attract first- time guests or additional bookings from previous guests if its our website and / or the Sonder app are not easy to navigate, if guests have an unsatisfactory sign- up, search, booking, payment, or check- in experience, if the listings and other content provided on its our website or the Sonder app and on third- party listing platforms are not displayed effectively to guests, or if Sonder we fails fail to provide an experience that meets rapidly changing consumer preferences and travel needs, which could materially adversely affect its our business, results of operations, and financial condition. If Sonder we fails fail to attract new guests or generate repeat bookings due to these or other factors, its our revenues would suffer, it we may not meet its our financial projections or achieve or maintain profitability, and its our business and planned expansion could be adversely affected. If Sonder is we are unable to introduce new or upgraded amenities, services or features that guests recognize as valuable, it we may fail to attract guests, property developers and landlords. Our Sonder's efforts to develop new and upgraded services and amenities could require it us to incur significant costs. In order to continue to attract new guests and generate repeat bookings from previous guests, and to attract property developers and landlords, Sonder we will need to continue to invest in the development of new amenities, services and features that add value to the Sonder brand and / or differentiate Sonder us from its our competitors. The success of any new amenity, service or feature depends on several factors, including its timely completion, strategic introduction, and market acceptance, all of which remain subject to various uncertainties. If guests, property developers and landlords do not recognize the value of the new amenities, services, or features, they may choose not to engage

with ~~Sonder us~~. Developing and delivering these new or upgraded amenities, services and features is costly and involves inherent risks and difficulties. Consumer preferences for interior design and furnishings and technology- related services are subject to frequent change. Technology development efforts may be unsuccessful, and any new features or services offered to guests through ~~our Sonder's~~ website or app may be difficult to manage or maintain. ~~Sonder We~~ cannot guarantee that such efforts will succeed or that new or upgraded amenities, services and features will work as intended or provide their expected value. In addition, some new or upgraded amenities, services and features may be difficult for ~~Sonder us to continue~~ to market, may require additional regulatory permits and personnel, may subject ~~Sonder us~~ to additional liabilities, and may involve unfavorable pricing or fees. **Further, the efforts required to develop, integrate, launch, and maintain new amenities, services, and features could divert resources away from other projects and initiatives.** Even if ~~Sonder we~~ succeeds—**succeed** in introducing new or upgraded amenities, services and features, ~~it we~~ cannot guarantee that ~~its our~~ guests or landlords will respond favorably to them, **or that they will result in a positive return on investment**. In addition to developing ~~its our~~ own amenities, features and services, ~~Sonder we have and~~ may **continue to** license or otherwise integrate applications, technologies, content and data from third parties. These third- party applications may not support ~~our Sonder's~~ offerings as intended, may cause unanticipated disruptions in guests' bookings, in- room experience, **or or our** ~~Sonder's~~ other business operations, and may not remain available on commercially reasonable terms, or at all. ~~Where Sonder~~ **If we partners- partner** with ~~certain~~ companies to offer food delivery, parking or other services through ~~our Sonder's~~ app, these third- party services may be difficult to integrate with ~~our other Sonder's~~ product offering, may not comply with guest security and privacy measures or otherwise operate as ~~Sonder we~~ intended, could give rise to guest complaints, and could damage ~~our Sonder's~~ brand and reputation. ~~Sonder We offers- offer~~ a different ~~type types~~ of hospitality services than traditional hospitality operators and short- term rental marketplaces, and if guest and property owner acceptance of this innovative approach to accommodations does not continue to grow or grows more slowly than ~~Sonder we expects- expect~~, ~~its our~~ business, financial condition and results of operations could be adversely affected. ~~Sonder We offers- offer~~ a distinctive type of hospitality service for which the market is still relatively new, and it is uncertain to what extent market acceptance will continue to grow, if at all, **and particularly during times of market volatility, rising interest rates, and general economic instability**. ~~Our Sonder's~~ success will depend on the willingness of potential guests and the market at large to widely adopt ~~its our~~ particular model of hospitality services, which differs from both traditional hotels and short- term rental marketplaces such as Airbnb. In many geographies, including geographies that ~~Sonder we hopes- hope~~ to enter in the ~~near~~ future, the market for ~~its our~~ hospitality services is unproven, with little data or research available regarding the market and industry. If potential guests do not perceive ~~our Sonder's~~ units' designs, amenities, location, or pricing to be attractive, or choose different accommodations due to concerns regarding safety, the availability of onsite staffing, amenities or services associated with traditional hotels, affordability or other reasons, then the market for ~~our Sonder's~~ accommodations may not further develop, may develop more slowly than expected or may not achieve its expected growth potential. Such outcomes could adversely affect ~~our Sonder's~~ business, financial condition, and results of operations. ~~Our Sonder's~~ growth also depends on the acceptance of ~~its our~~ innovative business model by landlords and property developers, and on ~~its our~~ ability to operate in markets without clear or well- established regulations covering properties used in ~~our Sonder's~~ business. For these and other reasons, ~~Sonder we~~ may make errors in predicting demand and the supply of potential units in certain markets, which could cause ~~it us~~ to spend more in a certain market than is justified by the resulting revenues, or to miss ~~its our~~ financial targets, and could otherwise harm ~~its our~~ business. The hospitality market is highly competitive, and ~~Sonder we~~ may be unable to compete successfully with current or future competitors. The hospitality market is highly competitive and fragmented. In addition, new competitors may enter the market at any time. ~~Our Sonder's~~ current and potential competitors include global hotel brands, regional hotel chains, independent hotels, ~~online travel agencies ("OTAs")~~ and short- term rental services. Numerous vacation, hotel and apartment rental listing websites and apps also compete directly with ~~Sonder us~~ for guests. ~~Our Sonder's~~ competitors may adopt aspects of ~~our Sonder's~~ business model, which could reduce ~~its our~~ ability to differentiate ~~its our~~ services. For example, the COVID- 19 pandemic caused some competitors, including traditional hotels, to introduce contactless check- in and self- service technologies that they did not previously offer, and **to market their services to digital nomads, and** has encouraged the development and rollout of in- room communications hubs and other technologies that may permit competitors to offer more technology- enabled guest services. Certain current and potential competitors may also offer inspiring designs at attractive locations or have greater economies of scale and other cost advantages that allow them to offer attractive pricing. ~~Sonder We~~ also ~~competes- compete~~ with hotel operators, property rental and management companies, and others to secure leases for attractive properties to add to ~~our Sonder's~~ portfolio. If ~~Sonder is we are~~ unsuccessful in offering a distinctive combination of modern, technology- enabled service and superior design at an affordable price point, or ~~is are~~ unable to lease new properties, ~~it we~~ may be unable to compete effectively and may be unable to attract new or retain existing guests and landlords. Additionally, current or new competitors may introduce new business models or services that ~~Sonder we~~ may need to adopt or otherwise adapt to in order to compete, which could reduce ~~our Sonder's~~ ability to differentiate ~~its our~~ business or services from those of ~~its our~~ competitors. For example, some travel intermediaries, like ~~OTAs online travel agencies~~, are entering into arrangements with hospitality providers that may compete with ~~Sonder us~~ more directly. Increased competition could result in a reduction in revenue, fewer attractive properties, higher lease rates, higher costs, or reduced market share. ~~Sonder We believes- believe it we~~ ~~competes- compete~~ for guests primarily on the basis of the quantity and quality of ~~its our~~ units, the global diversity and attractiveness of ~~its our~~ units, the quality of ~~its our~~ guests' experience, and ~~its our~~ customer service, brand identity and price. Competitive factors in ~~our Sonder's~~ industry are subject to change, such as the increased emphasis on cleaning, social distancing and "healthy buildings" **due to that occurred during** the COVID- 19 pandemic. If guests choose to use other competitive offerings in lieu of ~~ours Sonder's~~, ~~our Sonder's~~ revenue could decrease, and ~~it we~~ could be required to make additional expenditures to compete more effectively. Any of these events or results could harm ~~our Sonder's~~ business,

operating results and financial condition. Many of **our** **Sonder's** competitors enjoy substantial competitive advantages, such as greater name recognition in their markets, well-established guest loyalty programs, longer operating histories and larger marketing budgets, as well as substantially greater financial, technical and other resources. Many competitors operate restaurants or other amenities at their properties that **our** **Sonder's** properties may not provide. Future competitors may also have these advantages compared to **Sonder-us**. Moreover, the hospitality services industry has experienced significant consolidation, and **Sonder-we** ~~expects~~ **expect** this trend may continue as companies attempt to strengthen or hold their market positions in a highly competitive industry. Consolidation among **our** **Sonder's** competitors would give them increased scale and may enhance their capacity, abilities, and resources, and lower their cost structures. In addition, **our** **Sonder's** current or potential competitors may have access to larger developer, landlord or guest bases. As a result, **our** **Sonder's** competitors may be able to respond more quickly and effectively than **Sonder-we** can to new or changing opportunities, technologies, standards, regulatory regimes, or landlord or guest requirements. Furthermore, because of these advantages, existing and potential landlords and guests might accept **our** **Sonder's** competitors' offerings, even if they may be inferior to **its-our** own. For all of these reasons, **Sonder-we** may not be able to compete successfully against **its-our** current and future competitors. **Sonder-We** ~~markets~~ **market** **its-our** units through third-party distribution channels, and if such third parties do not perform adequately or terminate or modify their relationships **with us**, **our** **Sonder's** business, financial condition, and results of operations could be adversely affected. **Our** **Sonder's** success depends in part on **its-our** relationships with third-party distribution channels to list **its-our** units online and raise awareness of **its-our** brand. In particular, **Sonder-we** ~~generates~~ **generate** demand by marketing **its-our** units with OTAs, such as Airbnb, Booking.com, and Expedia. Bookings through these OTAs and other indirect channels accounted for **nearly over** half of **our** **Sonder's** revenues in **each of the year ended December 31, 2020-2022 and 2021**. The terms of some of **our** **Sonder's** agreements with these partners allow the partner to change or terminate terms at their discretion. If any of **our** **Sonder's** partners ~~terminates~~ **terminate** their relationship with **Sonder-us** or refuse to renew their agreement with **Sonder-us** on commercially reasonable terms, **Sonder-we** would need to find alternate providers and may not be able to secure similar terms or replace such providers in acceptable time frames. Additionally, many of these OTAs have discretion in how units are listed or prioritized within their platform and may unilaterally reduce the visibility of **our** **Sonder's** units. **Our** **Sonder's** revenues could be adversely affected if **its-our** units are not featured prominently or accurately within OTA platforms for any reason, including changes in an OTA's relationship with **Sonder-us** or its competitors, errors by an OTA, **outages experienced by an OTA**, or otherwise. If **our** **Sonder's** relationship with an OTA is terminated or the OTA makes changes that reduce the prominence of **Sonder-our** units on its platform, **our** **Sonder's** revenue could be materially adversely affected. **Our** **Sonder's** relationships with OTAs and other distribution partners may shift as industry dynamics change, and these third parties may be less willing to partner with **Sonder-us** as such shifts occur. For example, should a significant distribution partner adjust its platform to compete more directly with **Sonder-us**, that partner may be more likely to promote and sell its own offerings, impose additional conditions on **Sonder-us** or even cease listing **our** **Sonder's** units. Similarly, if any significant distribution partner decided to sell another competitor's offerings over **ours** **Sonder's**, it could adversely impact **our** **Sonder's** sales and harm **our** **Sonder's** business, operating results, and prospects. Furthermore, any negative publicity related to any of **its-our** distribution partners, including any negative publicity related to quality standards, regulatory issues, **or privacy** or safety concerns at other properties listed by a particular channel partner, could adversely affect **our** **Sonder's** reputation and brand, and could potentially lead to increased regulatory or litigation exposure. Business generated through indirect channels could adversely affect guest loyalty and poses other risks to **Sonder-us**. **Our** **Sonder's** strategy includes increasing the proportion of stays booked directly with **Sonder-us** through **its-our** website, mobile app, and **direct-our** sales ~~team~~ **personnel**, but **it-we** may be unsuccessful in increasing direct bookings, and **it-we** ~~expects~~ **expect** to continue to rely to a significant extent on bookings through OTAs and other Internet-based travel intermediaries. In **the year ended December 31, 2020-2022**, **nearly-over** half of **our** **Sonder's** revenues were attributable to bookings through OTAs and other indirect channels. Major Internet search companies also provide online travel services that compete with **our** **Sonder's** direct bookings. If indirect channels increase in popularity, these intermediaries may be able to obtain higher commissions or other concessions from **Sonder-us**. Some travel intermediaries are also entering into arrangements that compete with **Sonder-us** more directly, such as partnering with hotel owners to provide access to technology or consumer data, or to operate under the intermediary's brand. Intermediaries may reduce bookings at **our** **Sonder's** properties by de-emphasizing **its-our** properties in search results on their platforms, or requiring **its-our** listings to meet certain criteria, and other online providers may divert business away from **our** **Sonder's** properties. There can be no assurance that **Sonder-we** will be able to negotiate or maintain favorable terms with intermediaries. Moreover, hospitality intermediaries generally employ aggressive marketing strategies, including significant advertising spending to drive consumers to their websites, and some consumers are conducting an increasing portion of their activities through so-called "super-apps." Consumers may develop brand loyalties to the intermediaries' brands, websites, apps and reservations systems rather than to **ours** **Sonder's**. This may make **our** **Sonder's** branding efforts less effective, reduce guest loyalty and recurring demand, and require **it-us** to increase **its-our** marketing expenses. **Our** **Sonder's** results of operations vary from period-to-period, and historical performance may not be indicative of future performance. **Sonder's** results of operations have historically varied from period-to-period, and **it-we** ~~expects~~ **expect** that **its-our** results of operations will continue to do so for a variety of reasons, many of which are outside of **its-our** control and difficult to predict. Because **its-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** **Sonder's** revenue, expenses, operating results and cash flows, as well as **its-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~~ **Changes in the number** of **its-our** Live Units; • Changes in Occupancy Rates and average length of stay ("LOS"), which dictate many turnover costs; • Seasonal fluctuations in demand, in certain markets; • Pricing fluctuations and the proportion of stays booked with extended stay discounts or promotional pricing; •

The timing and success of changes in amenities and services; • The impact of the continuing COVID-19 pandemic or other public health crises on demand for its accommodations, and on its operating expenses and capital requirements; • The introduction and performance of new properties, amenities, technologies and services, including how quickly new properties are ready for booking by guests; • The effects of, and the extent to which we realize the expected benefits from, our Cash Flow Positive Plan; • 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 signings, renewals and amendments and new lease acquisitions and property openings; • Changes in cash flow due to the unpredictability of guest cancellations; • Changes in the cost of labor and supplies due to inflation and supply chain disruptions; • Economic instability in major markets, and fluctuations in exchange rates; • The introduction of new properties, amenities or services by its competitors; • Declines or disruptions in the hospitality industry, particularly in cities or regions where Sonder generates substantial revenue; • The impact of natural disasters; •, and changes in relationships and / or fees with online travel agencies or other the distribution channels frequency and severity of natural disasters as a result of climate change; • Changes in the mix of stays booked through indirect distribution channels, rather than directly with Sonder; • us, and any changes in the timing of holidays distribution channels' fees or relationships with us other vacation events, or major local events in markets where Sonder operates, such as conferences, and music, film or other cultural festivals; • Unanticipated disruptions or costs due to regulatory issues, including changes in short-term rental laws, hotel regulations, or zoning or accessibility laws; • Litigation and settlement costs, including unforeseen attorneys' fees and costs; • New accounting pronouncements and changes in accounting standards or practices, particularly any affecting the recognition of revenue as well as accounting for leases; • Fluctuations in the fair value of certain of our warrants, the Earn Out related to the Business Combination, and other instruments carried at fair value, which have required and may in the future require us to record non-cash gains or losses in our quarterly results of operations, which may be material and which are driven by changes in our stock price and other factors outside of our control; • Any impairments of the right-of-use assets recorded with respect to our operating leases, or other impairments of long-lived assets, that may be recorded if there are any events or changes in circumstances that indicate that the carrying amount of the long-lived asset might not be recoverable, which would result in additional non-cash expenses in our results of operations; • New laws or regulations, or new interpretations of existing laws or regulations, that harm its business or restrict the hospitality industry, travel, the Internet, e-commerce, online payments, or online communications; and • Other risks described elsewhere herein. Fluctuations in operating results may, particularly if unforeseen, cause Sonder to miss projections it or guidance we may have provided to the public. In addition, a significant portion of our Sonder's expenses and investments, such as our Sonder's leases, are fixed and such fluctuations in operating results may cause Sonder to face short-term liquidity issues, impact its ability to retain or attract key personnel or expand its portfolio of properties, or cause other unanticipated issues. Company-wide margins may also be difficult to predict because a significant portion of the property portfolio will still be opening or only recently operating at any point in time, and therefore will not be comparable to the profitability of more mature units. As a result of the potential variability in our Sonder's quarterly revenue and operating results, it we believes believe that quarter-to-quarter comparisons of its revenue and operating results may not be meaningful, and the results of any one quarter should not be relied upon as an indication of future performance. Although Sonder's long-term success depends, in part June 2022, we announced plans to moderate our pace of signing new real estate contracts and to focus new signings on Sonder's ability countries where we already have operations, we continue to expand our internationally, and Sonder's business is susceptible to risks associated with international operations. Sonder has established properties around the world and continues to expand its operations. Currently, Sonder we maintains maintain properties in the United States, Canada, the United Kingdom, Ireland, continental Europe, Mexico and the United Arab Emirates, and plans plan to continue its efforts to expand globally, including, eventually, in jurisdictions where it does we do not currently operate, such as additional countries in Europe, Asia and Central and South America. Managing a global organization is difficult challenging, time consuming and expensive, and any international expansion efforts that Sonder we undertakes undertake may not be profitable in the near or long term or otherwise be successful. Sonder has We have limited operating experience in many foreign jurisdictions and must continue to make significant investments to build its international operations. Conducting international operations subjects Sonder us to risks that it we generally does do not face in the United States. These risks include: • Costs, risks and uncertainties associated with tailoring its services in international jurisdictions as needed to better address and balance both the our needs, the needs of our guests, and the threats of local competitors with compliance under applicable rules and regulations; • Uncertainties in forecasting revenues and expenses in markets where Sonder has we have not previously operated; • Costs and risks associated with international, national, and local and national laws and, regulations and policies governing topics such as zoning (hotels and other accommodations) and permits, accessibility, property development and property rental, accessibility, health and safety, climate change and sustainability, and privacy, as well as labor and employment; • Differences in local real estate and hotel industry practices, including leasing and hotel transaction terms, that may make it difficult challenging for Sonder us to add properties on satisfactory terms or that may require higher than expected upfront payments, security deposits, repair and maintenance expenses, amenity expenses, 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 United States related to conducting business outside the United States U. S., as well as the laws and regulations of non-U. S. jurisdictions governing bribery, anti-money laundering and other corrupt business activities; • Costs and risks associated with human trafficking, modern slavery and forced labor reporting, training and due diligence laws and regulations in various jurisdictions; • Being subject to other laws and regulations, including laws governing online advertising and other Internet

activities, email and other messaging, collection and use and storage of personal information, ownership of intellectual property, taxation and other activities important to our Sonder's online business practices ; • **Additional exposure to adverse movements in currency exchange rates** ; • Competition with companies that understand the local market better than Sonder does we do or who that have preexisting relationships with landlords, property developers, regulators and guests in those markets; • **Uncertainty and possibly adverse Adverse** effects resulting from the U. K.' s exit from the European Union (commonly known as " Brexit "); and • **Reduced or varied protection for intellectual property rights in some countries ; and • Other events or factors, including political, social and macroeconomic factors, hostilities and war (including the 2022 Russian invasion of Ukraine), acts of terrorism or responses to these events** . Entry into certain transactions with foreign entities now or in the future may be subject to government regulations, including review related to foreign direct investment by U. S. or foreign government entities. If a transaction with a foreign entity was is subject to regulatory review, such regulatory review might limit our ability to enter into the desired strategic alliance and thus our ability to carry out our long- term business strategy. Operating in international markets also requires significant management attention and financial resources. 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 without a corresponding benefit. Sonder We cannot guarantee that its our international expansion efforts will be successful. Certain of the measures Sonder we uses use to evaluate its our operating performance are subject to inherent challenges in measurement and may be subject to future adjustments. Sonder We tracks track certain operational metrics, including key performance indicators such as Live Units, Contracted Units, Total Portfolio, Room Nights Booked, Bookable Nights, Occupied Nights, Occupancy Rate, Average Daily Rate (" ADR "), and RevPAR, with internal systems and tools that are not independently verified by any third party. While the metrics presented herein are based on what Sonder we believes believe to be reasonable assumptions and estimates, our Sonder's internal systems and tools have a number of limitations, and our Sonder's methodologies for tracking these metrics may change over time. In addition, limitations or errors with respect to how Sonder we measures measure data or with respect to the data that Sonder we measures measure may affect our Sonder's understanding of certain details of our Sonder's business, which could affect our Sonder's long- term strategies. If the internal systems and tools Sonder we uses use to track these metrics understate or overstate key performance indicators or contain other technical errors, the data Sonder we reports report may not be accurate. If investors do not perceive our operating metrics to be accurate, or if Sonder we discovers discover material inaccuracies with respect to these figures, our Sonder's reputation may be significantly harmed, and our Sonder's results of operations and financial condition could be adversely affected. Our Sonder's business depends on its our reputation and the strength of its our brand , and any deterioration could adversely impact its market share, revenues, business, financial condition, or results of operations. We believe that Sonder's business depends on its reputation and the strength of our its brand. Sonder believes that the strength of its reputation and brand are important to its our ability to attract and retain guests, to compete for attractive new properties, and to establish and preserve good relationships with the communities in which it we operates operate and with local governmental authorities and regulators. Many factors can affect our Sonder's reputation and the value strength of its our brand, including: • The quality of guest service , and the guest experience , and the from booking through check- out; • The nature and severity of guest complaints; • Guest safety and their perception of safety; • Sonder's guest Guest privacy and data security practices, and any breaches of privacy or data security ; • Sonder's approach, including the security incident involving unauthorized access to health and cleanliness within units and common areas one of our systems, which included certain guest records, that we announced in November 2022 ; • Publicized incidents in or around its our properties; • Employee and labor relations; • Any local concerns about perceived over- tourism or the effect of new hotels or other accommodations on affordable housing, noise or neighborhood congestion; • Our Sonder's support for local communities, and other community relations matters; • Our Sonder's approach to supply chain management, sustainability, human rights , diversity, equity, and inclusion (" DEI ") , and other matters relating to corporate social responsibility; • Our Sonder's ability to protect and use its our brand and trademarks; and • Any perceived or alleged non- compliance with regulatory requirements. 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 Sonder us, its our brand , and its our properties. It may be difficult to control or effectively manage negative publicity, regardless of whether it is accurate. Our Sonder's ability to control its our reputation and brand is also limited due to the role of third parties in its our business. For example, guests who book stays through OTAs and other indirect channels sometimes have issues with their bookings that Sonder does we do not control, such as refund and cancellation terms, which may result in disputes or otherwise negatively affect our Sonder's reputation. Sonder We also relies rely on third- party companies to provide some guest services, including housekeeping and linen services at many of its our locations, and remote guest support. Sonder does We do not directly control these companies or their personnel. Sonder We also depends depend upon its our landlords to perform important maintenance and other functions at its our properties, particularly in common areas, and at many properties Sonder does we do not control access to or amenities at the entire building, including pools, gyms and food and beverage services. Guest complaints or negative publicity about our Sonder's properties, services or business activities, due to its our own operations or actions or omissions of third parties, could diminish consumer confidence in the Sonder brand and impair its our relationships with guests, landlords, governmental authorities, local residents, third- party business partners, and others that are important to its our business. Sonder We may become involved in claims, lawsuits, and other proceedings that could adversely affect its our business, financial condition, and results of operations. Sonder is We are involved in various legal proceedings relating to matters incidental to the ordinary course of its our business , and may be subject to additional legal proceedings from time to time. Such legal actions include tort and other general liability claims, employee claims, consumer protection claims, violations violation of privacy claims, commercial disputes, claims by guests, claims under state and federal law, intellectual property claims, and disputes with landlords. Due to the potential risks, expenses, and uncertainties of litigation, Sonder we may, from time to time, settle

disputes even where ~~it has~~ **we have** meritorious claims or defenses. ~~Sonder-We~~ **We** may also be the subject of subpoenas, requests for information, reviews, investigations, and proceedings (both formal and informal) by governmental agencies regarding ~~its~~ **our** business activities. Legal ~~and regulatory~~ proceedings can be time-consuming, divert management's attention and resources, and cause ~~Sonder-us~~ **us** to incur significant expenses or liability for substantial damages. The timing and amount of these expenses and damages are difficult to estimate and subject to change, and they could adversely affect ~~its-our~~ **our** business, financial condition, and results of operations. ~~Sonder-We~~ **We** may be subject to liability for the activities of ~~its-our~~ **our** guests or other incidents at ~~its-our~~ **our** properties, which could harm ~~its-our~~ **our** reputation and increase ~~its-our~~ **our** operating costs. ~~Sonder-We~~ **We** may be subject to claims of liability based on events that occur during guests' stays, including those related to robbery, injury, illness, death, physical damage to property, and other similar incidents. These claims could increase ~~our~~ **our** ~~Sonder's~~ **our** operating costs and adversely affect ~~its-our~~ **our** business and results of operations, even if they do not result in liability, as ~~Sonder-we~~ **we** may incur costs related to investigation and defense. This risk is heightened due to the fact that, in many cases, ~~Sonder does-we do~~ **we do** not control access to certain areas of buildings in which ~~its-our~~ **our** units are located. From time to time, ~~Sonder-we~~ **we** must also spend time and resources resolving issues with guests who remain past their paid stay, which results in lost revenue and higher costs. If ~~Sonder is-we are~~ **we are** subject to additional disputes, liability or claims of liability relating to the acts of ~~its-our~~ **our** guests, third parties in or around ~~our~~ **our** ~~Sonder's~~ **our** leased properties (including residents of these properties who are not ~~Sonder-our~~ **our** guests) or the condition of the leased properties, ~~Sonder-we~~ **we** may be subject to negative publicity, incur additional expenses, face regulatory or governmental scrutiny, and be subject to liability, any of which could harm ~~its-our~~ **our** business and operating results. ~~Sonder-is-We are~~ **we are** subject to claims and liabilities associated with potential health and safety issues and hazardous substances at ~~Sonder-our~~ **our** properties. ~~Sonder-We~~ **We** and the developers and owners of ~~its-our~~ **our** leased properties are exposed to potentially significant liabilities and compliance costs as a result of any hazardous or unsafe conditions at ~~its-our~~ **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, such as asbestos, mold, radon gas, or lead, 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-our~~ **our** authority to conduct operations. Any impairment of ~~Sonder's-or-our~~ **our** ~~its-or-our~~ **our** landlords' authority to permit hospitality operations at ~~its-our~~ **our** leased properties, due to these factors, could harm ~~its-our~~ **our** reputation and revenue. ~~Sonder-We~~ **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 ~~its-our~~ **our** currently or formerly leased or managed properties, even if ~~it-we~~ **we** did not know of or cause the presence or release of the substances or conditions, and even where this is contractually the responsibility of ~~its-our~~ **our** landlord. The presence or release of toxic, unhealthy or hazardous substances or conditions at ~~our~~ **our** ~~Sonder's~~ **our** properties 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 ~~its-our~~ **our** landlords and guests. For example, ~~Sonder-has~~ **we have** engaged in litigation with one of ~~its-our~~ **our** landlords relating to the presence of toxic mold at one property, and ~~it-has~~ **we have** faced expensive and disruptive claims relating to Legionella bacteria contamination in the water supply at another property, including lawsuits by guests. ~~Sonder-We~~ **We** ~~expects-~~ **expect** to 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 ~~its-our~~ **our** business, reputation, results of operations and financial condition. Environmental, health and safety requirements have also become increasingly stringent, and ~~our~~ **our** ~~Sonder's~~ **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~~ **our** ~~Sonder's~~ **our** properties or result in significant additional expense and restrictions on ~~its-our~~ **our** business operations. ~~Sonder-relies-We rely~~ **we rely** on ~~its-our~~ **our** third-party landlords to deliver properties to ~~it-us~~ **us** in a safe and suitable condition, and in most cases ~~it does-we do~~ **we do** not undertake to independently verify the safety, suitability or condition of the properties ~~it-we leases-~~ **lease**. ~~Sonder-We~~ **We** ~~expects-~~ **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 ~~its-our~~ **our** leases and applicable law. If unsafe or unhealthy conditions are present or develop at ~~our~~ **our** ~~Sonder's~~ **our** properties, ~~its-our~~ **our** guests may be harmed, ~~it-we~~ **we** may be subject to expensive and disruptive claims, and ~~its-our~~ **our** reputation, business, results of operations, and financial condition could be materially and adversely affected. ~~Sonder-is-~~ **In certain cases, we may undertake to terminate a lease based on a landlord's failure to remediate an unsafe or unhealthy condition at the property, in which case we could be subject to costly litigation which could harm our business and operating results. We are** subject to the risk of financial and reputational damage due to fraud. ~~Sonder-has-We have~~ **we have** from time to time experienced, and ~~expects-~~ **expect** to continue to experience, fraud in connection with bookings and payments. The methods used by perpetrators of fraud are complex and constantly evolving. ~~Sonder-We~~ **We** ~~devotes-~~ **devote** substantial resources to trust and security measures, but they may not detect all fraudulent activity or prevent stays that are disruptive or harmful to neighbors or other guests. As a result, ~~Sonder-we~~ **we** ~~expects-~~ **expect** to continue to receive complaints from guests and requests for reimbursement of their payments, as well as actual or threatened related legal action against ~~it-us~~ **us**, due to fraudulent activity or the actions of persons booking stays under false pretenses. ~~We depend~~ **Sonder may focus on rapid innovation, expansion and growth, over short-term financial results. Sonder often emphasizes innovation and growth, sometimes over short-term financial results. It has taken actions in the past and may continue to make decisions that have the effect of reducing its short-term revenue or** ~~our~~ **our** profitability if it believes that the decisions will benefit long-term revenue and profitability through enhanced guest experiences, penetration of new markets, greater familiarity with the Sonder brand, or otherwise. The short-term reductions in revenue or profitability could be more severe than anticipated. These decisions may not produce the expected long-term benefits, in which case Sonder's growth, guest experience, relationships with developers and landlords, and business and results of operations could be harmed. Sonder depends on its key personnel and other highly skilled personnel, and if

Sonder ~~we fails~~ ~~fail~~ to attract, retain, motivate or integrate ~~its~~ ~~our~~ personnel, ~~its~~ ~~our~~ business, financial condition and results of operations could be adversely affected. ~~Our~~ ~~Sonder~~'s success depends to a significant degree on the continued service of ~~its~~ ~~our~~ founders, senior management team, key technical, financial and operations employees and other highly skilled personnel and on ~~its~~ ~~our~~ ability to identify, hire, develop, promote, motivate, retain, and integrate highly qualified personnel for all areas of ~~its~~ ~~our~~ organization. ~~Sonder~~ ~~We~~ may not be successful in attracting and retaining qualified personnel to fulfill ~~its~~ ~~our~~ current or future needs. In addition, all of ~~our~~ ~~Sonder~~'s U. S.- based employees, including ~~its~~ ~~our~~ management team, work for Sonder on an at- will basis, and there is no assurance that any such employee will remain with ~~Sonder~~ ~~us~~. Competitors may be successful in recruiting and hiring members of ~~our~~ ~~Sonder~~'s management team or other key employees, and it may be difficult to find suitable replacements on a timely basis, on competitive terms or at all. If ~~Sonder~~ ~~is~~ ~~we~~ ~~are~~ unable to attract and retain the necessary personnel, particularly in critical areas of ~~its~~ ~~our~~ business, ~~it~~ ~~we~~ may not achieve ~~its~~ ~~our~~ strategic goals. ~~Sonder~~ ~~We~~ ~~faces~~ ~~face~~ intense competition for highly skilled personnel, especially in the San Francisco Bay Area ~~all areas of our business~~, the Dallas-Fort Worth metroplex, Denver and Montreal where it has the move by companies to offer a substantial presence and need ~~remote or hybrid work environment may increase the competition~~ for employees highly skilled personnel. To attract and retain top talent, ~~Sonder~~ ~~has~~ ~~we~~ ~~have~~ had to offer, and ~~it~~ ~~we~~ ~~believes~~ ~~believe~~ ~~it~~ ~~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~~ ~~Sonder~~'s equity awards declines, ~~including due to the decline in our stock price since the consummation of the Business Combination~~, it may adversely affect ~~its~~ ~~our~~ ability to attract and retain highly qualified personnel. ~~Sonder~~ ~~Our~~ continued focus on operational efficiencies, particularly after the restructuring that we announced in June 2022 and the additional reduction in corporate headcount that we announced on March 1, 2023, may cause additional uncertainty among existing and prospective employees, which may make it more difficult to retain or attract highly qualified personnel for important roles. ~~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 ~~it~~ ~~we~~ may never realize returns on these investments. ~~In addition, prolonged remote work, as well as the impacts of COVID- 19 more generally, introduced new dynamics into the households of many of our employees, including struggling with work- life balance, and we experienced and may continue to experience higher levels of attrition.~~ If ~~Sonder~~ ~~is~~ ~~we~~ ~~are~~ unable to effectively manage ~~its~~ ~~our~~ hiring needs or successfully integrate new hires, ~~its~~ ~~or~~ ~~effectively~~ ~~retain~~ ~~current~~ ~~employees~~, ~~our~~ efficiency, ability to meet forecasts and employee morale, productivity and retention could suffer, which could adversely affect ~~its~~ ~~our~~ business, financial condition, and results of operations. ~~Sonder~~ ~~is~~ ~~We~~ ~~are~~ subject to risks associated with the employment of hospitality personnel, particularly at locations that employ unionized labor, and the use of third- party guest services contractors. ~~Our~~ ~~Sonder~~'s hospitality employees and other guest services personnel are critical to ~~its~~ ~~our~~ ability to add properties, maintain ~~its~~ ~~our~~ units, enhance the guest experience, and attract and retain guests. If ~~its~~ ~~our~~ relationship with employees in any city or at any key property, or within ~~its~~ ~~our~~ central guest services function, deteriorates for any reason, ~~its~~ ~~our~~ reputation, guest relationships and revenue may suffer, and ~~it~~ ~~we~~ may incur costs to replace and retrain additional personnel or third- party contractors. In addition, many of ~~our~~ ~~Sonder~~'s guest services representatives and housekeepers who provide services to ~~Sonder~~ ~~us~~, and ~~its~~ ~~our~~ guests are employed by third- party agencies, which ~~it~~ ~~does~~ ~~we~~ ~~do~~ not control. ~~Our~~ ~~Sonder~~'s business and reputation could be harmed in the event of any dispute with these agencies by their staff or with ~~Sonder~~ ~~us~~, or if their staff do not provide services that meet ~~Sonder~~'s or ~~our~~ ~~its~~ ~~or~~ ~~our~~ guests' standards and expectations. Guest services, live support for guest bookings, and ~~our~~ ~~Sonder~~'s expenses may also be adversely affected by any event that disrupts the operations of ~~our~~ ~~Sonder~~'s third- party guest services contractors. For example, the typhoon that struck the Philippines in December 2021 disrupted ~~our~~ ~~Sonder~~'s outsourced service center there, causing temporary delays in guest responses and other temporary disruptions in ~~our~~ ~~Sonder~~'s operations. In addition, labor costs are a significant component of ~~our~~ ~~Sonder~~'s operating expenses, and any increase in the cost of wages, benefits or other employee- related costs could cause ~~its~~ ~~our~~ results of operations and cash flow to be lower than anticipated. Certain cities have also adopted re- hiring ordinances and other requirements with respect to hotel and other hospitality employees, and these and other employment regulations may increase ~~our~~ ~~Sonder~~'s costs and impair ~~its~~ ~~our~~ operations. Like other businesses in the hospitality industry, ~~Sonder~~ ~~we~~ may be adversely affected by organized labor activity. ~~Certain~~ ~~A~~ ~~small~~ ~~portion~~ of ~~our~~ ~~Sonder~~'s non- U. S. employees are currently represented by labor unions and / or covered by a collective bargaining agreement. Union, worker council or other organized labor activity may occur at other locations. ~~Sonder~~ ~~We~~ cannot predict the outcome of any labor- related proposal or other organized labor activity. Increased unionization of ~~its~~ ~~our~~ workforce or other collective labor action, new labor legislation or changes in regulations could be costly, reduce ~~our~~ ~~Sonder~~'s staffing flexibility or otherwise disrupt ~~its~~ ~~our~~ operations, and reduce ~~its~~ ~~our~~ profitability. From time to time, hospitality operations may be disrupted because of strikes, lockouts, public demonstrations or other negative actions and publicity involving employees and third- party contractors. ~~Sonder~~ ~~We~~ may also incur increased legal costs and indirect labor costs because of disputes involving ~~its~~ ~~our~~ workforce. The resolution of labor disputes or new or renegotiated labor contracts could lead to increased labor costs, which are a significant component of ~~our~~ ~~Sonder~~'s operating 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 ~~Sonder~~ ~~occupies~~ ~~we~~ ~~occupy~~, which could harm ~~its~~ ~~our~~ guests' experience and reduce bookings at the affected property. ~~Sonder~~ ~~has~~ ~~We~~ ~~have~~ identified a material weakness ~~weaknesses~~ in ~~its~~ ~~our~~ internal control over financial reporting, and may identify material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of ~~its~~ ~~our~~ consolidated financial statements. ~~We~~ ~~Sonder~~ ~~has~~ identified a material weakness ~~weaknesses~~ in our internal control over financial reporting as of December 31, 2022 and 2021, which, if not remediated, could affect the reliability of our consolidated financial statements and have other adverse consequences. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a

material misstatement of its ~~our~~ annual or interim consolidated financial statements will not be prevented or detected on a timely basis. We previously identified material weaknesses that related to our financial closing and reporting process and to our general information technology controls in 2020, which ~~have had~~ been remediated as of December 31, 2021. ~~The~~ **However, we have identified** material weakness ~~weaknesses~~ in internal control over financial reporting ~~that we identified~~ as of December 31, **2022 and 2021, and that we** are currently working to remediate, ~~relates related to~~ **(i) the process design and implementation of systems to capture and record lease agreements timely and accurately and (ii) the processes**. ~~We have concluded that this material weakness in our place to design and test the operating effectiveness of internal control over financial reporting is in a timely manner and to monitor and provide oversight over the completion of our assessment of internal controls over financial reporting. We have concluded that these material weaknesses in our internal control over financial reporting are~~ due to the fact that we ~~have limited resources and have not had the necessary business processes and related internal controls formally designed and implemented for a sufficient period of time~~. ~~In~~ **To remediate the material weakness related to the process to capture and record lease agreements timely and accurately, we have identified improvements related to our lease administration process that we plan to implement in 2023 and will provide additional additional training to personnel responsible for the relevant controls. Analysis and testing of the controls will be performed throughout 2023, at which time we will make a determination on whether the material weakness has been fully remediated. To remediate the material weakness related to the process in place to design, test the operating effectiveness of, monitor, and provide oversight over our assessment of internal controls over financial reporting, we have invested in additional resources with the requisite skills and improved our process and controls over financial reporting. However, these remediation efforts have not operated for a sufficient period had the appropriate resources and the appropriate level of experience time, and technical expertise to oversee our business processes and controls as such, we will continue the efforts throughout 2023, at which time we will make a determination on whether the material weakness has been fully remediated.** ~~To~~ **Our inability to remediate this material weakness, Sonder has engaged may make it more difficult for us to make a third party consultant and is developing formal policies and procedures determination about the remediation of any of our material weaknesses in internal controls. Although we remain committed to taking actions to remediate these material weaknesses in our internal control over financial reporting as we work our lease administration process, implementing a lease administration and accounting system, and providing additional training to enhance our personnel responsible for the relevant controls control. Sonder environment, we** can give no assurance that our efforts will succeed in remediating ~~this these deficiency deficiencies~~ in internal control over financial reporting or that additional material weaknesses in our internal control over financial reporting will not be identified in the future. Our failure to remediate ~~this deficiency these material weaknesses~~, or to ~~implement and maintain effective internal control over our lease accounting data, could result in errors in our consolidated financial statements. Sonder's failure to implement and maintain effective internal control over financial reporting, could result in errors in our consolidated financial statements, including errors that could result in a restatement of our consolidated financial statements, and could cause us to fail to meet our reporting obligations and result in other adverse consequences, such as potential delisting from Nasdaq, other regulatory investigations and civil or criminal sanctions, or claims or litigation against us~~, any of which could diminish investor confidence in us and cause a decline in the price of ~~the our~~ common stock ~~and publicly traded warrants~~. ~~Failure~~ **If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired, which may adversely affect investor confidence in us and**, as a result, the market price of our common stock. As a public company, we are required to comply with the requirements of the Sarbanes- Oxley Act, including, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we ~~will~~ file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that information required to be disclosed in reports under the Securities Exchange Act of 1934, as amended, or the Exchange Act, is accumulated and communicated to our management, including our principal executive and financial officers. We are also ~~We are also~~ continuing to improve our internal control over financial reporting. As disclosed elsewhere in this report, we have identified ~~a material weakness weaknesses~~ in our internal control over financial reporting. Pursuant to the SEC rules that implement Section 404 of the Sarbanes- Oxley Act, beginning with ~~this our second~~ annual report on Form 10- K, as a public company, we ~~are will be~~ required to make a formal assessment of the effectiveness of our internal control over financial reporting, and once we cease to be an emerging growth company, we will be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with these requirements within the prescribed time period, we ~~have engaged will be engaging~~ in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants, and adopt a detailed work plan to assess and document the adequacy of our internal control over financial reporting, validate through testing that controls are functioning as documented, and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed time period or at all, that our internal control over financial reporting is effective as required by Section 404 of the Sarbanes- Oxley Act. Moreover, our testing, or the subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. Any failure to implement and maintain effective disclosure controls and procedures and internal control over financial reporting, including the identification of one or more material weaknesses, could cause investors to lose confidence in the accuracy and completeness of our financial statements and reports, which would likely adversely affect the market price of ~~our publicly traded securities and could~~ subject ~~Sonder us~~ to ~~claims, litigation, and / or~~ potential delisting

from Nasdaq. **In addition, we could be subject to sanctions or any investigations by other-- the** stock exchange on which our stock is securities are listed or to, the SEC and other regulatory authorities investigations and civil or criminal sanctions. If **Sonder is we are** unable to adapt to changes in technology, **our** Sonder's business could be harmed. **Our** The Sonder website and mobile app, and the technology- enabled features of **its-our** units, are critical to **our** Sonder's business, and guests increasingly demand technology- driven features and amenities when they seek accommodations. Therefore, **Sonder-we** will need to continuously modify and enhance **its-our** services and business systems to keep pace with technological changes. **Sonder** **We** may not be successful in developing 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 which could result in a failure to meet **our** Sonder's financial projections or divert resources from other business initiatives. In addition, if **our** Sonder's properties, website or mobile app, or internal systems fail to operate effectively with future technologies, **Sonder-we** could experience guest dissatisfaction, lost revenue, difficulties in providing customer service or adding new properties to **its-our** portfolio, or other disruptions in **its-our** operations, any of which could materially harm **its-our** business. **Sonder-relies** **We rely** on certain third- party technologies and services, and any failures of or defects in these technologies or any inability to obtain or integrate third- party technologies could harm **our** Sonder's business. **Sonder-relies** **We rely** on software and other technologies and services supplied by third parties to provide certain services to **Sonder-us** and **its-our** guests, including internal communications, customer service communications, **web hosting**, payment processing of guest credit cards, **fraud prevention**, lease management, accounting and other internal functions, and other technologies employed to facilitate bookings and guests' use and enjoyment of **our** Sonder's properties, such as digital locks and streaming television services. **Sonder** **As new technology is developed, integration of our products and services with one another and other companies' s-offerings creates an increasingly complex ecosystem that is also partly reliant on third parties. Our** business may be adversely affected to the extent such software, services and technologies contain errors or vulnerabilities, are compromised or experience outages, or otherwise fail to meet expectations. **Errors, outages, vulnerabilities and other issues with third- party software, services and technologies have occurred in the past, and additional issues can be expected to occur in the future. Third- party vendors may also fail to provide timely and effective support**. Any of these risks could increase **our** Sonder's costs and adversely affect **its-our** business, financial condition, and results of operations. **In addition, we are in the process of implementing additional third- party systems and other infrastructure, and we may encounter unexpected difficulties or disruptions in implementing or integrating these systems, possibly including disruptions to critical systems or other unanticipated effects on existing systems or other concurrent technology development projects.** When **Sonder-we** incorporates- **incorporate** technology from third parties **with our** into Sonder's technology or otherwise use **it to operate our business**, **Sonder-we** cannot be certain that **its-our** licensors are not infringing the intellectual property rights of others or that **its-our** suppliers and licensors have sufficient rights to the technology in all jurisdictions in which **Sonder-we** may operate. If **Sonder is we are** unable to obtain or maintain rights to any of this technology because of intellectual property infringement claims brought by third parties against **its-our** suppliers and licensors or against **Sonder-us**, **our** Sonder's ability to operate some aspects of **its-our** business could be severely limited and **its-our** business could be harmed. In addition, some of **our** Sonder's license agreements may be terminated by **its-our** licensors for convenience. If **Sonder is we are** unable to obtain necessary technology from third parties, **it-we** may be forced to acquire or develop alternate technology, which may require significant time and effort and may be of lower quality or performance standards. This would limit and delay **its-our** ability to provide new or competitive offerings and increase **its-our** costs. In addition, **Sonder-we** may be unable to enter into new agreements on commercially reasonable terms or develop **its-our** own technologies and amenities relying on or containing technology previously obtained from third parties. If alternate technology cannot be obtained or developed, **Sonder-we** may not be able to offer certain functionality to **our** guests or manage **its-our** business as **it-we** had intended, which could adversely affect **its-our** business, financial condition, and results of operations. **Sonder-relies** **See the risk factor titled " Our processing, storage, use and disclosure of personal data and other sensitive data expose us to risks of internal or external security breaches and could give rise to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of guest loyalty or sales; and other adverse consequences " for further information concerning certain risks related to our reliance on third parties. We rely** on a third- party payment processor to process payments made by guests, and if **it-we** cannot manage **its-our** relationships with such third parties **party** and other payment- related risks, **its-our** business, financial condition and results of operations could be adversely affected. **Sonder-relies** **We rely** on a third- party payment processor to process payments made by guests. If **its-our** third- party payment processor terminates its relationship with **Sonder-us** or refuses to renew its agreement with **Sonder-us** on commercially reasonable terms, **Sonder-we** would need to find an alternate payment processor, and **we** 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 **its-our** third- party payment processors- **processor** may fail to meet **our** Sonder's expectations, contain errors or vulnerabilities, be compromised or experience outages. Any of these risks could cause **Sonder-us** to lose **its-our** ability to accept online payments or other payment transactions or make timely payments to landlords, any of which could adversely affect **our** Sonder's ability to attract and retain guests or disrupt **our** Sonder's operations. Nearly all payments made to **Sonder-us** by **its-our** guests are made by credit card, debit card or through a third- party payment service, which subjects **Sonder-us** to certain regulations and to the risk of fraud. **Sonder** **We** may in the future offer new payment options to guests that may be subject to additional regulations and risks. **Sonder is We are** also subject to a number of other laws and regulations relating to the payments **it-we accepts- accept** from **its-our** guests, including with respect to money laundering, money transfers, privacy, and information security, and these regulations may differ by locality and can be expected to change over time. **Our** Sonder's processing, storage, use and disclosure of personal data **and other sensitive data exposes- expose it us** to risks of internal or external security breaches and could give rise to **liabilities- regulatory investigations or actions; litigation; fines** and /

penalties; disruptions of or our damage to business operations; reputation-reputational harm; loss of revenue or profits; loss of guest loyalty or sales; and other adverse consequences. In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, processing) personal data and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, sensitive third-party data, business plans, transactions, and financial information (collectively, sensitive data). The security of this sensitive data, including guests' personal data, is essential to maintaining consumer confidence in our Sonder's services. Among other things, Sonder we may collect guests' name, birthdate, credit card data, proof of identity (including government-issued identification numbers and images of government-issued identification documents) and other personal information as part of the booking process. Cyberattacks by individuals Cyber-attacks, groups malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information technology systems, and those of the third parties upon which we rely. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation-state-sponsored organizations-supported actors. Some actors now engage and are increasing-expected to continue to engage in frequency-cyber-attacks, including without limitation nation-state actors for geopolitical reasons and sophistication-in-conjunction with military conflicts and defense activities are constantly evolving. For example, cyberattacks-cyber-attacks may increase as a result of the Russian invasion of Ukraine in 2022. We and the Security breaches may also occur due to misuse or misappropriation of guests' personal data by employees or third parties upon which we rely are subject to a variety of evolving threats, including but not limited to social-party contractors-engineering attacks (including through phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks (such as credential stuffing), credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, adware, telecommunications failures, earthquakes, fires, floods, and other similar threats. Any security breach whether instigated internally or externally on our Sonder's systems or third-party systems could significantly harm our Sonder's reputation and therefore its-our business, brand, market share and results of operations. In particular It is possible that computer circumvention capabilities, new discoveries-severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in or our advances or operations, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate other-- the negative impact of developments, including Sonder's own acts or omissions, could result in a ransomware attack, but we compromise or breach of consumer data. Techniques used to obtain unauthorized access to systems change frequently and may not be unwilling known until launched against Sonder or its third-party service providers. Security breaches can also occur as a result of non-technical issues, including social engineering and other intentional or inadvertent actions by Sonder's employees, its third-party service providers, or their personnel. For- or unable to make such payments due to, for example, applicable laws third parties may attempt to fraudulently induce employees or regulations prohibiting such payments guest 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 Sonder's information technology systems or to defraud its partners or guests. We have Third parties may also attempt to take over consumer accounts by using passwords, usernames and other personal information obtained elsewhere to attempt to login to consumer accounts on Sonder's platforms. Sonder has experienced targeted and organized phishing and account takeover attacks and may experience more in the future. These risks are likely to increase as Sonder we expands-expand its-our business, integrates-integrate its-our products and services with those of third parties or at new properties, and stores-store and processes-process more data, including personal information-data. Our Sonder's efforts to protect information from unauthorized access may be unsuccessful or may result in the rejection of legitimate attempts to book reservations, each of which could result in lost business and have a material adverse effect on its-our business, reputation, and results of operations. Sonder-In addition, our reliance on third-party service providers could introduce new cybersecurity risks and vulnerabilities, including supply-chain attacks, and other threats to our business operations. We rely on third-party service providers and technologies to operate critical business systems to process sensitive data in a variety of contexts, including, without limitation, cloud-based infrastructure, data center facilities, employee email, content delivery to guests, and other functions. We also rely on third-party service providers to provide other products, services, or technologies. Our ability to monitor these third parties' s-information security practices is limited, and these third parties may not have adequate information security measures in place. If our third-party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third-party partners' supply chains have not been compromised. See the risk factor titled "We rely on certain third-party technologies and services, and any failures of or defects in these technologies or any inability to obtain or integrate third-party technologies could harm our business" for further information concerning certain risks inherent to our reliance on third parties. Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive data or our information technology systems, or those of the third parties upon whom we rely. A security incident or other interruption could disrupt our ability (and that of third parties upon whom we rely) to provide our services. We may expend significant resources or modify our business

activities to try to protect against security incidents. Additionally, certain data privacy and security obligations may require us to implement and maintain specific security measures or industry- standard or reasonable security measures to protect our information technology systems and sensitive data. Our existing security measures may not be successful in preventing security breaches and other incidents. For example, A party (whether internal, external in November 2022, we received an affiliate or unrelated third party) email from an unknown threat actor alleging to have accessed certain sensitive data. We immediately commenced an investigation and discovered that is able to circumvent a single account in one of our cloud- hosted accounts containing information regarding certain guests, including name, address, email address, phone number, date of birth, government- issued photo identification, last four digits of credit card number, username, guest transaction receipts, IP address, and / or dates booked for past stays at Sonder properties, had been subject to unauthorized access. Upon discovery, we took immediate steps to address the incident, including disabling the threat actor's access to the single cloud- hosted account at issue, engaging outside counsel and forensic specialists to help determine the nature and scope of the incident, and notifying law enforcement, and we have notified affected consumers and regulators in accordance with applicable law. We have also experienced targeted and organized phishing and account takeover attacks and may experience more in the future. To date, we believe these attacks have been unsuccessful in causing unauthorized transfers of funds, but the outcome of any future attacks is inherently uncertain. Additionally, while we take steps to detect and remediate vulnerabilities, we may not be able to detect and remediate all vulnerabilities in part because the threats and techniques used to exploit the vulnerability change frequently and are often sophisticated in nature. Therefore, such vulnerabilities could be exploited but may not be detected until after a security systems could steal consumer information, transaction data, trade secrets incident has occurred. These vulnerabilities may pose material risks to or our other proprietary business. or For example, in confidential information. In connection with the audit of its our 2020 financial statements, Sonder we and its our independent auditors identified deficiencies a material weakness in its our controls over system access, program change management and computer operations that are intended to ensure that access to data is adequately restricted. Although Sonder is attempting This material weakness was remediated as of December 31, 2021, but we may experience or identify additional material weaknesses relating to information security systems and vulnerabilities. Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities. Security incidents, including the aforementioned, whether actual or perceived, experienced by us or third parties on whom we rely may result in adverse consequences, such as government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and / or oversight; restrictions on processing sensitive data (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant consequences may cause guests to stop using our services, deter new guests from using our services, and negatively impact our ability to grow and operate our business, including by damaging our reputation. We incur costs in an effort to detect and prevent security breaches and other security- related incidents and we expect our costs will increase as we make improvements to our systems and processes designed to prevent further breaches and incidents. In the event of a future breach or incident, we could be required to expend additional significant capital and other resources in an effort to prevent further breaches or incidents, which may require us to divert substantial resources. Moreover, we could be required or otherwise find it appropriate to expend significant capital and other resources to respond to, notify third parties of, and otherwise address the incident or breach and its root cause. these These deficiencies issues are likely to become more difficult to manage as we expand the number of jurisdictions where we operate and the number and variety of services we offer, and as the tools and techniques used in such attacks become more advanced. Our insurance policies have coverage limits and deductibles and such insurance coverage may not be adequate to reimburse us for any or all losses caused by security breaches or incidents or otherwise related to our data privacy and security obligations, and we cannot be sure that such coverage will continue to be available on commercially reasonable terms or at all. Additionally, our contracts may not contain limitations of liability, and even where they do, there can be no assurance that it will remediate them successfully. In the last few years limitations of liability in our contracts are sufficient to protect us from liabilities, several major companies experienced high- profile damages, or claims related to our data privacy and security breaches that exposed their systems and information and / or their consumers' or employees' personal information, and it is expected that these types of events will continue to occur. Sonder is increasing resources to protect against security breaches. Sonder incurs significant costs in an effort to detect and prevent security breaches and other security- related incidents and it expects its costs will increase as it makes improvements to its systems and processes to prevent further breaches and incidents. In the event of a future breach or incident, Sonder could be required to expend additional significant capital and other resources in an effort to prevent further breaches or incidents, which may require Sonder to divert substantial resources. Moreover, Sonder could be required or otherwise find it appropriate to expend significant capital and other resources to respond to, notify third parties of, and otherwise address the incident or breach and its root cause, and most jurisdictions have enacted laws requiring companies to notify individuals, regulatory authorities and others of security breaches involving certain types of data. Each of these could require Sonder to divert substantial resources. Sonder has experienced and responded to cyberattacks, which it believes have not had a significant impact on the integrity of its systems or the security of data, including customer data maintained by it. These issues are likely to become more difficult to manage as Sonder expands the number of places where it operates and the number and variety of services it offers, and as the tools and techniques used in such attacks become more advanced. Security breaches could result in severe damage to its information technology infrastructure, including damage that could impair its ability to book stays, collect payments or otherwise operate its business, or the ability of consumers to make reservations or access its properties or in- room features and services, as well as loss of

consumer, financial or other data that could materially and adversely affect its ability to conduct its business or satisfy its commercial obligations. Security breaches could also result in negative publicity, damage its reputation, expose it to risk of loss or litigation and possible liability, subject it to regulatory penalties and sanctions, or cause consumers to lose confidence in its security and choose to stay with its competitors, any of which would have a negative effect on its brand, market share, results of operations and financial condition. Sonder's insurance policies have coverage limits and deductibles and may not be adequate to reimburse it for all losses caused by security breaches. Additionally, Sonder's guests could be affected by security breaches at third parties such as OTAs and a security breach at any such third party could be perceived by consumers as a security breach of Sonder's systems, or may decrease confidence in Sonder's security measures, and in any event could result in negative publicity, subject it to notification requirements, damage its reputation, expose it to risk of loss or litigation and possible liability and subject it to regulatory penalties and sanctions. In addition, such third parties may not comply with applicable disclosure requirements, which could expose Sonder to liability. System capacity constraints, or system or operational failures, or denial-of-service or other attacks could materially adversely affect our Sonder's business, results of operations, and financial condition. Since our Sonder's founding, it has we have experienced rapid growth in consumer traffic to its our website and usage of its our app, and its our portfolio of properties has grown and diversified. If our Sonder's technologies, systems, and network infrastructure cannot be expanded or are not scaled to cope with increased demand or fail to perform, it we could experience result in unanticipated disruptions in bookings and guest service, slower response times, decreased guest satisfaction, and delays in launching new properties and markets. Sonder's systems and operations throughout the world may be vulnerable to damage or interruption from human error, computer viruses, earthquakes, floods, fires, power loss, telecommunications failure, terrorist attacks, cyber attacks, acts of war, break-ins, and similar events. A catastrophic event that results in the destruction or disruption of its global or Canadian headquarters, warehouses, or other key facilities (including but not limited to offices in Sonder's major cities), any third-party cloud hosting facilities, or its critical business or information technology systems could severely affect Sonder's ability to conduct normal business operations and result in lengthy interruptions of guest bookings, payments and other operations, which could adversely affect Sonder's business, financial condition, and results of operations. Sonder's systems and operations are also subject to break-ins, sabotage, intentional acts of vandalism, terrorism, and similar misconduct from external sources and malicious insiders. Sonder's existing security measures may not be successful in preventing attacks on its systems, and any such attack could cause significant interruptions in its operations. There are numerous other potential forms of attack, such as phishing, account takeovers, malicious code injections, ransomware, and the attempted use of its platform to launch a denial-of-service attack against another party, each of which could cause significant interruptions in Sonder's operations or involve Sonder in legal or regulatory proceedings. Reductions in the availability and response time of Sonder's app and website could cause guest dissatisfaction and lost revenue, and measures Sonder may take to divert suspect traffic to its website in the event of such an attack could result in the diversion of bona fide customers. These issues are likely to become more difficult to manage as Sonder expands the number of places where it operates and the variety of services it offers, and as the tools and techniques used in such attacks become more advanced and available. Sonder has experienced targeted and organized phishing and account takeover attacks and may experience more in the future. To date, Sonder believes these attacks have been unsuccessful in causing unauthorized transfers of funds but the outcome of any future attacks is inherently uncertain. Successful attacks could result in negative publicity, financial loss, and damage to Sonder's reputation, and could prevent guests from booking stays or receiving services during the attack, any of which could materially adversely affect its business, results of operations, and financial condition. In the event of certain system failures, Sonder we may not have back-up systems, or may be unable to switch to back-up systems immediately, and the time to full recovery could be prolonged. Sonder has We have experienced system failures from time to time, including failures of important guest-facing systems such as keyless entry systems at guest properties. In addition to placing increased burdens on its our engineering staff, these outages can create a significant number of guest issues and complaints that need to be resolved by our Sonder's guest services team. Any unscheduled interruption in our Sonder's service could result in an immediate and significant loss of revenue, an increase in guest support costs (including refunds and reimbursements), and harm our Sonder's reputation, and could result in some consumers switching to competitors or making claims against us. If Sonder we experiences experience frequent or persistent system failures, its our brand and reputation could be permanently and significantly harmed, and its our business, results of operations, and financial condition could be materially adversely affected. Our Sonder's ongoing efforts to increase the reliability of its our systems will be expensive and may not be completely effective in reducing the frequency or duration of unscheduled downtime or in system errors affecting guest experience or our Sonder's operations. Sonder does We do not carry business interruption insurance sufficient to compensate it us for all losses that may occur. Sonder We uses use both internally developed systems and third-party systems to operate its our mobile app, website and other critical infrastructure, including transaction and payment processing, and financial and accounting systems, and certain technology-enabled features at guest properties. We cannot guarantee the reliability or availability of third-party systems. If the number of consumers using its our website increases substantially, or if critical internally developed or third-party systems stop operating as designed, it we may need to significantly upgrade, expand, or repair its our systems and other infrastructure. Sonder We may not be able to upgrade its our systems and infrastructure to accommodate such conditions in a timely manner, and its our systems could be impacted for a meaningful period of time, which could materially adversely affect its our business, results of operations, and financial condition. The software underlying our Sonder's services is highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after the code has been released. Any errors or vulnerabilities discovered in our Sonder's code after release could result in damage to its our reputation, loss of customers guests, disruption to its our sales channels, loss of revenue, or liability for damages, any of which could adversely affect our Sonder's growth prospects and its business. Disruptions in Internet access or guests' usage of their mobile devices could harm our Sonder's business. Our Sonder's business depends on the performance and reliability of the Internet, telecommunications

network operators, and other infrastructures that are not under ~~its-our~~ control. ~~Its-Our~~ revenue and guest experience are also heavily dependent on consumers' ability to interact with ~~its-our~~ mobile app and guest services functions using their mobile devices. Accordingly, ~~Sonder we depends- depend~~ on consumers' access to the Internet through mobile carriers and their systems **and on centralized and property-level systems' Internet access, which has been in the past and may be in the future subject to outages and other disruptions**. Disruptions in Internet access, whether generally, in a specific region or otherwise, could materially adversely affect ~~its-our~~ business, results of operations, and financial condition. Supply chain interruptions may increase ~~our Sonder's~~ costs or reduce ~~its-our~~ revenues. ~~Sonder We depends- depend~~ on good vendor relationships and the effectiveness of ~~its-our~~ supply chain management systems to ensure reliable and sufficient supply, on reasonably favorable terms, of materials used in ~~its-our~~ renovation, building openings and operating activities, such as furniture, linens, unit decor and appliances, lighting, security equipment and consumables. The materials ~~it we purchases- purchase~~ and ~~uses- use~~ in the ordinary course of ~~its-our~~ business are sourced from a wide variety of suppliers around the world, including Vietnam, China, India, and the United States. Disruptions in the supply chain ~~may (including those that result resulted~~ from the COVID- 19 pandemic ~~or and may result from~~ other public health crises), weather- related events, natural disasters, trade restrictions, tariffs, **cyber- attacks, increases in interest rates, inflationary pressures,** border controls, acts of war, terrorist attacks, third- party strikes, work stoppages or slowdowns, shipping capacity constraints, supply or shipping interruptions or other factors beyond ~~its-our~~ control. In the event of disruptions in ~~its-our~~ existing supply chain, the labor and materials ~~it relies we rely~~ on in the ordinary course of ~~its-our~~ business may not be available at reasonable rates or at all. In some cases, ~~it we~~ may rely on a single source for procurement of furniture or other supplies in a given region. ~~Our Sonder's~~ supply chain also depends on third- party warehouses and logistics providers, including a central distribution center in Texas and smaller warehouses in other markets. Any disruption in the supply, storage , or delivery of materials to ~~our Sonder's~~ leased properties could disrupt operations at ~~its-our~~ existing locations or significantly delay ~~its-our~~ opening of a new location, which may cause harm to ~~its-our~~ reputation and results of operations. ~~Sonder We~~ may be subject to liability claims and ~~its-our~~ insurance may be inadequate to wholly cover ~~its-our~~ losses. ~~Sonder is- We are~~ subject to various types of claims and liabilities in the operation of ~~its-our~~ business. Despite the procedures, systems , and internal controls ~~Sonder has- we have~~ implemented to avoid or mitigate risks, ~~it we~~ may experience claims and incur liabilities, whether through a weakness in these procedures, systems and internal controls, or because of negligence or the willful act of an employee, contractor, guest or other third party. ~~Our Sonder's~~ insurance policies may be inadequate to wholly cover the potentially significant losses that may result from claims arising from incidents related to ~~its-our~~ units or leased properties, guest or employee acts or omissions, disruptions in ~~its-our~~ service, including those caused by cybersecurity incidents, failures or disruptions to ~~its-our~~ infrastructure, catastrophic events , and disasters or otherwise. In addition, such insurance may not be available to ~~Sonder us~~ in the future on economically reasonable terms, or at all. Further, the insurance may not cover all claims made against ~~Sonder us and may not cover potentially significant attorneys' fees~~ , and defending a suit, regardless of its merit, could be costly and divert management' s attention. ~~Our Sonder's~~ business is subject to the risks of earthquakes, fire, floods, and other catastrophic events. A significant natural disaster could materially adversely affect ~~our Sonder's~~ business, results of operations, financial condition, and prospects. In addition, climate change could result in an increase in the frequency or severity of natural disasters and cause performance problems with ~~our Sonder's~~ technology infrastructure. Although ~~Sonder we maintains- maintain~~ incident management and disaster response plans, in the event of a major disruption caused by a natural disaster **(such as the typhoon that struck the Philippines in December 2021 and disrupted our outsourced service center there)** or man- made problem, or outbreak of pandemic diseases or other public health crises, including COVID- 19, ~~it we~~ may be unable to continue ~~its-our~~ operations and may experience system interruptions and reputational harm. Acts of terrorism and other geopolitical unrest or armed conflict, such as the 2022 Russian invasion of Ukraine, could also cause disruptions in ~~its-our~~ business or the business of ~~our Sonder's~~ landlords, vendors or other business partners, or the economy as a whole. All of the aforementioned risks may be further increased if ~~our Sonder's~~ disaster recovery plans prove to be inadequate. ~~Our Sonder's~~ technology contains third- party open - source software components, and failure to comply with the terms of the underlying open source software licenses could restrict ~~its-our~~ ability to operate as intended or could increase ~~its-our~~ costs. ~~Our Sonder's~~ technology contains software modules licensed to ~~it 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 ~~our Sonder's~~ technology. Some open - source licenses contain requirements that ~~Sonder we~~ make available source code for modifications or derivative works ~~it we creates- create~~ based upon the type of open source software ~~it we uses- use~~ , or grant other licenses to ~~its-our~~ intellectual property. If ~~Sonder we combines- combine~~ ~~its-our~~ proprietary software with open - source software in a certain manner, ~~it we~~ could, under certain open source licenses, be required to release the source code of ~~its-our~~ proprietary software to the public. This would allow ~~its-our~~ competitors to create similar offerings with lower development effort and time and ultimately could result in a loss of ~~its-our~~ competitive advantages. Alternatively, to avoid the public release of the affected portions of ~~its-our~~ source code, ~~Sonder we~~ could be required to expend substantial time and resources to re- engineer some or all of ~~its-our~~ software. Although ~~Sonder we monitors- monitor~~ ~~its-our~~ use of open - source software to avoid subjecting ~~its-our~~ technology to conditions ~~it does we 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 Sonder's~~ ability to provide or distribute ~~its-our~~ technology. From time to time, there have been claims challenging the ownership of open - source software against companies that incorporate open source software into their solutions. As a result, ~~Sonder we~~ could be subject to lawsuits by parties claiming ownership of what ~~it we believes- believe~~ to be open - source software. Moreover, ~~Sonder we~~ cannot assure you that ~~its-our~~ processes for controlling ~~its-our~~ use of open - source software in ~~its-our~~ technology

will be effective. If ~~Sonder is~~ **we are** held to have breached or failed to fully comply with all the terms and conditions of an open source software license, ~~it we~~ could face infringement or other liability, or be required to seek costly licenses from third parties to continue providing ~~its our~~ offerings on terms that may not be economically feasible, re-engineer ~~its our~~ technology, discontinue or delay the provision of ~~its our~~ offerings if re-engineering could not be accomplished on a timely basis or make generally available, in source code form, ~~its our~~ proprietary code, any of which could adversely affect ~~its our~~ business, financial condition and results of operations. ~~Sonder We~~ may be unable to protect ~~its our~~ brand and other intellectual property, and ~~it has~~ **we have** been and may be subject to legal proceedings and claims relating to intellectual property rights. **Our** ~~Sonder's~~ intellectual property is important to ~~its our~~ success. ~~Sonder relies~~ **We rely** on a combination of trademark, copyright, and trade secret laws, employee ~~,~~ and third-party non-disclosure and / or invention assignment agreements and other methods to protect ~~its our~~ intellectual property. However, these only afford limited protection, and unauthorized parties may attempt to copy aspects of ~~our Sonder's~~ services, technology, mobile app, algorithms, or other features and functionality, or to use information that ~~Sonder we considers~~ **consider** proprietary or confidential. There can be no assurance that any of ~~our Sonder's~~ intellectual property will be protectable by patents, but if it is, any efforts to obtain patent protection that ~~is are~~ not successful may harm ~~our Sonder's~~ business in that others will be able to use ~~our Sonder's~~ technologies. In addition, the laws of some foreign countries do not protect proprietary rights to the same extent as do the laws of the United States. There can be no assurance that the steps taken by ~~Sonder us~~ to protect ~~its our~~ proprietary rights will be adequate or that third parties will not infringe or misappropriate ~~our Sonder's~~ trademarks, copyrights, and similar proprietary rights. ~~Sonder We endeavors~~ **endeavor** to defend ~~its our~~ intellectual property rights diligently, but intellectual property litigation is expensive and time-consuming, and may divert managerial attention and resources from ~~its our~~ business objectives. ~~Sonder We~~ may not be able to successfully defend ~~its our~~ intellectual property rights, which could have a material adverse effect on ~~its our~~ business, brand, and results of operations. From time to time, in the ordinary course of business, ~~Sonder has~~ **we have** been and may be subject to legal proceedings and claims relating to the intellectual property rights of others, and ~~Sonder we expects~~ **expect** that third parties will continue to assert intellectual property claims, in particular trademark claims, against ~~it us~~, particularly as ~~Sonder we expands~~ **expand** the complexity and scope of ~~its our~~ business. Successful claims against ~~Sonder us~~ could result in a significant monetary liability or prevent ~~Sonder us~~ from operating ~~its our~~ business, or portions of ~~its our~~ business. In addition, resolution of claims may require ~~Sonder 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 ~~its our~~ business, results of operations and financial condition. **Our** Various factors that affect the desirability of Sonder units in a particular region or season could adversely affect its ability to attract and retain guests. Sonder's units are often located in popular vacation destinations, some of which are more heavily utilized on a seasonal basis. As a result, its revenue in these regions is heavily dependent upon its ability to maintain occupancy during key seasonal periods. In addition, factors influencing the desirability of its units in a particular city or region or during a specific season could adversely affect Sonder's ability to attract new guests and retain existing guests. A significant natural disaster, health crisis, event of civil unrest, political turmoil or other regional disturbance could reduce the number of available units in or visitors to the affected area, thereby reducing Sonder's revenue. Sonder's properties are concentrated in a relatively limited number of cities, which makes local events and conditions, and the relative appeal of travel to those cities, particularly important to its business and financial results. In addition, Sonder's property leasing and opening process can take substantial time, which may make it more difficult to compete for guests in a newly popular travel destination. Sonder's properties are concentrated in a limited number of cities, which increases ~~its our~~ exposure to local factors affecting demand or hospitality operations. **Our** Sonder's operations are relatively concentrated in a limited number of cities, and ~~Sonder we expects~~ **expect** that the majority of ~~its our~~ operations will continue to be concentrated in a limited number of cities. As of December 31, 2021-2022, ~~our Sonder's~~ five largest cities (New York City, **Dubai**, Philadelphia, New Orleans, **Dubai**, and **Montreal-London**) accounted for approximately 35-38.4% of ~~its our~~ Live Units, and ~~its our~~ 10 largest cities accounted for approximately 60-59.0% of ~~its our~~ Live Units. Geographic concentration magnifies the risk to ~~Sonder us~~ of localized economic, political, public health and other conditions such as ~~national natural~~ disasters. Civil unrest, public health crises, unusual weather, natural disasters ~~,~~ or other factors affecting travel to these cities or other markets in which ~~Sonder is~~ **we are** expanding, as well as changes in local competitive conditions **and regulations affecting the hospitality industry**, may have a disproportionate negative effect on ~~its our~~ revenue and on ~~its our~~ ability to secure sufficient staffing, supplies or services for ~~its our~~ largest markets. ~~Sonder is~~ **We are** exposed to fluctuations in currency exchange rates. Since ~~Sonder we conducts~~ **conduct** a portion of ~~its our~~ business outside the United States but ~~reports~~ **report** ~~its our~~ results in U. S. dollars, ~~it we faces~~ **face** exposure to adverse movements in currency exchange rates, which may cause ~~its our~~ revenue and operating results to differ materially from expectations. In addition, fluctuation in ~~its 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 exchange rate fluctuations, revenue, cost of revenue, operating expenses and other operating results may differ materially from expectations when translated from the local currency into U. S. dollars upon consolidation. For example, if the U. S. dollar strengthens relative to foreign currencies ~~our Sonder's~~ non-U. S. revenue would be adversely affected when translated into U. S. dollars. Conversely, a decline in the U. S. dollar relative to foreign currencies would increase ~~our Sonder's~~ non-U. S. revenue when translated into U. S. dollars. As exchange rates vary, revenue, cost of revenue, operating expenses ~~,~~ and other operating results, when translated, may differ materially from expectations. In addition, ~~our Sonder's~~ revenue and operating results are subject to fluctuation if ~~its our~~ mix of U. S. and foreign currency denominated transactions and expenses changes in the future. ~~Sonder may enter into~~ **We do not currently have** hedging arrangements ~~in order~~ to manage foreign currency exposure. **If we do enter into such arrangements in the future**, but such activity may not completely eliminate fluctuations in ~~its our~~ operating results. **We may focus on rapid innovation, expansion and growth, over short-term financial results. Despite our Cash Flow Positive Plan announced in June 2022, which focuses on rapidly achieving Free Cash Flow positivity, we may decide to**

emphasize innovation and growth over short-term financial results. We have taken actions in the past and may continue to make decisions that have the effect of reducing our short-term revenue or profitability if we believe that the decisions will benefit long-term revenue and profitability through enhanced guest experiences, penetration of new markets, greater familiarity with the Sonder brand, or otherwise. The short-term reductions in revenue or profitability could be more severe than anticipated. These decisions may not produce the expected long-term benefits, in which case our growth, guest experience, relationships with developers and landlords, and business and results of operations could be harmed. Changes in our Sonder's effective tax rate could harm its our future operating results. Sonder is We are subject to federal and state income taxes in the United States and in various international jurisdictions. Our Sonder's provision for income taxes and its 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 options;
- Changes in the valuation of its our deferred tax assets and liabilities;
- Adverse outcomes resulting from any tax audit, including transfer pricing adjustments with respect to intercompany transactions;
- Its Our ability to utilize its our net operating losses, research and development credits, and other deferred tax assets; and
- Changes in accounting principles or changes in tax laws and regulations, or the application of the tax laws and regulations, including possible U. S. changes to the deductibility of expenses attributable to foreign income or the foreign tax credit rules.

Our Additionally, on December 22, 2017, the U. S. enacted the Tax Cuts and Jobs Act of 2017, or the "TCJA", which significantly affected U. S. tax law by changing how the U. S. imposes income tax on multinational corporations. In addition to reducing the corporate income tax rate from 35% to 21%, the TCJA requires complex computations not previously required by U. S. tax law. As such, the application of accounting guidance for such items is currently uncertain. Further, compliance with the TCJA and the accounting for such provisions require preparation and analysis of information not previously required or regularly produced. In addition, the U. S. Department of Treasury has broad authority to issue regulations and interpretive guidance that may significantly impact how Sonder will apply the law and impact its results of operations in future periods. Accordingly, further regulatory or GAAP accounting guidance for the TCJA, Sonder's further analysis on the application of the law, and refinement of Sonder's initial estimates and calculations could materially change Sonder's current provisional estimates of the impact of the TCJA in its financial statements, which could in turn materially affect its tax obligations and effective tax rate. The change in the U. S. Presidential administration in January 2021 may increase the chance for legislative changes to the TCJA provisions. Significant judgment is required in the application of accounting guidance relating to uncertainty in income taxes. If tax authorities challenge Sonder's tax positions, any such challenges that are settled unfavorably could adversely impact Sonder's provision for income taxes. Sonder's corporate structure and intercompany arrangements cause it us to be subject to the tax laws of various jurisdictions, and it we could be obligated to pay additional taxes, which could materially adversely affect its our business, financial condition, results of operations, and prospects. Sonder is We are expanding its our international operations and personnel to support its our business in international markets. Sonder We generally conducts conduct its our international operations through wholly owned subsidiaries and is are or may be required to report its our taxable income in various jurisdictions worldwide based upon its our business operations in those jurisdictions. Our Sonder's intercompany relationships are subject to complex transfer pricing regulations administered by tax authorities in various jurisdictions. The amount of taxes Sonder we pays pay in different jurisdictions may depend on the application of the tax laws of such jurisdictions, including the United States, to its our international business activities, changes in tax rates, new or revised tax laws, interpretations of existing tax laws and policies, and our Sonder's ability to operate its our business in a manner consistent with its our corporate structure and intercompany arrangements. The relevant tax authorities may disagree with our Sonder's determinations as to the income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and its our position was not sustained, Sonder 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 its 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 taxes, withholding taxes, revenue-based taxes, unclaimed property, or other tax laws applicable to the multinational businesses, the results of these changes could increase our Sonder's 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. Demand for our Sonder's products and services could decrease if such costs are passed on to our Sonder's guests, result in increased costs to update or expand our Sonder's technical or administrative infrastructure or effectively limit the scope of our Sonder's business activities should Sonder we decide not to conduct business in particular jurisdictions. Sonder is We are subject to federal, state, and local income, sales, and other taxes in the United States and income, withholding, transaction, and other taxes in numerous foreign jurisdictions. Evaluating its our tax positions and its 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 Sonder's tax obligations and effective tax rates could be adversely affected by changes in the relevant tax, accounting, and other laws, regulations, principles, and interpretations, including those relating to income tax nexus, by recognizing tax losses or lower than anticipated earnings in jurisdictions where it has we have lower statutory rates, or higher than anticipated earnings in jurisdictions where it has we have higher statutory rates, by changes in foreign currency exchange rates, or by changes in the valuation of its our deferred tax assets and liabilities. Sonder We have been and may in the future be audited in various jurisdictions, and such jurisdictions may assess additional taxes (including income taxes, sales taxes, and value added taxes) against it us. Although Sonder we believes believe its our tax estimates are reasonable, the final determination of any tax audits or litigation could differ materially from its our historical tax provisions and accruals, which could have an adverse effect on its our results of operations or cash flows in the period or periods for which a determination is made. Sonder We may be

subject to substantial liabilities if it is determined that ~~Sonder we~~ should have collected, or in the future should collect, additional sales and use, value added or similar taxes. ~~Sonder We~~ currently ~~collects-~~ **collect** and ~~remit-~~ **remit** applicable sales taxes and other applicable ~~transfer~~ **transaction** taxes in jurisdictions where ~~it we~~, through ~~its our~~ employees or economic activity, ~~has have~~ a presence and where ~~Sonder has we have~~ determined, based on applicable legal precedents, that sales of travel accommodations are classified as taxable. ~~Sonder does We do~~ not currently collect and remit state and local excise, utility user, or ~~transfer ad valorem~~ taxes, fees, or surcharges in jurisdictions where ~~it we believes-~~ **believe** ~~it does we do~~ not have sufficient “ nexus. ” 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~~ **Sonder’s** characterization of ~~its our~~ traveler accommodations in certain jurisdictions will be accepted by state and local tax authorities. 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 ~~Sonder ours~~, is a complex and evolving area. ~~Where we~~ **In some instances, Sonder sells- sell its-our** services through OTAs ~~and does, we do~~ not **directly** control how taxes are collected or remitted. There are substantial ongoing costs associated with complying with the various indirect tax requirements in the numerous markets in which ~~Sonder we~~ **conducts-** **conduct** or may conduct business. If an OTA does not collect such taxes from travelers, ~~Sonder we~~ could be held liable for such obligations. The application of existing or future indirect tax laws, whether in the United States or internationally, or the failure to collect and remit such taxes, could materially adversely affect ~~our~~ **Sonder’s** business, financial condition, results of operations, and prospects. Failure to comply with anti- bribery, anti- corruption laws and similar laws, could subject us to penalties and other adverse consequences. ~~Sonder is We are~~ subject to the U. S. Foreign Corrupt Practices Act of 1977, as amended, commonly referred to as the FCPA, the U. S. Travel Act, the United Kingdom Bribery Act 2010, and possibly other anti- bribery and anti- corruption laws in countries outside of the United States in which ~~it we conducts-~~ **conduct** ~~its-~~ 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 sometimes the private sector. ~~Sonder We~~ sometimes ~~engages-~~ **engage** third parties to conduct ~~its our~~ business abroad. ~~Sonder We~~ and ~~its 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 may be held liable for the corrupt or other illegal activities of these employees, agents, representatives, business partners or third- party intermediaries even if ~~Sonder does we do~~ not explicitly authorize such activities. ~~Sonder We~~ cannot guarantee that all of ~~its our~~ employees and agents will not take actions in violation of applicable law, for which ~~Sonder we~~ may be ultimately held responsible. As ~~Sonder we~~ ~~increases-~~ **increase its-our** international sales and business, the risks under these laws may increase. These laws also require that ~~Sonder we~~ keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While ~~Sonder has we have~~ policies and procedures to address compliance with such laws, ~~Sonder we~~ cannot guarantee that none of ~~its our~~ employees, agents, representatives, business partners or third- party intermediaries will take actions in violation of Company policies and applicable law, for which ~~Sonder we~~ may be ultimately held responsible. Any allegations ~~of~~ or **actual** violation of the FCPA or other applicable anti- bribery and anti- corruption 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 U. S. government contracts, all of which may have an adverse effect on ~~our~~ **Sonder’s** reputation, business, results of operations, and prospects. Responding to any investigation or action will likely result in a materially significant diversion of management’s attention and resources and significant defense costs and other professional fees. ~~Sonder is We are~~ subject to governmental export and import controls and economic sanctions programs that could impair ~~its our~~ ability to compete in international markets or subject ~~Sonder us~~ to liability if ~~it we violates-~~ **violate** these controls. In many cases, ~~our~~ **Sonder’s** 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, or OFAC. For example, restrictions may exist on ~~its our~~ ability to provide services to persons located in certain U. S. embargoed or sanctioned countries or listed on certain lists of sanctioned persons. U. S. and other international authorities recently imposed, and may further impose, sanctions related to the 2022 Russian invasion of Ukraine. Additionally, the import of furniture used in various properties must be conducted in accordance with applicable import laws and regulations. If ~~Sonder we~~ were to fail to comply with such import or export control laws and regulations, trade and economic sanctions, or other similar laws, ~~it 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 export or import privileges. **Operating as a public company requires....., the SEC and other regulatory authorities**. Risks Related to Government Regulation Unfavorable changes in, or interpretations or enforcement of, government regulations or taxation of the evolving short- term and long- term rental, Internet and e- commerce industries could harm ~~our~~ **Sonder’s** operating results. ~~Sonder We operates-~~ **operate** in markets throughout the world and ~~is are~~ subject to various regulatory and taxation requirements of the jurisdictions in which ~~it we~~ ~~operates-~~ **operate**. **Our** ~~Sonder’s~~ regulatory compliance efforts are burdensome because each local jurisdiction has different requirements, including with respect to zoning, licensing, permitting, sanitation, accessibility, taxes, employment, labor and health and safety, and regulations in the industry are constantly evolving. Compliance requirements that vary significantly from jurisdiction to jurisdiction reduce ~~our~~ **Sonder’s** ability to achieve economies of scale, add compliance costs, and increase the potential liability for compliance deficiencies. **Additionally** ~~In addition-~~ laws or regulations that ~~may increase our costs,~~ **require changes in our business practices, or otherwise** harm ~~our~~ **Sonder’s** business could be adopted, or interpreted in a manner that affects ~~its our~~ activities, including but not limited to the regulation of personal and consumer information, consumer advertising, labor laws, accessibility, health and safety, taxation, and real estate and hotel licensing and zoning requirements. Violations or new interpretations of these laws or regulations may result in penalties, disrupt ~~our~~ **Sonder’s** ability to operate

existing properties or to develop new ones, negatively impact ~~our~~ ~~Sonder's~~ guest relations or operations in other ways, increase ~~its~~ ~~our~~ expenses, and damage ~~its~~ ~~our~~ reputation and business. In addition, since ~~Sonder~~ ~~we~~ began ~~its~~ operations, there have been, and continue to be, regulatory developments that affect the hospitality services industry and the ability of companies like ~~Sonder~~ ~~us~~ to offer ~~its~~ units for specified durations or in certain neighborhoods. For example, some municipalities have adopted ordinances that limit ~~our~~ ~~Sonder's~~ ability to offer certain properties to ~~its~~ guests for fewer than a stated number of consecutive nights, such as 30 nights, or for more than an aggregate total number of nights per year, and other cities may introduce similar regulations, including after ~~Sonder~~ ~~has~~ ~~we~~ ~~have~~ already leased properties and begun to offer stays to guests there. In addition, many of the fundamental statutes and regulations that impose taxes or other obligations on travel and hospitality 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~~ ~~Sonder's~~ business. These and other similar new and newly interpreted regulations could increase ~~our~~ ~~Sonder's~~ costs, require ~~it~~ ~~us~~ to reduce or even cease operations in certain locations, reduce the diversity and number of units available for ~~it~~ ~~us~~ to lease and offer to guests, and otherwise harm ~~its~~ ~~our~~ business and operating results. From time to time, ~~Sonder~~ ~~has~~ ~~we~~ ~~have~~ been involved in and ~~expects~~ ~~expect~~ to continue to become involved in challenges to, or disputes with government agencies regarding interpretations of laws and regulations. There can be no assurance that ~~Sonder~~ ~~we~~ will be successful in these challenges or disputes. New, changed, or newly interpreted or applied laws, statutes, rules, regulations or ordinances, including tax laws, could also increase landlords' compliance, operating and other costs. This, in turn, could deter landlords from renting their properties to ~~Sonder~~ ~~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~~ ~~Sonder's~~ business and financial performance. Furthermore, as ~~Sonder~~ ~~we~~ ~~expands~~ ~~expand~~ or ~~changes~~ ~~change~~ ~~its~~ ~~our~~ business and the services that ~~it~~ ~~we~~ ~~offers~~ ~~offer~~ or the methods by which ~~it~~ ~~we~~ ~~offers~~ ~~offer~~ them, ~~it~~ ~~we~~ may become subject to additional legal regulations, tax requirements or other risks. Whether ~~it~~ ~~complies~~ ~~we~~ ~~comply~~ with or ~~challenges~~ ~~challenge~~ these additional regulations, ~~our~~ ~~Sonder's~~ costs may increase, and ~~its~~ ~~our~~ business could otherwise be harmed. We will continue to incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could adversely affect our business, results of operations and financial condition. **In addition, key members of our management team have limited experience managing a public company.** As a public company, we incur substantial legal, accounting, and other expenses that we did not incur as a private company, and these expenses may increase even more after we are no longer an "emerging growth company." For example, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, the rules and regulations of the SEC, and the listing standards of Nasdaq. Our management and other personnel ~~will need to~~ devote a substantial amount of time to compliance with these requirements and we expect these rules and regulations to substantially increase our legal and financial compliance costs. For example, these rules and regulations make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to maintain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors, particularly to serve on our audit committee and compensation committee, or as our executive officers. In addition, we have expended, and anticipate that we will continue to expend, significant resources in order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting. In that regard, we will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge. In addition, as a public company, we may be subject to shareholder activism, which can lead to substantial costs, distract management, and impact the manner in which we operate our business in ways 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 have become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business and results of operations. **Some members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage the significant regulatory oversight and reporting obligations under the federal securities laws, and the continuous scrutiny of securities analysts and investors, associated with being a public company.** These ~~obligations~~ ~~increased costs and demands upon~~ ~~constituents~~ ~~require~~ ~~significant attention from our senior~~ management ~~and could divert their attention away from the day-to-day~~ ~~management of our business, which~~ could adversely affect our business, ~~results of operations and~~ financial condition, and ~~results of operations~~. The costs and other risks associated with ~~complying with~~ the Americans with Disabilities Act and similar legislation outside of the United States may be substantial. ~~Sonder is~~ ~~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 United States. These laws and regulations require public accommodations to meet certain requirements related to access and use by disabled people. ~~Our~~ ~~Sonder's~~ landlords may not have designed, constructed, or operated their properties to comply fully with the ADA or similar laws, and ~~our~~ ~~Sonder's~~ operations may not fully comply with such laws. Operators of hospitality websites, including ~~Sonder~~ ~~ourselves~~, are also occasionally targeted by complaints that they have failed to make their sites and online reservation systems sufficiently accessible. ~~Sonder~~ ~~has~~ ~~We~~ ~~have~~ been subject to minor claims by litigants regarding such website compliance in the past, and may encounter claims, governmental investigations, and potential enforcement actions in the future. ~~Sonder~~ ~~We~~ may be required to expend substantial resources to remedy any noncompliance at ~~its~~ ~~our~~ leased properties or in ~~its~~ ~~our~~ app or website, or to defend against complaints of noncompliance, even if they lack merit. If ~~Sonder~~ ~~we~~ ~~fails~~ ~~fail~~ to

comply with the requirements of the ADA or similar laws, **it we** could be subject to fines, penalties, injunctive action, costly legal proceedings, an award of damages to private litigants, mandated capital expenditures to remedy such noncompliance, reputational harm, and other business effects that could materially and adversely affect **its our** brand and results of operations. If **Sonder we fails-- fail** to comply with federal, state, U. S. and foreign laws, **rules, contractual obligations, policies, and other obligations** relating to privacy and data protection, **it we** may face potentially significant liability, negative publicity, and an erosion of trust, and increased regulation could materially adversely affect **its our** business, results of operations, and financial condition. **In Sonder's** We collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, processing) of travel transactions and information about guests and their stays, it receives and stores a large volume of personally-- **personal** identifiable data. **This and other sensitive information, including proprietary and confidential business data is increasingly, trade secrets, intellectual property, sensitive third-party data, business plans, transactions, and financial information (collectively, sensitive data).** Our data processing activities subject us to legislation and regulations in numerous jurisdictions around the world **data privacy and security obligations**, such as **various laws** the European Union's General Data Protection Regulation, common referred to as the GDPR, and variations and implementations of that regulation in the member states of the European Union. The GDPR, which went into effect in May 2018, has resulted and will continue to result in significant compliance costs for Sonder. If it violates the GDPR, it could be subject to significant fines. The California Consumer Privacy Act of 2018 and its implementing regulations, as amended (**guidance, industry standards, external and internal privacy and security policies, contractual requirements, and the other obligations relating to "CCPA"**), which went into effect on January 1, 2020, establishes data privacy rights for consumers and security. **Outside the United States, and-- an compliance increasing number of laws, regulations, and industry standards govern data privacy and security. For example, the EU GDPR and the UK GDPR impose strict requirements for processing personal businesses doing business in California. Moreover, California voters approved the California Privacy Rights Act, (the "CPRA"), in November 2020. The CPRA significantly modifies the CCPA, creating obligations relating to consumer data beginning on January 1, 2022, with implementing regulations expected on or before July 1, 2022, and enforcement beginning July 1, 2023. The In Canadian-- Canada, the Personal Information Protection and Electronic Documents Act ("PIPEDA ") is and various related provincial laws, as well as Canada's Anti primary private - Spam Legislation, may apply sector privacy law. PIPEDA considers a "private sector" organization to be an organization or our operations person engaged in commercial activity. Violation of PIPEDA can lead to a court action brought by individuals or by the Office of the Privacy Commissioner of Canada. In addition, under the EU GDPR, companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million Euros or 4 % of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. Other jurisdictions may adopt similar data protection regulations. In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e. g., Section 5 of the Federal Trade Commission Act), and other similar laws (e. g., wiretapping laws). For example, the State CCPA applies to personal information of Virginia recently adopted the Virginia Consumer consumers, business representatives, and employees, and requires businesses to provide specific disclosures in privacy notices and honor requests of California residents to exercise certain privacy rights. The CCPA provides for civil penalties of up to \$ 7, 500 per violation and allows private litigants affected by certain Data data Protection Act breaches to recover significant statutory damages. Moreover, California voters approved the CPRA, which will go into significantly modifies the CCPA, creating additional obligations relating to consumer data effect effective on as of January 1, 2023. Other states, Such such as Virginia and Colorado, have also passed comprehensive privacy laws, and regulations similar laws are typically intended to protect being considered in several the other privacy states, as well as at the federal and local levels. These developments may further complicate compliance efforts and increase legal risk and compliance costs for us and the third parties upon whom we rely. In the ordinary course of business, we may transfer personal data from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area (" EEA ") and the UK have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it believes are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross- border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the EEA and UK's standard contractual clauses, these mechanisms are subject to legal challenges, and there is collected, processed and transmitted in no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If there is no lawful manner or for us to transfer personal data from the governing EEA, the UK or other jurisdiction- jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. These Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the GDPR's cross- border data transfer limitations. In addition to data privacy and security laws and their interpretations continue to develop and may be**

inconsistent from jurisdiction to jurisdiction. In many cases, we are these laws apply not only to third-party transactions, but also bound by contractual obligations related to data privacy transfers of information between Sonder and security its subsidiaries, including employee information. While Sonder has invested and our efforts continues to invest resources to comply with such obligations the GDPR, the CCPA and other privacy regulations, many may not be successful of these regulations are new, extremely complex and subject to interpretation. We also publish Any failure, or perceived or alleged failure, by Sonder to comply with its privacy policies, marketing materials and other statements regarding data privacy and security. If these policies, materials, or statements are found to be deficient, lacking in transparency, deceptive, unfair, or not representative of or our practices with any federal, we state or international laws, regulations, industry self-regulatory principles, industry standards or codes of conduct, regulatory guidance, orders to which it may be subject to investigation, enforcement actions by regulators or other actual or asserted legal or contractual obligations relating to privacy, data protection, information security or consumer protection could adversely-- adverse affect Sonder's reputation, brand and business, and may result in claims, proceedings or actions against Sonder by governmental entities or others or other liabilities or require Sonder to change its operations and / or cease or modify its use of certain data sets. Any such claim, proceeding or action could hurt Sonder's reputation, brand and business, force Sonder to incur significant expenses in defense of such proceedings, distract its management, increase its costs of doing business, result in a loss of customers and suppliers or an inability to process credit card payments, and may result in the imposition of monetary penalties. Sonder may also be contractually required to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any laws, regulations, or other legal obligations relating to privacy or consumer protection or any inadvertent or unauthorized use or disclosure of data that Sonder stores or handles as part of operating its business. Sonder We could be adversely affected if legislation or regulations are expanded to require changes in its-our business practices or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our Sonder's business, results of operations, or financial condition. For example, federal, state, and international governmental authorities continue to evaluate the privacy implications inherent in the use of third-party "cookies" and other methods of online tracking for behavioral advertising and other purposes. The United States and foreign governments have enacted, have considered, or are considering legislation or regulations that could significantly restrict the ability of companies and individuals to engage in these activities, such as by regulating the level of consumer notice and consent required before a company can employ cookies or other electronic tracking tools or the use of data gathered with such tools. For example, in the EEA and the UK, regulators are increasingly focusing on compliance with requirements related to the targeted advertising ecosystem. European regulators have issued significant fines in certain circumstances where the regulators alleged that appropriate consent was not obtained in connection with targeted advertising activities. It is anticipated that the ePrivacy Regulation and national implementing laws will replace the current national laws implementing the ePrivacy Directive, which may require us to make significant operational changes. In the United States, the CCPA, for example, grants California residents the right to opt-out of a company's sharing of personal data for advertising purposes in exchange for money or other valuable consideration and requires covered businesses to honor user-enabled browser signals from the Global Privacy Control. Additionally, some providers of consumer devices and web browsers have implemented, or announced plans to implement, means to make it easier for Internet users to prevent the placement of cookies or to block other tracking technologies, which could, if widely adopted, result in the use of third-party cookies and other methods of online tracking becoming significantly less effective. Regulation of the use of these cookies and other online tracking and advertising practices, or a loss in our Sonder's ability to make effective use of services that employ such technologies, could increase its-our costs of operations, and limit its-our ability to track trends, optimize its-our services, or acquire new customers-guests on cost-effective terms and consequently, materially adversely affect its-our business, financial condition and operating results. As a result, we may be required to change the way we market our accommodations and services. Regulators and legislatures at the local, state, and national level are also taking an increased interest in regulating the collection and use of biometric data, which plays an important role in our trust and safety processes. Specifically, the third parties that provide the identity verification process for us use facial geometry data to verify that a guest's selfie picture matches the photograph on the government-issued identification provided by the guest, similar to a front desk worker at a traditional hotel visually comparing a guest's government identification to the guest's face. Legislation such as the EU GDPR and the Illinois Biometric Information Privacy Act ("BIPA"), as well as other U. S. and foreign laws and regulations, place tight regulation on the collection, use and sharing of biometric information, as well as requirements for notice and consent from individual data subjects. Violations of these laws may result in significant fines, damages, and other penalties. For example, BIPA provides for substantial penalties and statutory damages and has generated significant class action activity, and the cost of litigating and settling any claims that we have violated BIPA or similar laws could be significant. New laws and regulations regarding the collection, use, and sharing of biometric data have also recently been proposed or enacted in other states, and the eventual impact of those laws and regulations on Sonder's operations remains uncertain. A failure, or alleged or perceived failure, by us to comply with these requirements could adversely affect our reputation, brand and business, and may result in claims, proceedings, or actions against us by governmental entities or private litigants or require us to change our operations and / or our ability to ensure the safety of our guests, which could adversely affect our reputation or require us to make significant investments in new technologies or processes. While we have invested and continue to invest resources to comply with privacy and data security obligations, including the EU GDPR, the UK GDPR, the CCPA / CPRA, and other privacy regulations and obligations, as applicable, these obligations are quickly changing, becoming increasingly stringent, and creating regulatory uncertainty. Additionally, these obligations may be extremely complex, and subject to different and inconsistent applications and interpretations. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information

technologies, systems, and practices and to those of any third parties that process personal data on our behalf. We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties on whom we rely may fail to comply with such obligations, which could negatively impact our business operations. Any failure, or perceived or alleged failure, by us or the third parties on which we rely to comply with any federal, state, local or international laws, regulations, industry self-regulatory principles, industry standards or codes of conduct, regulatory guidance, orders to which we may be subject, or other actual or asserted legal or contractual obligations relating to privacy, data protection, information security, or consumer protection could have significant consequences, including (but not limited to) government enforcement actions (e. g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class- action claims); additional reporting requirements and / or oversight; indemnification obligations; bans on processing personal data or credit cards; and orders to destroy or not use personal data. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of guests; inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize new features, amenities, or services; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or 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 Sonder's business. Our Sonder's business is subject to various laws and regulations governing consumer protection, advertising , and marketing. Sonder We may encounter governmental and private party investigations and complaints in areas such as the clarity, transparency, accuracy , and presentation of information on its our website or in third- party listings of its our properties, as has occurred with respect to other hospitality booking sites. In addition, as Sonder we attempts- attempt to increase the proportion of stays booked directly through its our website, its 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. Sonder's For example, the Telephone Consumer Protection Act of 1991 (" TCPA ") imposes specific requirements on communications with customers and various consumer consent requirements and other restrictions on certain communications with consumers by phone, fax or text message. TCPA violations can result in significant financial penalties, including penalties or criminal fines imposed by the Federal Communications Commission or fines of up to \$ 1, 500 per violation imposed through private litigation or by state authorities. Our marketing activities could be restricted, its our guest relationships and revenues could be adversely affected, and its our costs could increase, due to changes required in its our marketing, listing , or booking practices, or any investigations, complaints , or other adverse developments related to these laws and regulations. Industry- specific payment regulations and standards are evolving , and unfavorable industry- specific laws, regulations, interpretive positions or standards could harm our Sonder's business. Our Sonder's payment processors expect attestation of compliance with the Payment Card Industry ("PCI 2") Data Security Standards. If Sonder is we are unable to comply with these guidelines or controls, or if its customers or our third- party payment processors are unable to obtain regulatory approval to use its our services where required, its our business may be harmed. For example, failing to maintain our Sonder's Attestation of Compliance for PCI could result in monthly fines or other adverse consequences until compliance is re-established via an external PCI qualified security assessor. Existing third parties or future business partnerships may opt out of processing payment card transactions if Sonder is we are unable to achieve or maintain industry- specific certifications or other requirements or standards relevant to its customers and our guests, business partners , and other third parties . Risks Related to Indebtedness and Liquidity Sonder We may require additional capital to support business growth or respond to business challenges , and this capital might not be available in a timely manner or on favorable terms. Sonder We intends- intend to continue to make investments to support its our business growth and may require additional funds to respond to business challenges, including the need to develop or add new properties or services or enhance its our existing properties or services, enhance its our operating infrastructure , add personnel, and acquire complementary businesses and technologies. Accordingly In connection with the closing of Sonder's Business Combination with Gores Metropoulos II, we Inc., a significant number of former Gores stockholders redeemed their shares for cash, resulting in reduced cash proceeds to Sonder. For the foregoing reasons, Sonder may need to engage in equity or debt financings to secure additional funds in the future. If it we raises- raise additional funds through further issuances of equity or convertible debt securities, its our existing stockholders could suffer significant dilution, and any new equity securities it we issues- issue could have rights, preferences , and privileges superior to those of holders of our Sonder's common stock. Any debt financing could involve restrictive covenants relating to financial and operational matters, which may make it more difficult for Sonder us to obtain additional capital and to pursue business opportunities, including potential acquisitions or strategic partnerships. In addition, Sonder the U. S. government- arranged closure and receivership of SVB, one of our lenders, in March 2023 may make it more difficult or impossible for us to borrow further amounts under our 2022 loan and security agreement with SVB, and we may not be able to obtain additional , alternative financing on favorable terms, if at all. If Sonder is we are unable to obtain adequate or satisfactory financing when we require it requires it, its our ability to continue to support its our business growth and to respond to business challenges could be significantly limited. Our Sonder's indebtedness could adversely affect its our business and financial condition. As of December 31, 2021-2022 and December 31, we 2020, Sonder had indebtedness related to its term loans our Delayed Draw Notes in the aggregate principal amount of \$ 26.183. 2 million and \$ 43. 3 million , respectively including capitalized paid- in- kind interest , secured against substantially all of its our assets . In addition, as of December 31, 2021, Sonder had \$ 165. 0 million of convertible notes that were subsequently converted into shares of the our Common Stock in connection with the Business Combination. On December 22, 2020, Sonder entered into a credit facility with Investissement Québec for CAD \$ 30 million, which it will be able to draw down upon after meeting certain milestones related to its operations in Canada. In addition, Sonder incurred \$ 165. 0 million in indebtedness under the Delayed Draw Notes . Risks

relating to **our** ~~Sonder's~~ indebtedness include: • Increasing ~~its~~ **our** vulnerability to general adverse economic and industry conditions; • Requiring ~~it~~ **us** to dedicate a portion of ~~its~~ **our** cash flow to principal and interest payments on ~~its~~ **our** indebtedness, thereby reducing the availability of cash flow to fund working capital, location acquisition costs, capital expenditures, acquisitions and investments and other general corporate purposes; • Making it more difficult for ~~it~~ **us** to optimally capitalize and manage the cash flow for ~~its~~ **our** businesses; • Limiting ~~its~~ **our** flexibility in planning for, or reacting to, changes in ~~its~~ **our** ~~businesses~~ **business** and the markets in which ~~it~~ **we** ~~operates~~ **operate**, due in part to restrictive covenants in ~~its~~ **our** debt instruments; • Possibly placing ~~it~~ **us** at a competitive disadvantage compared to ~~its~~ **our** competitors that have less debt, a lower cost of borrowing or less restrictive debt covenants; and • Limiting ~~its~~ **our** ability to borrow additional funds or to borrow funds at rates or on other terms that ~~it~~ **we** ~~finds~~ **find** acceptable. **Our** ~~Sonder's~~ indebtedness and credit facilities contain financial covenants and other restrictions on ~~its~~ **our** actions that may limit ~~its~~ **our** operational flexibility or otherwise adversely affect ~~its~~ **our** results of operations. The terms of certain of ~~our~~ **Sonder's** indebtedness and credit facilities include a number of covenants that limit ~~its~~ **our** ability and ~~its~~ **our** subsidiaries' ability to, among other things, incur additional indebtedness, grant liens, merge or consolidate with other companies or sell ~~its~~ **our** assets, pay dividends, make redemptions and repurchases of stock, make investments, loans and acquisitions, change the nature of ~~its~~ **our** business or engage in transactions with affiliates. In addition, ~~Sonder~~ **we** must comply with a minimum EBITDA covenant, **a minimum adjusted quick ratio covenant**, and a minimum liquidity covenant, **and maintain our common stock's listing on Nasdaq. Due to the March 2023 U. S. government-** **arranged closure of SVB, we may seek additional or replacement credit arrangements, in part to support letters of credit or other security instruments for our leases of guest properties. Any future credit arrangements may have stricter covenants or other more onerous terms than our current arrangements.** The terms of ~~its~~ **our** indebtedness and credit facilities may restrict ~~its~~ **our** current and future operations and could adversely affect ~~its~~ **our** ability to finance ~~its~~ **our** future operations or capital needs. In addition, complying with these covenants may make it more difficult for ~~Sonder~~ **us** to successfully execute ~~its~~ **our** business strategy, including potential acquisitions, and to compete against companies that are not subject to such restrictions. Any failure to comply with the covenants or payment requirements specified in ~~our~~ **Sonder's** credit agreements could result in an event of default under the agreements, which, if not cured or waived, would give the lenders the right to terminate their commitments to provide additional loans, declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable, increase the interest rates applicable to such debt, and exercise rights and remedies, including by way of initiating foreclosure proceedings against any assets constituting collateral for the obligations under the credit facilities. If ~~its~~ **our** debt were to be accelerated, ~~Sonder~~ **we** may not have sufficient cash or be able to borrow sufficient funds to refinance the debt or sell sufficient assets to repay the debt, which could immediately adversely affect ~~its~~ **our** business, cash flows, results of operations, and financial condition. Even if ~~it~~ **we** were able to obtain new financing, such financing may not be on commercially reasonable terms or on terms that are acceptable to ~~Sonder~~ **us**. Risks Related to Ownership of Our Common Stock A market for our securities **Securities We may not fail to continue to meet**, which would adversely affect the **listing standards** liquidity and price of **Nasdaq** our securities. We consummated the Business Combination in January 2022, and accordingly, ~~the~~ **as a result our** common stock **and publicly** of the combined company has traded publicly for only **warrants may be delisted, which could have a material adverse effect on** limited period of time because we were a "blank check" company prior to the **liquidity** Business Combination and Legacy Sonder was privately held. An active trading market for our securities may never develop or, if developed, it may not be sustained. In addition, the price of our securities can vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports, among many other factors, including those described below under the heading "The market price and trading volume of our common stock may be volatile and **warrants and** could decline significantly." Additionally, if our securities are **not listed on**, or ~~our~~ **become delisted from**, **ability to raise capital. Our common stock and publicly traded warrants currently trade on The Nasdaq Global Select Market. The Nasdaq Stock Market LLC has requirements for our** any reason, and are quoted on the OTC Bulletin Board, an inter-dealer automated quotation system for equity securities **to remain** that is not a national securities exchange, the price of our common stock could decline and the liquidity of our securities may be more limited than if we were quoted or listed on Nasdaq, **including a rule requiring** or ~~our~~ **another national securities exchange common stock to maintain a minimum closing bid price of \$ 1 . 00 per share. On certain trading days in July 2022 and March 2023 before the filing of this Annual Report on Form 10- K, the closing price of our common stock was below \$ 1. 00 per share, and it may remain below \$ 1. 00 per share and / or fall below \$ 1. 00 per share in the future. If the closing bid price of our common stock remains below \$ 1. 00 per share for a period of 30 consecutive trading days, we expect to receive a notification from Nasdaq that our common stock would be unable subject to sell your securities unless delisting if we do not regain compliance with the minimum bid price requirement within the time period specified by Nasdaq. If we were to receive such a market notification, we expect that we would be afforded a grace period of 180 calendar days to regain compliance with the minimum bid price requirement, and that, to regain compliance, our common stock would need to maintain a minimum closing bid price of at least \$ 1. 00 per share for at least 10 consecutive trading days. If we fail to meet Nasdaq's stock price requirements, or if we do not meet Nasdaq's other listing requirements, we would fail to be in compliance with Nasdaq's listing standards and our common stock and publicly traded warrants could be delisted from Nasdaq. There can be established no assurance that we will continue to meet the minimum bid price requirement or any other Nasdaq listing requirement in the future. If or our sustained common stock and publicly traded warrants were to be delisted, the liquidity of our common stock and publicly traded warrants would be adversely affected, their market prices could decrease, and our ability to raise equity capital and our reputation and relationships with real estate owners and other business partners could be impaired**. Resales of shares of our common stock could depress the market price of our common stock. A significant number of shares of our common stock have been registered under the Securities Act of 1933, **as amended, or the Securities Act**, and are freely tradable. In addition, a

large number of shares of our common stock, which are currently subject to lock-up restrictions pursuant to our bylaws and/or other agreements, will become ~~freely tradable upon~~ **became** freely tradable ~~upon~~ **due to** the expiration of market stand-off periods in July 2022. **Sales** (subject to potential early termination of such restrictions as to certain of such shares ~~of~~ **if** our common stock meets certain average price thresholds). Sales of shares of common stock in the public market, or the perception that these sales might occur, may depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities, including convertible debt securities. We are unable to predict the effect that such sales, or of future conversions or exchanges of convertible or exchangeable securities for shares of common stock, may have on the prevailing market price of our common stock. **The market price and trading volume of our common stock and publicly traded warrants may be volatile and could decline significantly.** The stock markets, including Nasdaq, have, from time to time, experienced significant price and volume fluctuations. Even if an active, liquid and orderly trading market develops and is sustained for our common stock, the market price of our common stock **and our publicly traded warrants** may be volatile and could decline significantly. In addition, the trading volume in our common stock **and warrants** may fluctuate and cause significant price variations to occur. If the market price of our common stock declines significantly, you may be unable to resell your shares **or warrants** at or above the market price at which you acquired them. We cannot assure you that the market price of our common stock **or warrants** will not fluctuate widely or decline significantly in the future in response to a number of factors, including, among others, the following: • ~~the~~ **The** realization of any of the risk factors presented in this report; • ~~actual~~ **Actual** or anticipated differences **or changes** in our estimates, or in the estimates of analysts, for our revenues, ~~Adjusted EBITDA~~ **Free Cash Flow, or other cash flow measures**, results of operations, operating metrics, level of indebtedness, liquidity or financial condition; • ~~Actual or anticipated fluctuations in our quarterly or annual operating results;~~ • ~~additions~~ **Additions** and departures of key personnel; • ~~failure~~ **Failure** to comply with the listing requirements of Nasdaq, **or the disclosure of any notifications from Nasdaq about the listing status of our common stock**; • ~~failure~~ **Failure** to comply with the Sarbanes-Oxley Act or other laws or regulations; • ~~future~~ **Future** issuances, sales, resales or repurchases or anticipated issuances, sales, resales or repurchases, of our securities; • ~~publication~~ **Publication** of research reports about ~~us or other~~ **us or other** **publicity about us, our properties, or incidents at our properties**; • ~~the~~ **The** performance and market valuations of other similar companies; • ~~commencement~~ **Commencement** of, or involvement in, litigation or other legal proceedings involving us; • ~~broad~~ **Broad** disruptions in the financial markets, including sudden disruptions in the credit markets; • ~~speculation~~ **Speculation** in the press or investment community; • ~~actual~~ **Actual**, potential or perceived control, accounting or reporting problems; • ~~changes~~ **Changes** in accounting principles, policies, and guidelines; and • ~~other~~ **Other** events or factors, including those resulting from infectious diseases, health epidemics and pandemics (including the ongoing COVID-19 ~~public health emergency~~ **pandemic public health emergency**), natural disasters, war (including the 2022 Russian invasion of Ukraine), acts of terrorism, **cyber-attacks, information security incidents**, or responses to these events. In the past, securities class action litigation has often been instituted against companies following periods of volatility in the market price of their shares. This type of litigation could result in substantial costs and divert our management's attention and resources, which could have a material adverse effect on us. If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they change their recommendations regarding our common stock adversely, then the price and trading volume of our common stock could decline. The trading market for our common stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors. If few securities or industry analysts commence coverage of us, our stock price and trading volume would likely be negatively impacted. If any of the analysts who may cover us change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, the price of our common stock would likely decline. If any analyst who may cover us ~~were to cease~~ **ceases** coverage of us or ~~fail~~ **fails** to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline. Future issuances of debt securities and equity securities may adversely affect us, including the market price of our common stock, and may be dilutive to existing stockholders. In the future, we may incur debt or issue equity ~~securities~~ ranking senior to ~~the~~ **our** common stock. Those securities will generally have priority upon liquidation. Such securities also may be governed by an indenture or other instrument containing covenants restricting ~~its~~ **our** operating flexibility. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences, and privileges more favorable than those of ~~the~~ **our** common stock **or provide for the issuance of additional equity securities that could be dilutive to existing stockholders.** **In addition, on December 1, 2022 we closed our offer to reprice certain eligible stock options. Options to purchase a total of 20,292,621 shares of our common stock were amended on that date and the exercise price of each such repriced option was reduced to \$ 1.74 per share. Such offer to reprice may increase the potential dilutive effect of those options.** Because our decision to issue debt or equity in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. As a result, future capital raising efforts may reduce the market price of our common stock and be dilutive to existing stockholders. There is no guarantee that the Public Warrants will ever be in the money, and they may expire worthless ~~and the terms of the Public Warrants may be amended~~. The exercise price for the Public Warrants is \$ 11.50 per share of common stock. There is no guarantee that the Public Warrants will ever be in the money prior to their expiration, and as such, the Public Warrants may expire worthless. **We may amend the terms of the Public Warrants in a manner that may be adverse to holders with the approval by the holders of at least 50.0 % of the then-outstanding Public Warrants. Our Public Warrants were issued in registered form under a warrant agreement with Computershare that provides that the terms of the Public 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 50.0 % of the then-outstanding Public Warrants to make any change that adversely affects the interests of the registered holders.** **Accordingly, we may amend the terms of the Public Warrants in a manner adverse to a holder if holders of at least 50.0**

% of the then- outstanding Public Warrants approve of such amendment. Although our ability to amend the terms of the Public Warrants with the consent of at least 50.0 % of the then- outstanding Public Warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the Public Warrants, shorten the exercise period, or decrease the number of shares of Common Stock purchasable upon exercise of a Public Warrant. We may redeem unexpired Public Warrants prior to their exercise at a time and at a price that is disadvantageous to warrant holders, thereby making their Public Warrants worthless, and an exercise of a significant number of warrants could adversely affect the market price of our Common Stock. We have the ability to redeem outstanding Public Warrants at any time after they become exercisable and prior to their expiration, at a price of \$ 0.01 per Public Warrant; provided that the last reported sales price of our Common Stock equals or exceeds \$ 18.00 per share for any 20 trading days within a 30 trading- day period ending on the third trading day prior to the date on which we give proper notice of such redemption to the warrant holders and provided certain other conditions are met. If and when the Public Warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding Public Warrants could force the warrant holders: (i) to exercise their Public Warrants and pay the exercise price therefor 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. Additionally, if a significant number of Public Warrant holders exercise their Public Warrants instead of accepting the nominal redemption price, the issuance of these shares would dilute other equity holders, which could reduce the market price of our Common Stock. As of the date of this report, our Common Stock has never traded above \$ 18.00 per share. In addition, we may redeem Public Warrants after they become exercisable for a number of shares of Common Stock determined based on the redemption date and the fair market value of our Common Stock, starting at a trading price of \$ 10.00. Any such redemption may have similar consequences to a cash redemption described above. In addition, such redemption may occur at a time when the Public Warrants are “ out- of- the- money, ” in which case holders of Public Warrants would lose any potential embedded value from a subsequent increase in the value of the Common Stock had such holders’ Public Warrants remained outstanding.

Provisions in the Amended and Restated Bylaws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit the ability of our stockholders to bring a claim in a judicial forum that it finds favorable for disputes with us or with our directors, officers or employees and may discourage stockholders from bringing such claims. The ~~Our~~ Amended and Restated Bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another State court in Delaware or the federal district court of the District of Delaware) will, to the fullest extent permitted by law, be the sole and exclusive forum for: • ~~any~~ ~~Any~~ derivative action or proceeding brought on ~~our~~ ~~of our company~~; • ~~any~~ ~~Any~~ action asserting a claim of breach of a fiduciary duty owed by any ~~of our director-directors~~, ~~stockholder-stockholders~~, ~~officer-officers~~ or other ~~employee-employees~~ ~~to us~~ ~~of our company~~ or our stockholders; • ~~any~~ ~~Any~~ action arising pursuant to any provision of the Delaware General Corporation Law, ~~the or DGCL, our~~ Amended and Restated Certificate of Incorporation or ~~the our~~ Amended and Restated Bylaws; or • ~~any~~ ~~Any~~ action asserting a claim governed by the internal affairs doctrine. This exclusive forum provision may limit a stockholder’ s ability to bring a claim in a judicial forum that it finds favorable for disputes with ~~us our company~~ or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims. However, this provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act, which provides for the exclusive jurisdiction of the federal courts with respect to all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Notwithstanding the foregoing, this exclusive forum provision will not apply to actions arising under the Securities Act, as other provisions in the Amended and Restated Bylaws designate the federal district courts of the United States as the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act against any person in connection with any offering of our securities. However, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provision. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of the Amended and Restated Bylaws. However, there can be no assurance that the provisions will be enforced by a court in those other jurisdictions. If a court were to find the exclusive forum provision contained in the Amended and Restated Bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations and financial condition.