

## Risk Factors Comparison 2024-09-27 to 2023-03-16 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 of operations**, financial condition, ~~or~~ **cash flows, and** 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 of operations**, financial condition, **cash flows,** 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, **results of operations, financial condition, and** 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~~, **results of operations, financial condition, and cash flows**. 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 of operations,** financial condition, **and / or cash flows**, 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 and our other filings with the SEC, before making an investment decision regarding our securities. • ~~We~~ **Our actual results may be unsuccessful in differ materially from our forecasts and projections.** • ~~Our focus on achieving positive~~ **, sustainable free-Free cash-Cash flow-Flow within 2023** ~~without additional fundraising may be unsuccessful, and our restructuring initiatives and portfolio optimization program may not provide the expected benefits and could adversely affect us.~~ • **Our actual results may differ materially from our forecasts and projections.** • Our results could be negatively affected by inflation and other macroeconomic factors and by changes in travel, hospitality, **and** real estate ~~,and vacation~~ markets. • **We face risks and uncertainties associated with the Marriott Agreement, including the risk that it does not provide the anticipated benefits or results in unexpected expenses or other adverse effects.** • We may be unable to negotiate satisfactory leases or other arrangements to operate new properties, **amend existing leases**, onboard new properties in a timely manner, or renew or replace existing properties on satisfactory terms or at all. • **Newly leased properties may generate revenue later than we estimated and may be more difficult or expensive to integrate into our operations than expected.** • 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 **have a history of net losses, and we may not be able to achieve or maintain profitability in the future.** • **We depend on landlords to deliver properties in a suitable condition and to manage and maintain them.** • **Claims, lawsuits, and other proceedings relating to our leases could adversely affect our business, results of operations, financial condition, and cash flows.** • **Our long-term and fixed- cost leases limit our operating flexibility and could adversely affect our liquidity.** • **Our leases may be subject to termination prior to the scheduled expiration of the term, which can be disruptive and costly.** • **Our long- term success depends, in part, on our ability to expand internationally, and our business is susceptible to risks associated with international operations.** • We may be unable to **effectively** manage our growth. • **We may be unable to attract new guests or generate repeat bookings from previous guests.** • **Our success depends on acceptance by guests and property owners of our distinctive type of hospitality services.** • We operate in the highly competitive hospitality market. • ~~We use third-Third~~ **party distribution channels to market our units, which have historically accounted for a substantial percentage of our bookings and business generated through such channels could adversely affect guest loyalty and poses other risks to us.** • Our results of operations vary from period- to- period, and historical performance may not be indicative of future performance. • **Certain measures we use** ~~Our long- term success depends, in part, on our ability to evaluate expand internationally, and our business is susceptible to risks associated with international operations-~~ **operating performance may be subject to future adjustments.** • Our business depends on our reputation and the strength of our brand, and any deterioration could adversely impact our market share, revenues, business, **results of operations,** financial condition, **and cash flows** ~~or results of operations.~~ • **We are involved in and may in the future become involved in Claims-claims, lawsuits, and other proceedings that could adversely affect our business and, results of operations, financial condition, and cash flows and our insurance may be inadequate to cover our losses.** • We may be subject to liability or reputational damage for guests’ activities or other incidents **and potential health and safety issues** at our properties. • We are subject to ~~claims~~ **the risk of financial and reputational damage due to fraud** ~~liabilities associated with potential health and safety issues and hazardous substances at properties.~~ • We face challenges in attracting and retaining **key personnel and** sufficient, highly skilled personnel, **including hourly employees, who are necessary to our success, and are subject to risks associated with the employment of hospitality personnel, including unionized labor, associated with employment of hospitality personnel and the use of third- party contractors.** •

We have identified and may in the future identify material weaknesses in our internal control over financial reporting or **we may** otherwise fail to maintain an **effective system of internal controls, which may result in material misstatements of our consolidated financial statements.** • We rely on third parties for important services and technologies, and 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 **effectively-- effective system of internal controls, which may result in material misstatements of our consolidated financial statements.** • **If we fail to maintain effective disclosure controls, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.** • We face risks related to the restatement of our previously issued financial statements, including risks associated with related litigation or other legal or governmental proceedings, the risk that additional accounting errors or corrections will be identified, and the possibility of additional delays in our SEC filings. • We are not in compliance with Nasdaq's listing requirements, and any failure to regain and maintain compliance with Nasdaq's requirements could cause our common stock and publicly traded warrants to be delisted and could adversely affect our ability to raise capital and have other adverse effects on us. • Our business could be harmed if we are unable to adapt to changes in technology. • We rely on third parties for certain services and technologies, including payment processing, and any unavailability, failures or defects in these services or technologies, or any difficulties integrating them into our systems, could harm our business and results of operations. • Our processing, storage, use and disclosure of personal data expose us to risks of internal or external security breaches and has given rise 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. • Limitations in our technologies, systems, and network infrastructure, or disruptions in Internet access or guests' usage of mobile devices, could adversely affect us. • Supply chain interruptions may increase our costs or reduce our revenues. • 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 face risks related to **our intellectual property**. • Costs relating to the opening, operation and maintenance of our leased properties could be higher than expected. • **Our** We depend on landlords to deliver properties **are concentrated** in a suitable condition and to manage and maintain them. • Our long-term and fixed-cost leases limit **limited number** our flexibility. • Under certain circumstances, our leases may be subject to termination prior to the scheduled expiration of **cities** the term, which **increases** 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 **our** generate repeat bookings **exposure to local factors affecting demand or hospitality operations**. • 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..... and / or reduced revenue.** • Failure to comply with **governmental regulations, such as securities regulations, anti-bribery laws, import / export controls (including sanctions),** 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, **cause us to incur compliance costs,** or otherwise negatively affect us. • **There is substantial doubt about the Company's ability to continue as a going concern, and this may adversely affect our stock price, our ability to raise capital, and our relationships with key stakeholders.** • 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 covenants and other restrictions that may limit our operational and financial flexibility or otherwise adversely affect us, **including as a result of a potential Event of Default under our Delayed Draw Notes, and future financing arrangements may also contain restrictive covenants or other onerous provisions.** 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 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. Our **forecasts and projections are based upon assumptions..... value of our common stock.** Our focus on achieving positive **quarterly, sustainable** 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-- or restructuring of our portfolio optimization program, and these** efforts may adversely affect our business. The focus of our Cash Flow Positive Plan is to achieve positive **quarterly, sustainable** 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 included** a restructuring of operations, with a reduction in corporate and frontline headcount in **June mid-2022,** as well as a further reduction **reductions** in corporate headcount **in announced on March 1, 2023 and 2024.** 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. **As part of our focus on cash flow, we have also undertaken a portfolio optimization program, which involves discussions with landlords about renegotiating the terms of our leases primarily at certain underperforming properties. These efforts have resulted and are expected to result in the termination of certain leases, leading to exits of certain properties over time and the incurrence of expenses, including but not limited to impairment charges and contingent obligations, which could be material.** The actions we announced in June 2022 **scope of the program can be expected to change over time, and we cannot predict the number or product mix of the units that may be ultimately affected or the related impact on March 1 our business, 2023 results of operations, financial condition, and cash flows.** The terms, scope, and timing of any additional **changes to our lease obligations,** as well as **any other effects on our landlord relationships or reputation with future real**

estate owners and guests who are affected by property transitions, are uncertain. Our portfolio optimization program and any past or future restructuring or cost-saving initiatives may not achieve our goal of achieving positive quarterly FCF within 2023 without additional fundraising, or at all result in the cost savings we expect, increase the number of “capital light” properties in our portfolio, or otherwise achieve our cash flow, profitability or operational objectives. In addition, implementing any restructuring plan, including the portfolio optimization program, presents potential risks that may impair our ability to achieve anticipated cost reductions, revenue enhancements, or operational improvements. The These 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 the potential for inadequate support of important business functions due to staffing changes and other cost reduction efforts, 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 and execute effectively on engineering and technology development projects, cause inefficiencies, and make it more difficult to pursue, open and operate new properties. In 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....., 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 forecasts and projections are based upon assumptions, analyses and estimates developed by our management. If these assumptions, analyses or estimates prove to be incorrect or inaccurate, our actual results may differ materially from those forecasted or projected. Our forecasts and projections, including projected or anticipated revenues, margins, profitability, cash flows, Bookable Nights, RevPAR, lease signings and Live Units, and our anticipated market opportunity, growth and penetration, are subject to significant uncertainties and are based on assumptions, analyses and estimates developed by our 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, and the anticipated benefits of the Marriott Agreement, and the scope and outcome of our portfolio optimization program, including the number and type of properties involved, the terms of lease amendments, the timing of lease terminations, and related expenses. 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 actual results may differ materially from those forecasted or projected, adversely affecting the value of our common stock. 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 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 accounts for a majority of our bookings, is dependent on discretionary consumer spending levels. Downturns in worldwide or regional economic conditions or inflationary pressures have in the past 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 accommodations. Such a shift in consumer behavior could materially and adversely affect our business, results of operations, and financial condition. Therefore, our operating results may be adversely affected by changes in the broader economy and cash flows the travel, real estate and vacation rental industries. In addition to the impact of economic conditions, our 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 and recent events in the Middle East;
- 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; or
- 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 services and the supply of new units, thereby reducing our 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 expenses. We may not realize the anticipated benefits from our agreement with Marriott at the time or to the degree that we anticipate, or at all, and our agreement with Marriott may expose us to other risks and uncertainties. On August 19, 2024, we announced that we entered into the Marriott Agreement, pursuant to which our property portfolio is expected to join the Marriott system under a new collection called “Sonder by Marriott

Bonvoy.” Although we currently anticipate that the Marriott Agreement will provide us with revenue opportunities and operating efficiencies, we may not realize the anticipated benefits at the time or to the degree we anticipate, or at all. Among other risks, the integration of our portfolio with Marriott’s platforms, distribution channels, sales capabilities, and systems will take considerable time and investment and is subject to uncertainties, including potential delays and unanticipated disruptions, complications and costs. The Marriott Agreement may not result in the revenue enhancements that we currently expect for various reasons, such as possible differences in the preferences and demographics of our and Marriott’s existing and future guests, potential competition among various Marriott brands for guest demand and attention, the uncertain impact on our revenues of integration with Marriott’s guest loyalty program, and other factors. Integration of our properties and systems with Marriott’s will also require substantial investment and resources, and may be more costly, lengthier, and more disruptive than we anticipate. Furthermore, in operating under our current systems while also integrating our properties, technologies and systems with Marriott’s, we may encounter increased costs and other difficulties, including potential difficulties with employee staffing and retention. In addition, the fees which we are required to pay Marriott under the agreement may be higher than anticipated. We must also comply with specified Marriott standards and other conditions and requirements. Failure to successfully implement or comply with the Marriott Agreement could reduce the number of properties integrated into the Marriott relationship; increase our costs; result in termination of the agreement; adversely affect our brand, reputation, and relationships with property owners and other current or potential business partners; or have other adverse effects on us. Under the terms of the Marriott Agreement, subject to meeting certain conditions, we expect to receive \$ 15 million of “Key Money” to support the costs associated with the integration of our portfolio with Marriott’s platforms, but we may not be able to meet these conditions for various reasons and we may only receive part of these funds or none at all. The Marriott Agreement has an initial term of 20 years after our properties’ initial onboarding date, subject to possible extensions, and our rights to terminate the agreement are limited. In addition, the agreement requires us to open new properties only if they are included under the Marriott agreement, subject to limited exceptions, which increases our dependence upon Marriott. The potentially long- term nature of the Marriott relationship poses additional risks to our business and prospects. Particularly after we have integrated properties into Marriott’s systems and platforms, have invested in the integration process, and have realigned our technologies, staffing, and guest relationships and interactions due to the Marriott agreement, we may find it difficult to operate properties or build or maintain guest loyalty outside of the Marriott relationship in the future, even if permitted under the Marriott Agreement or after it has been terminated. Among other termination provisions, the Marriott Agreement may be terminated by Marriott or us upon any transfer of 50 % or more of the ownership interests in or day- to- day management of our portfolio of properties or of our company, other than to a controlled affiliate, subject to the payment of certain fees. These provisions could make it more complicated to accomplish, or could deter, transactions that stockholders may otherwise consider to be in their best interests. Our relationship with Marriott, and integration of our portfolio with Marriott over time, may also make it more difficult to enter into a similar strategic relationship with a different hospitality industry partner in the future. We may be unable to successfully negotiate satisfactory leases or other arrangements to operate new properties, amend existing leases, 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 growth and could cause us to miss our growth or financial forecasts. We currently lease all of our locations. We continually When we identify attractive locations for growth, we pursue additional units by signing new leases or additions to existing leases, and we also pursue other arrangements with property owners and developers. If we fail to secure or renew leases or other arrangements for attractive properties, we will not be able to expand our portfolio of properties and may not achieve our growth and financial forecasts. We may not be able to add sufficient properties to our portfolio that meet our brand standards, at an acceptable cost and on acceptable terms, to meet our strategic growth goals and financial forecasts. Due to the number of properties that we have already secured under leases or other arrangements in many major U. S. and Canadian cities, we may find it more difficult to find additional attractive properties in those markets. In Europe and other international markets, 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 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 we identify suitable properties, 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. In addition, the Marriott Agreement was announced in August 2024, and certain real estate owners may defer or forego discussions with us until they have more information about our integration efforts with Marriott, and the potential implications for new leases that we may pursue. We may also have difficulties in providing real estate owners with acceptable letters of credit in lieu of cash deposits, and these difficulties may intensify due to any adverse developments affecting our letter of credit providers, such as the March 2023 government- arranged closure and receivership of Silicon Valley Bank (“SVB”), now a division of First Citizens Bank, one of the financial institutions that we had used- use 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. Certain Real-estate owners have been and may also continue to be reluctant less-willing to enter into or continue transactions with us due to the recent decline in our stock price, our September 2023 reverse stock split to regain compliance with Nasdaq’s minimum bid price rule, the delay in our SEC reports resulting from our accounting restatement announced in March 2024, our portfolio optimization program, including the resulting lease amendments and terminations and property exits, potential concerns related to our ability to continue as

**a going concern**, and related concerns of owners or their lenders about our creditworthiness, future cash position or ability to raise capital. **See the paragraph entitled “ We are not in compliance with Nasdaq’ s requirements for continued listing of our securities, and if we fail to continue to meet the listing standards of Nasdaq, our common stock and publicly traded warrants may be delisted, which could have a material adverse effect on the liquidity and trading price of our common stock and warrants and on our ability to raise capital, and other adverse consequences, ” below**. In addition, commercial terms that are negotiated by our real estate teams in existing markets may not be widely accepted in new markets, which may complicate or delay our 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. We also have relatively little experience with alternatives to traditional leases, which may make it more difficult for us to secure properties where the owner or developer prefers a management agreement or other occupancy arrangement over a lease. Furthermore, our 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 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 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 we are not able to renew or replace an expiring lease, we will lose the opportunity to generate additional revenue from that space and will incur costs related to vacating it. If we renew or replace a lease with higher than expected rent or on terms that are otherwise less favorable to us than we expected, our profitability and cash flow could be adversely affected. Delays in real estate development and construction projects related to our leases could adversely affect our ability to generate revenue from such leased properties, and newly leased properties may be more difficult or expensive to integrate into our operations than expected. Our business is also subject to property development risks. We often enter into arrangements with property developers to lease all or a portion of a building that is being built or converted for housing accommodations. We expect the number of these early- stage development projects within 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. 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 expect to encounter similar events in the future. As a result, any such properties in our forecast property pipeline may not develop into new sources of revenue when we anticipated or at all. Even when we 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 in the condition originally agreed to**, or we may encounter other unforeseen delays in preparing the property for initial guest bookings. We 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. Later than expected building openings at properties also results in a delay in generating revenue from such properties, which could cause us to miss our financial forecasts **or fall short of our previously announced Cash Flow Positive Plan goals**. In addition, the success of any new property will depend on our ability to integrate the property into existing operations **and into Marriott’ s programs and systems under the Marriott Agreement**, 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. **See the paragraph entitled “ We may not realize the anticipated benefits from our agreement with Marriott at the time or to the degree that we anticipate, or at all, and our agreement with Marriott may expose us to other risks and uncertainties ” for more information about certain risks and uncertainties associated with the Marriott Agreement and related integration efforts**. Newly leased properties could be more difficult or expensive to onboard, have undisclosed conditions that result in unanticipated expenses or claims against us for which we may have little or no effective recourse against the landlord, or otherwise may not provide their anticipated benefits. Our limited operating history and evolving business make it difficult to predict whether we will achieve our financial, operating and growth forecasts. Our business continues to evolve. We have expanded significantly since our inception, including the number of cities and countries in which we operate. ~~Within~~ **After initially focusing on apartment- style units, we now also operate hotel properties that have more extensive and complex amenities and systems. In** the last few years, we **have** also ~~have begun to operate properties with traditional hotel room layouts and with more extensive and complex amenities and systems, and to focus~~ **focused** our expansion efforts on leasing full buildings or larger numbers of units or floors within a property. In addition, we have operated many of our leased properties for a limited period of time, and their early results may not be indicative of their long- term performance. For example, a large portion of units available for guest bookings as of December 31, ~~2022~~ **2023**, which we refer to as “ live ” units, had been live for less than one year. **At hotels whose former operators have relied heavily on group and corporate bookings, we have experienced and may continue to experience longer than expected revenue ramp- up periods, and we expect to devote more resources to sales efforts at future hotels. In addition, as of the date of this report, we have not yet completed the necessary integration of any of our properties with Marriott’ s systems and programs, under the Marriott Agreement announced in August 2024, as described below**. Our relatively limited operating history and evolving business make it difficult to evaluate the likelihood that we will achieve our financial, operating and growth forecasts, and to predict and plan for the risks and challenges we may encounter. These risks and challenges include our ability to:

- Forecast our revenue and

budget for and manage 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; • **Successfully implement new systems and processes; • Integrate new properties into our and Marriott' s systems and processes, including integration challenges with new systems; •** Comply with existing and new laws and regulations applicable to our business, including those related to **short the COVID- 19 pandemic or term rentals, hotel operations and** 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 we operate; • Maintain and enhance the value of our reputation and brand; • Effectively manage growth; • Successfully expand our geographic reach; • Hire, integrate and retain talented people at all levels of our organization; and • Successfully develop or integrate new features, amenities and services to enhance the experience of guests. If we fail to address these risks and difficulties, our business, **results of operations, financial condition , and cash flows results of operations** could be adversely affected. Further, because we have limited historical financial data and operate in a rapidly evolving industry, any predictions about future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in more predictable markets. If we do not address these risks successfully, or if our assumptions regarding these risks and uncertainties, which are used to plan and operate our business, are incorrect or change, our results of operations could differ materially from expectations and our business, **results of operations, financial condition, and cash flows results of operations** could be adversely affected. We **may be unable to effectively manage our growth. Since our inception, we have experienced rapid growth and continue to pursue.....** When we enter or expand operations in a **history particular city, we will also need to hire building opening and guest services staff to meet target dates for opening new properties even before these properties begin to generate revenues. We are experiencing, and may in the future experience, shortages of net losses qualified hospitality personnel. Hospitality personnel in many markets left the industry due to the effects of the COVID- 19 pandemic , and we may experience staffing shortages again in the future. Local labor shortages may arise for other reasons, from time to time. If we are unable to hire, train and integrate a sufficient number of hospitality personnel when needed, if new hires perform poorly, or if we are unsuccessful in retaining existing employees, we may not be able to meet our business and growth objectives and provide effective guest services. A shortage of qualified hospitality personnel could also result in higher wages that would increase our labor costs, which could reduce our profits. We have a history of net losses, and we may not be able to achieve or maintain profitability or positive cash flow in the future. We have incurred net losses and 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 incurred substantial net losses over the past several years, resulting in an accumulated deficit of \$ 980-1 . 6-4 million-billion at December 31, 2022-2023 . We also had negative cash flow from operating activities of \$ 149-110. 9 million and \$ 150 . 0 million and \$ 179. 4-million for the years ended December 31, 2023 and 2022 and 2021, respectively. Our expenses will likely increase in the future as we invest in integration efforts pursuant to the Marriott Agreement, 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 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 our business, which would impair our ability to achieve or maintain profitability or positive cash flow. Our Cash Flow Positive Plan announced in June 2022 , our portfolio optimization program and the Marriott Agreement may not provide the cash flow , revenue improvement , cost savings or other benefits that we anticipate , as described above. In addition, we generally lease properties under multi- year arrangements, but guest revenues are generated through stays that currently average less than one-a week. Any failure to increase our revenue sufficiently to keep pace with the fixed components of our lease obligations, investments and other expenses could prevent us from achieving or maintaining profitability or positive cash flow on a consistent basis or at all. If we are unable to successfully address these risks and challenges, our business, results of operations, financial condition , and cash flows results of operations would be adversely affected . We expend resources relating to the..... our results of operations and financial condition . We depend on landlords for certain maintenance and other significant obligations related to our properties, and any failures in this area could hurt our business. We do not own any of our properties and manage and operate them under leases with third- party landlords. At some properties, our guest units comprise only a portion of the building and common areas and amenities are shared with other tenants or unit owners. We often have limited control over the common areas and amenities of buildings in which our units are located. In addition, we depend on 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, and fire and life safety. If our landlords do not fulfill their obligations or fail to maintain and operate their buildings appropriately, we could be subject to claims by guests and other parties, and our business, reputation and guest relationships may suffer. Disputes and litigation relating to our leases and our property optimization program 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 rights and responsibilities under our leases may be subject to interpretation , and our leasing relationships will from time to time give rise to disagreements, which have included and may include disagreements over the timing and amount of capital investments or improvements , requests by us or by our landlords to amend leases , operational and repair responsibilities, liability to third parties, a party' s right to terminate a lease, and reimbursement for certain renovations and costs . For example, we have experienced actual and threatened claims and legal proceedings initiated by property owners in connection with proposed lease amendments or terminations arising from our portfolio optimization program, and we may experience additional claims and proceedings . We seek to resolve any disagreements and develop and maintain positive relations with current and potential landlords, but we cannot always do so. Failure to resolve such disagreements has resulted in litigation in the past and could**

result in litigation in the future. Disputes may be expensive to litigate, even if the outcome is ultimately in our favor. 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 business operations and expansion plans. For example, we are involved in litigation with 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 our guests. **In response For additional information about this litigation, see we withheld payment of rent on grounds of, among other-- the reasons, constructive eviction-- section entitled " Legal Proceedings " elsewhere**. **In response, the landlord disagreed with the contentions and terminated the lease in this report July 2020 and subsequently filed a lawsuit seeking unpaid rent from us. We counter-sued against the landlord and are seeking, among other remedies, substantial monetary damages against the landlord. If the landlord prevails, there may be significant damages against us.** We are unable to predict the outcome of this **litigation dispute with the landlord**, or our ultimate responsibility for any adverse outcome **in the lawsuit**. Even if this lawsuit is resolved favorably, the proceeding 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 leases may limit our operating flexibility and could adversely affect our liquidity and results of operations. We currently lease all of our properties and are committed for the leases' terms, generally without the right to terminate early. Our obligations to landlords under these agreements extend for years, while we do not have a corresponding source of guaranteed revenue because guests typically stay for less than a week at our properties. Our leases generally provide for fixed monthly payments that are not tied to Occupancy Rates or revenues, and our leases typically contain minimum rental payment obligations. We sometimes offer landlords lower minimum payments in return for a share of the property's revenues, or other variable terms, but 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 we are unable to maintain sufficient Occupancy Rates and pricing, our lease expenses may exceed our revenue **and we may not achieve our financial projections**. For example, in an environment where the prevailing cost of accommodations may be decreasing, we may not be able to lower our fixed monthly payments under our leases at rates commensurate with the rates at which we would be pressured to lower our guest rates, which may also reduce our margins and cash flow. In any such event, we may be unable to reduce our rent under the lease or otherwise terminate the lease in accordance with its terms. We have limited flexibility to rapidly alter our portfolio of properties and our lease commitments in response to changing circumstances. Leases require substantial time to negotiate and are typically multi- year commitments that can only be revised or terminated with the landlord's agreement. In addition, some of our 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 we are able to assign or sublease an unprofitable property, we may incur significant costs, including transaction costs associated with finding and negotiating with potential transferees, upfront payments or other inducements, costs to restore the property to its previous condition, and other costs to exit the property. Our leases may be subject to termination before their scheduled expiration, which can be disruptive and costly. Our leases may be subject to termination before they are scheduled to expire, in certain circumstances including the bankruptcy of a developer or landlord, noncompliance with underlying covenants governing the property, or, under some agreements, failure to meet specified financial or performance criteria. Some leases also contain conditions to the landlord's or our obligations or permit the landlord to terminate before the scheduled expiration date, including due to any failure by us to provide a cash security deposit or an acceptable letter of 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 **or other contingencies that we or the landlord must satisfy** ) that must be satisfied prior to our takeover of the units. If these contingencies are not satisfied prior to our takeover of the units, the lease is terminable by us or the landlord. In addition, certain leases are terminable by the landlord for other reasons. Many of our leased properties have been pledged as collateral for mortgage loans entered into by the owners of the properties when those properties were purchased or refinanced. If those owners cannot repay or refinance maturing indebtedness on favorable terms or at all, such owners may declare bankruptcy and / or lenders could declare a default, accelerate the related debt, and foreclose on the subject property. In addition, some of our units are subleased from parties that lease the underlying property from its owner. If our landlord fails to comply with its underlying lease, or the lease is otherwise terminated earlier than expected, we could lose the right to continue to operate our units or could be forced to cure the landlord's failure without being assured of recouping the related costs. From time to time, 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 leases due to any of the foregoing events would eliminate our anticipated income and cash flows from the affected property, which could have a significant negative effect on 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, we may need to enforce our right to damages for breach of contract and related claims, which may cause us to incur significant legal fees and expenses. Any damages we ultimately collect could be less than the projected future value of the revenues and income we would have otherwise generated from the property. Early terminations of significant agreements could hurt our financial performance or our ability to grow our business. Although in June 2022, we announced plans to moderate our pace of signing new real estate contracts and to focus new signings on countries where we already have operations, we continue to expand our operations. Currently, we maintain properties in the United States, Canada, the United Kingdom, Ireland, continental Europe, Mexico and the United Arab Emirates, and plan to continue our efforts to expand globally, including, eventually, in jurisdictions where we do not currently operate. Managing a global organization is challenging, time consuming and expensive, and any international expansion efforts that we undertake may not be profitable in the near or long term or otherwise

be successful. We have limited operating experience in many foreign jurisdictions and must continue to make significant investments to build our international operations. Conducting international operations subjects us to risks that we generally do not face in the United States. These risks include:

- Costs, risks and uncertainties associated with tailoring our services in international jurisdictions as needed to better address and balance both our needs, the needs of our guests, and threats of local competitors with compliance under applicable rules and regulations;
- Uncertainties in forecasting revenues and expenses in markets where we have not previously operated;
- Costs and risks associated with international, national, and local laws, 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 challenging for 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, 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, use and storage of personal information, ownership of intellectual property, taxation and other activities important to our online business practices;
- Additional exposure to adverse movements in currency exchange rates;
- Competition with companies that understand the local market better than we do or that have preexisting relationships with landlords, property developers, regulators and guests in those markets;
- Adverse effects resulting from the U.K.' s exit from the European Union (commonly known as " Brexit ");
- 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, **and recent events in the Middle East**), 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 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~~ **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. We cannot guarantee that our international expansion efforts will be successful. Since our inception, we have** experienced rapid growth and continue to pursue significant unit growth in existing and new markets throughout the world. As we announced in June 2022, we have moderated our planned pace of signing new units 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 **and February 2024**, we continue to recruit and hire personnel to support building openings, guest service and other functions, both in the United States and internationally. Our 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 **COVID- 19 pandemic**), ~~our continued expansion into new markets, the increasing number of hotels within 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, regulatory requirements, and labor markets. This increased~~ **COVID- 19 pandemic** ), ~~our continued expansion into new markets, the increasing number of hotels and any larger buildings within 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, regulatory requirements, and labor markets. This increased complexity and rapid growth have demanded, and will continue to demand, substantial resources and attention from our management. To support our planned growth, we will need to improve and maintain our technology infrastructure and business systems, which may be costly and is subject to uncertainties. We will also need to hire additional specialized personnel in the future~~ **public health crises have had, as we balance the pursuit of our profitability and may continue to have growth objectives. For example**, we will need to hire, train and manage additional qualified employees to support our engineering, real estate, operations and support teams, as well as employees experienced in security and hospitality operations to support our growing city teams to properly manage our growth. When we enter or expand operations in a particular city ~~material detrimental impact on our business, operations, we will also need to hire building opening and financial results~~ **guest services staff to meet target dates for opening new properties even before these properties begin to generate revenues**. ~~The~~ **We are experiencing, and may in the future experience, shortages of qualified hospitality personnel. Hospitality personnel in many markets left the industry due to the effects of the COVID- 19 pandemic** ~~caused severe economic disruptions around~~, **and we may experience further staffing shortages again in the future. Local labor shortages may arise for the other reasons** world. While vaccines, booster shots, and treatments ~~from time to time. If we are unable~~ **now available in many countries, the ability of vaccination and treatment programs to curtail the impacts** ~~hire, train and integrate a sufficient number~~ **of the pandemic hospitality personnel when needed, if new hires perform poorly, or if we are unsuccessful** ~~uncertain. These factors may contribute to delays in~~ **retaining existing employees** ~~economic recovery and continued reluctance to travel. The ongoing impact of the COVID- 19 pandemic~~, **we** 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 **not be able** in the

future impose or recommend, at various times and degrees, that businesses and individuals implement restrictions on a wide array of activities to **meet** 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 and growth objectives and**. • The COVID-19 pandemic necessitated more restrictive approaches to providing **provide effective** guest services; changes in guest cancellation and refund practices, and additional guest support resources related to enhanced health and hygiene requirements. We **A shortage of qualified hospitality personnel could** 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 **in higher wages that would increase**. • The COVID-19 pandemic or **our labor costs** 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's effect on demand for accommodations, we took steps to **reduce** operating costs, including, in March 2020, laying off a substantial number of employees, and temporarily furloughing, reducing compensation, or **our profits** implementing reduced work weeks for other personnel. Future public health crises may have similar effects on the hospitality industry. These steps and further changes we may make to reduce costs in response to a future public health crisis may negatively impact our ability to attract and retain employees, and our reputation and market share may suffer as a result. In addition, through lease renegotiation and exercise of termination rights, we phased out nearly 3,400 units from our 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 result in reductions in our Live Unit and / or leased-unit portfolio. • In addition, the ongoing COVID-19 pandemic or a future public health crisis may disrupt or delay our planned growth in our property portfolio, for example, by adversely affecting the ability of some developers to obtain or draw upon financing arrangements for projects that are in construction or development, or by causing financial difficulties for some existing and prospective landlords, which may impair their willingness or ability to invest in property developments, improvements or conversions necessary to add to our portfolio of units. The COVID-19 pandemic also caused construction delays due to government restrictions on non-essential activities and shortages of supplies caused by supply chain interruptions, and a future public health crisis may similarly affect real estate development activities. As a result, some of the properties in our pipeline may not enter the market or become part of our portfolio when anticipated, or at all. Delays, increased costs, and other impediments to projects under development, or to our unit opening process, would reduce our ability to realize revenue. We cannot predict the long-term effects of the COVID-19 pandemic or any future public health crisis on our partners and their business and operations or the ways that the pandemic or a future public health crisis may alter the travel and hospitality industries. A future pandemic or other public health crises may require similar responses 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, we may need to adjust to future supply shortages or other changes in our supply chain as well as structural changes to certain types of travel. If we fail to attract new guests or generate repeat bookings from previous guests, our business, results of operations, and financial condition, **and cash flows** would be materially adversely affected. Our success depends significantly on attracting new guests and securing repeat bookings from previous guests. Our ability to attract and retain guests could be materially and adversely affected by a number of factors, including: • The impact of events beyond our control on demand for travel and accommodations in our 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 brand; • Negative perceptions of the safety of our properties, **including due to the absence of front desks or other traditional, onsite hotel staffing at some properties**; • **Negative perceptions of** the security of 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-other** data security incident; and • Inflation, economic recessions or other macroeconomic factors, and other conditions outside of our control affecting travel and the hospitality industry generally. In addition, we could fail to attract first-time guests or additional bookings from previous guests if 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 our website or the Sonder app and on third-party listing platforms are not displayed effectively to guests, or if we fail to provide an experience that meets rapidly changing consumer preferences and travel needs, which could materially adversely affect our business, results of operations, and financial condition, **and cash flows**. If we fail to attract new guests or generate repeat bookings due to these or other factors, our revenues would suffer, we may not meet our financial projections or

achieve or maintain profitability, and our business and planned expansion could be adversely affected. **If we are unable to introduce new..... could damage our brand and reputation.** We offer different 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 we expect, our business, **results of operations**, financial condition, and **cash flows results of operations** could be adversely affected. We 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 success will depend on the willingness of potential guests and the market at large to widely adopt 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 we hope to enter in the future, the market for our hospitality services is unproven, with little data or research available regarding the market and industry. If potential guests do not perceive our 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 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 business, **results of operations**, financial condition, and **cash flows results of operations**. Our growth also depends on the acceptance of our innovative business model by landlords and property developers, and on our ability to operate in markets without clear or well-established regulations covering properties used in our business. For these and other reasons, we may make errors in predicting demand and the supply of potential units in certain markets, which could cause us to spend more in a certain market than is justified by the resulting revenues, or to miss our financial targets, and could otherwise harm our business. The hospitality market is highly competitive, and 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 current and potential competitors include global hotel brands, regional hotel chains, independent hotels, OTAs and short-term rental services. Numerous vacation, hotel and apartment rental listing websites and apps also compete directly with us for guests. Our competitors may **continue to** adopt aspects of our business model, which could reduce our ability to differentiate 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. We also compete with hotel operators, property rental and management companies, and others to secure leases for attractive properties to add to our portfolio. If we are unsuccessful in offering a distinctive combination of modern, technology-enabled service and superior design at an affordable price point, or are unable to lease new properties, 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 we may need to adopt or otherwise adapt to in order to compete, which could reduce our ability to differentiate our business or services from those of our competitors. For example, some travel intermediaries, like OTAs, are entering into arrangements with hospitality providers that may compete with us more directly. Increased competition could result in a reduction in revenue, fewer attractive properties, higher lease rates, higher costs, or reduced market share. We believe we compete for guests primarily on the basis of the quantity and quality of our units, the global diversity and attractiveness of our units, the quality of our guests' experience, and our customer service, brand identity and price. Competitive factors in our industry are subject to change, such as the increased emphasis on cleaning, social distancing and "healthy buildings" that occurred during the COVID-19 pandemic. If guests choose to use other competitive offerings in lieu of ours, our revenue could decrease, and we could be required to make additional expenditures to compete more effectively. Any of these events or results could harm our business, **operating results and of operations**, financial condition, and **cash flows**. Many of our 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 properties may not provide. Future competitors may also have these advantages compared to us. Moreover, the hospitality services industry has experienced significant consolidation, and we expect this trend may continue as companies attempt to strengthen or hold their market positions in a highly competitive industry. Consolidation among our competitors would give them increased scale and may enhance their capacity, abilities, and resources, and lower their cost structures. In addition, our current or potential competitors may have access to larger developer, landlord or guest bases. As a result, our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, regulatory regimes, or landlord or guest requirements. Furthermore, because of these advantages, existing and potential landlords and guests might accept our competitors' offerings, even if they may be inferior to our own. For all of these reasons, we may not be able to compete successfully against our current and future competitors. We market 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 business, **results of operations**, financial condition, and **cash flows results of operations** could be adversely affected. Our success depends in part on our relationships with third-party distribution channels to list our units online and raise awareness of our brand. In particular, we generate demand by marketing our units with OTAs, such as Airbnb, Booking.com, and Expedia. Bookings through these OTAs and other indirect channels accounted for over half of our revenues in the year ended December 31, **2022-2023**. The terms of some of our agreements with these partners allow the partner to change or terminate terms at their discretion. If any of our partners terminate their relationship with us or refuse to renew their agreement with us on commercially reasonable terms, we would need to find alternate providers and may not be able to secure

similar terms or replace such providers in acceptable time frames. 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 units. Our revenues **have in the past been and** could be adversely affected if our units are not featured prominently or accurately within OTA platforms for any reason, including changes in an OTA's relationship with us or its competitors, errors by an OTA, outages experienced by an OTA, **disruptions in the interconnection of our systems with OTAs' systems,** or otherwise. **For example, certain of our units have been temporarily removed from OTAs' platforms due to misunderstandings about our units' regulatory status or misclassification of units by local regulators, resulting in lost revenue.** If our relationship with an OTA is terminated or the OTA makes changes that reduce the prominence of our units on its platform, our revenue could be materially adversely affected. Our relationships with OTAs and other distribution partners may shift as industry dynamics change, and these third parties may be less willing to partner with us as such shifts occur. For example, should a significant distribution partner adjust its platform to compete more directly with us, that partner may be more likely to promote and sell its own offerings, impose additional conditions on us or even cease listing our units. Similarly, if any significant distribution partner decided to sell another competitor's offerings over ours, it could adversely impact our sales and harm our business, operating results, and prospects. Furthermore, any negative publicity related to any of 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 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 us. Our strategy includes increasing the proportion of stays booked directly with us through our website, mobile app, and our sales personnel, but we may be unsuccessful in increasing direct bookings, and we expect to continue to rely to a significant extent on bookings through OTAs and other ~~Internet~~ **internet**-based travel intermediaries. In the year ended December 31, ~~2022~~ **2023**, over half of our revenues were attributable to bookings through OTAs and other indirect channels. Major Internet search companies also provide online travel services that compete with our direct bookings. If indirect channels increase in popularity, these intermediaries may be able to obtain higher commissions or other concessions from us. Some travel intermediaries are also entering into arrangements that compete with 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 properties by de-emphasizing our properties in search results on their platforms, or requiring our listings to meet certain criteria, and other online providers may divert business away from our properties. There can be no assurance that 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. This may make our branding efforts less effective, reduce guest loyalty and recurring demand, and require us to increase our marketing expenses. Our results of operations have historically varied from period-to-period, and we expect that our results of operations will continue to do so for a variety of reasons, many of which are outside of our control and difficult to predict. Because our results of operations may vary significantly from quarter-to-quarter and year-to-year, the results of any one period should not be relied upon as an indication of future performance. Our revenue, expenses, operating results and cash flows, as well as our key operating metrics, have fluctuated from quarter-to-quarter in the past and are likely to continue to do so in the future. These fluctuations are due to, or may result from, many factors, including: • Changes in the number of 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 impact of the continuing COVID-19 pandemic or other public health crises;~~ • 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 **and our portfolio optimization program, and our relationship with Marriott pursuant to the Marriott Agreement**; • 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 and any adjustments in rental rates under existing leases; • Changes in cash flow due to lease signings, renewals and amendments 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; • Declines or disruptions in the hospitality industry, particularly in cities or regions where we generate substantial revenue; • The impact of natural disasters, and changes in the 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 us, and any changes in distribution channels' fees or relationships with us; • 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; • **The impact of the continuing COVID-19 pandemic or other public health crises**; • 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 **Liability** 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 **additional** 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~~ **have resulted in and may in the future** 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 our business or restrict **short-term rentals**, 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 us to miss projections or guidance we may have provided to the public. In addition, a significant portion of our expenses and investments, such as our leases, are fixed and such fluctuations in operating results may cause us to face short-term liquidity issues, impact our ability to retain or attract key personnel or expand our portfolio of properties, or cause other unanticipated issues. 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. **In addition, seasonal fluctuations obscure important trends in key metrics such as Free Cash Flow, which may fall below the expectations of investors or securities analysts and cause our stock price to fluctuate or decline.** As a result of the potential variability in our quarterly revenue and operating results, we believe that quarter-to-quarter comparisons of our 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 in June 2022, we announced..... international expansion efforts will be successful.** Certain of the measures we use to evaluate our operating performance are subject to inherent challenges in measurement and may be subject to future adjustments. We 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 we believe to be reasonable assumptions and estimates, our systems and tools have a number of limitations, and our methodologies for tracking these metrics may change over time. In addition, limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If the internal systems and tools we use to track these metrics understate or overstate key performance indicators or contain other technical errors, the data we report **or rely upon for planning and forecasting** may not be accurate. If investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be significantly harmed, and our **business, results of operations and, financial condition, and cash flows** could be adversely affected. Our business depends on our reputation and the strength of our brand. We believe that the strength of our reputation and brand are important to 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 we operate and with local governmental authorities and regulators. Many factors can affect our reputation and the strength of our brand, including: • The quality of guest service and the guest experience, and the nature and severity of guest complaints; • Guest safety and their perception of safety; • Guest privacy and data security practices, and any breaches of privacy or data security, including the security incident involving unauthorized access to one of our systems, which included certain guest records, that we announced in November 2022; • Publicized incidents in or around our properties; • **After the integration of our properties with Marriott’s systems, distribution channels, and branding, the strength of Marriott’s brand and guests’ perception of our relationship with Marriott;** • **The delay in our SEC reports resulting from our accounting restatement announced in March 2024;** • **Our ability to continue as a going concern**; • 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 support for local communities, and other community relations matters; • Our approach to supply chain management, sustainability, human rights, **diversity, equity, and inclusion (“DEI”)**, and other matters relating to corporate social responsibility; • **The extent to which we operate properties that carry the owner’s branding or are co-branded with us**; • Our ability to protect and use 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 us, our brand, and our properties. It may be difficult to control or effectively manage negative publicity, regardless of whether it is accurate. Our ability to control our reputation and brand is also limited due to the role of third parties in our business. For example, **currently**, guests who book stays through OTAs and other indirect channels sometimes have issues with their bookings that we do not control, such as refund and cancellation terms, which may result in disputes or otherwise negatively affect our reputation. **Similar issues may arise with respect to bookings made through Marriott’s platform and distribution channels.** We also rely on third-party companies to provide some guest services, including housekeeping and linen services at many of our locations, and remote guest support. We do not directly control these companies or their personnel. We also depend upon our landlords to perform important maintenance and other functions at our properties, particularly in common areas, and at many properties 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 properties, services or business activities, due to our own operations or actions or omissions of third parties, could diminish consumer confidence in the Sonder brand and impair our relationships with guests, landlords, governmental authorities, local residents, third-party business partners, and others that are important to our business. We **are involved in and may in the future** become involved in claims, lawsuits, and other proceedings that could adversely affect our business, **results of operations, financial condition, and cash flows results of operations**. We are involved in various legal proceedings relating to matters incidental to the ordinary course of our business and may be subject to additional legal proceedings from time to time. Such legal actions include tort and other general liability claims, employee claims, consumer protection claims, 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, we may, from time to time, settle disputes even where we have meritorious claims or defenses. We **are involved in and** may also **in the future** be the subject of subpoenas, requests for information, reviews, investigations, and proceedings (both formal and informal) by governmental agencies regarding our business activities. Legal and regulatory proceedings can be time-consuming, divert management’s

attention and resources, and cause 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 our business, **results of operations**, financial condition, and **cash flows** ~~results of operations~~. We may be subject to liability for the activities of our guests or other incidents at our properties, which could harm our reputation and increase our operating costs. 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 operating costs and adversely affect our business and results of operations, even if they do not result in liability, as we may incur costs related to investigation and defense. This risk is heightened due to the fact that, in many cases, we do not control access to certain areas of buildings in which our units are located. From time to time, 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 we are subject to additional disputes, liability or claims of liability relating to the acts of our guests, third parties in or around our leased properties (including residents of these properties who are not our guests) or the condition of the leased properties, 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 our business and operating results. We are subject to claims and liabilities associated with potential health and safety issues and hazardous substances at our properties. We and the developers and owners of our leased properties are exposed to potentially significant liabilities and compliance costs as a result of any hazardous or unsafe conditions at our properties, including under environmental, health and safety laws and regulations. These laws and regulations govern matters such as the release, use, storage, and disposal of hazardous and toxic substances, 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 our authority to conduct operations. Any impairment of our or our landlords' authority to permit hospitality operations at our leased properties, due to these factors, could harm our reputation and revenue. We could also be liable under environmental, health and safety laws for the costs of investigation, removal, or remediation of hazardous or toxic substances or unsafe or unhealthy conditions at our currently or formerly leased or managed properties, even if we did not know of or cause the presence or release of the substances or conditions, and even where this is contractually the responsibility of our landlord. The presence or release of toxic, unhealthy or hazardous substances or conditions at 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 our landlords and guests. For example, we have engaged in litigation with one of our landlords relating to the presence of toxic mold at one property, and we have faced expensive and disruptive claims relating to Legionella bacteria contamination in the water supply at another property, including lawsuits by guests. We 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 our **reputation**, business, ~~reputation~~, ~~results of operations~~ and, financial condition, **and cash flows**. Environmental, health and safety requirements have also become increasingly stringent, and our costs may increase as a result. New or revised laws and regulations or new interpretations of existing laws and regulations, such as those related to climate change, could affect the operation of our properties or result in significant additional expense and restrictions on our business operations. We rely on our third-party landlords to deliver properties to us in a safe and suitable condition, and in most cases we do not undertake to independently verify the safety, suitability or condition of the properties we lease. We expect to continue to rely on landlords to disclose information about their properties, though such disclosures may be inaccurate or incomplete, and to keep the properties in a safe and compliant condition in accordance with the terms of our leases and applicable law. If unsafe or unhealthy conditions are present or develop at our properties, our guests may be harmed, we may be subject to expensive and disruptive claims, and our reputation, business, results of operations, and financial condition, **and cash flows** could be materially and adversely affected. 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~~. We have from time to time experienced, and expect to continue to experience, fraud in connection with bookings and payments. The methods used by perpetrators of fraud are complex and constantly evolving. We 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, we 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 us, **and lost revenue and other financial impacts**, due to fraudulent activity or the actions of persons booking stays under false pretenses. We depend on our key personnel and other highly skilled personnel, and if we fail to attract, retain, motivate or integrate our personnel, our business, **results of operations**, financial condition, and **cash flows** ~~results of operations~~ could be adversely affected. Our success depends to a significant degree on the continued service of our founders, senior management team, key technical, financial and operations employees and other highly skilled personnel and on our ability to identify, hire, develop, promote, motivate, retain, and integrate highly qualified personnel for all areas of our organization. We may not be successful in attracting and retaining qualified personnel to fulfill our current or future needs. In addition, all of our U. S.- based employees, including our management team, work for Sonder on an at- will basis, and there is no assurance that any such employee will remain with us. Competitors may be successful in recruiting and hiring members of our 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 we are unable to attract and retain the necessary personnel, particularly in critical areas of our business, we may not achieve our strategic goals. We face intense competition for highly skilled personnel in all areas of our business, and the move by companies to offer a remote or hybrid work environment may increase the competition for employees. To attract and retain top talent, we have had to offer, and we believe we will need to continue to offer, competitive compensation and benefits packages. Job

candidates and existing personnel often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, including due to the decline in our stock price since **our January 2022** the consummation of the Business Combination, it may adversely affect our ability to attract and retain highly qualified personnel. **Volatility or lack of performance in our stock price may also affect our ability to attract and retain employees. The value to employees of stock options that vest over time may be significantly affected by decreases in our stock price (whether or not related to or proportional to our operating performance) and may at any time be insufficient to counteract more lucrative offers from other companies. We may face challenges in retaining and recruiting such individuals due to sustained declines in our stock price that could reduce the retention value of equity awards.** Our continued focus on operational efficiencies, particularly after the restructuring that we announced in June 2022 and the additional ~~reduction~~ **reductions** in corporate headcount that we announced ~~on~~ **in** March ~~1,~~ **2023** **and February 2024, and the organizational changes that are expected to result from our new relationship with Marriott announced in August 2024**, 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 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 we are unable to effectively manage our hiring needs or successfully integrate new hires, or effectively retain current employees, our efficiency, ability to meet forecasts and employee morale, productivity and retention could suffer, which could adversely affect our business, **results of operations**, financial condition, and **cash flows** ~~results of operations~~. 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 hospitality employees and other guest services personnel are critical to our ability to add properties, maintain our units, enhance the guest experience, and attract and retain guests. If our relationship with employees in any city or at any key property, or within our central guest services function, deteriorates for any reason, our reputation, guest relationships and revenue may suffer, and we may incur costs to replace and retrain additional personnel or third-party contractors. In addition, many of our guest services representatives and housekeepers who provide services to us, and our guests are employed by third-party agencies, which we do not control. Our business and reputation could be harmed in the event of any dispute with these agencies by their staff or with us, or if their staff do not provide services that meet our or our guests' standards and expectations. Guest services, live support for guest bookings, and our expenses may also be adversely affected by any event that disrupts the operations of our third-party guest services contractors. For example, the typhoon that struck the Philippines in December 2021 disrupted our outsourced service center there, causing temporary delays in guest responses and other temporary disruptions in our operations. In addition, labor costs are a significant component of our operating expenses, and any increase in the cost of wages, benefits or other employee-related costs could cause our results of operations and cash flow to be 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 costs and impair our operations. Like other businesses in the hospitality industry, we may be adversely affected by organized labor activity. Certain of our 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. We cannot predict the outcome of any labor-related proposal or other organized labor activity. Increased unionization of our workforce or other collective labor action, new labor legislation or changes in regulations could be costly, reduce our staffing flexibility or otherwise disrupt our operations, and reduce 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. We may also incur increased legal costs and indirect labor costs because of disputes involving 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 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 **the workforce of our** landlords' ~~workforces~~ **occupy-lease**, which could harm our guests' experience and reduce bookings at the affected property. We have identified material weaknesses in 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 our consolidated financial statements **or other adverse consequences**. We **have** identified material weaknesses in our internal control over financial reporting as of December 31, ~~2022~~ **2023** **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 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 had been remediated as of December 31, 2021. However, we~~ have identified material weaknesses in internal control over financial reporting as of December 31, **2023** **and 2021**, that we are currently working to remediate, related to: **• (i) the process to capture and record lease agreements timely and accurately and; • deficiencies in the control activities component of the relevant framework, relating to (ii-a) establishing and consistently applying formal policies and procedures, and (b) hiring and training sufficient personnel to timely support our internal control objectives to ascertain whether the components of internal control are present and functioning, as further described in Part II, Item 9A. Controls and Procedures, of this report; and • the asset impairment matters and related restatement of our previously issued financial statements which are discussed in the Explanatory Note above and in Note 2. Restatement of Previously Issued Financial Statements, to the consolidated financial**

statements included in this report. Although we remain committed to taking actions to remediate the these processes material weaknesses in our place to design and test the operating effectiveness of internal control over financial reporting 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 not had the necessary business processes and related internal controls formally designed and implemented for a sufficient period of time. To remediate the material weakness related to the process to capture and record lease agreements timely and accurately, including we have identified improvements related to our lease administration process that we plan to implement in 2023 and will provide 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 of time, and 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. Our inability to remediate this material weakness may make it more difficult for us to make a 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 to enhance our control environment, we can give no assurance that our efforts will succeed in remediating these 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 these material weaknesses..... our internal control over financial reporting. Pursuant to the SEC rules that implement Section 404 of the Sarbanes- Oxley Act, beginning with this annual report on Form 10- K, as a public company, we are 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 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 Our failure to remediate any material weaknesses, and to implement and maintain effective disclosure controls and procedures and internal control over financial reporting, could result in errors in our consolidated financial statements, including the identification errors that could result in a restatement of one or our consolidated financial statements, and could cause us to fail to meet our reporting obligations and result in other adverse consequences, such as violations of contractual or debt covenants, potential delisting from Nasdaq, SEC or other regulatory investigations and civil or criminal sanctions, or claims or litigation against us, any of which could diminish investor confidence in us, require the expenditure of additional resources, make it more difficult to raise capital, and cause a decline in the price of our common stock and publicly traded warrants. If we fail to maintain an effective system of disclosure controls and internal control controls 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 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 Exchange Act is accumulated and communicated to our management, including our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting. As of December 31, 2023, our management concluded that our disclosure controls and procedures were not effective due to the existence of the material weaknesses described above. See Part II, Item 9A of this report for more information. Any failure to implement and maintain effective disclosure controls and procedures 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 us to claims, litigation, and /or potential delisting from Nasdaq. In, SEC or other regulatory investigations and civil or criminal sanctions, or claims or litigation against us, any of which could diminish investor confidence in us, require the expenditure of additional resources, make it more difficult to raise capital, and cause a decline in the price of our common stock and publicly traded warrants. We face risks related to the restatement of our previously issued consolidated financial statements and financial information, and that restatement and any future financial restatement or correction may adversely affect us. As described in the Explanatory Note above and in our Current Report on Form 8- K filed with the SEC dated March 15, 2024, on March 14, 2024, the Audit Committee of our Board of Directors determined, based on management's recommendation, that our audited consolidated financial statements for the year ended December 31, 2022, and the unaudited condensed consolidated financial statements included in each of the Company's quarterly reports on Form 10- Q filed with the SEC in 2023,

should no longer be relied upon due to accounting errors related to the valuation and impairment of operating lease right of use assets and related items, and should be restated. See Note 2. Restatement of Previously Issued Financial Statements, to the consolidated financial statements included within Part II, Item 8 of this Annual Report on Form 10-K and Part II, Item 9A. Controls and Procedures for additional information. As a result of the restatement, we are subject to a number of additional risks and uncertainties which may affect investor confidence in the accuracy of our financial disclosures and may raise reputational issues for our business. We expect to continue to face many risks and challenges related to potential errors in future financial statements as the existence of unremediated material weaknesses may not timely detect and prevent errors in future financial statements. The restatement process described in this report has required, and the evaluation of controls, require additional professional fees and internal resources, including management time and attention, which negatively impact our business and financial results. We are also subject to litigation or other claims, disputes, investigations or proceedings, which may include, among others, claims invoking the federal and state securities laws, governmental investigations, or other claims, related to the above-described restatement, or to weaknesses or deficiencies in our internal control over financial reporting or our other controls and procedures. We cannot assure you that all of the risks described above will be eliminated or that the restatement described in this report, or any future restatement, will not cause financial or reputational harm to our business. If one or more of the foregoing risks or challenges persist, our business, results of operations, financial condition, and cash flows could be subject materially and adversely affected. Our delayed SEC filings have made us currently ineligible to use certain registration statements to register the offer and sale of securities, which could have adverse effects including on our investigations ability to raise capital or employee retention and recruitment. Because we were unable to file this Form 10-K or our quarterly reports on Form 10-Q for the quarters ended March 31, 2024 and June 30, 2024 with the SEC on a timely basis, we will not be eligible to register the offer and sale of our securities using a registration statement on Form S-3 until we have timely filed all periodic reports required under the Exchange Act for one year. Should we wish to register the offer and sale of our securities to the public prior to the time we are eligible to use Form S-3, including for purposes of raising capital or permitting the resale of privately placed securities, we will be required to file a registration statement on Form S-1 and have it reviewed and declared effective by the SEC. Doing so would likely take longer than filing a registration statement on Form S-3 and increase our transaction costs, making it more difficult to execute any such transaction successfully and potentially harming our liquidity and financial condition. We will also need to file a post-effective amendment on Form S-1 to convert our previous Form S-3 registration statement with respect to resales of securities into a Form S-1, which may be reviewed and will need to be declared effective by the SEC. We cannot predict when we will regain eligibility to use Form S-3, due in part to the uncertainties associated with our previously announced financial restatement process and the possibility of additional delays in our SEC filings. Furthermore, our failure to timely file our periodic reports with the SEC resulted in the suspension of the availability of Form S-8 for issuances of shares pursuant to our equity incentive plans for employees and directors. For that reason, employees and directors have not been permitted to exercise outstanding stock options or receive unrestricted shares of our common stock pursuant to restricted stock units or other equity awards, and we will remain unable to grant other equity awards under our Form S-8 registration statements, until such time that we are deemed to have filed all reports and other materials required to be filed under the exchange-Exchange Act. This includes filing our quarterly reports on Form 10-Q for the quarters ended March 31, 2024 and June 30, 2024, future quarterly reports on Form 10-Q, and other SEC reports. The suspension of our ability to utilize Form S-8 has adversely impacted employee morale, incentives, and recruitment, and if we fail to file future required reports, our ability to use Form S-8 for the above purposes will remain or again be suspended, which could adversely affect our business securities are listed, the SEC and other regulatory authorities. If we are unable to adapt to changes in technology, our business could be harmed. Our website and mobile app, and the technology-enabled features of our units, are critical to our business, and guests increasingly demand technology-driven features and amenities when they seek accommodations. Therefore, we will need to continuously modify and enhance our services and business systems to keep pace with technological changes, including changes related to the integration of our properties with Marriott's systems pursuant to the Marriott Agreement. 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 financial projections or divert resources from other business initiatives. In addition, if our properties, website or mobile app, or internal systems fail to operate effectively with future technologies, we could experience guest dissatisfaction, lost revenue, difficulties in providing customer service or adding new properties to our portfolio, or other disruptions in our operations, any of which could materially harm our business. 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. We rely on software and other technologies and services supplied by third parties to provide certain services to us and 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 properties, such as digital locks and streaming television services. As we increase the use of third-party systems in our business and as new technology is developed, and as we integrate our properties with Marriott's systems and technologies under the Marriott Agreement, the integration of our products and services with one another and other companies' 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. **Our increasing reliance on third parties for technology development and support may also subject us to additional risks, including potential challenges in protecting our intellectual property rights in the related technology, and reduced control over the individuals working on our technology projects.** Any of these risks could increase our costs and adversely affect our business, **results of operations,** financial condition, and **cash flows 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 we incorporate technology from third parties with our technology or otherwise use it to operate our business, we cannot be certain that our licensors are not infringing the intellectual property rights of others or that our suppliers and licensors have sufficient rights to the technology in all jurisdictions in which we may operate. If we are unable to obtain or maintain rights to any of this technology because of intellectual property infringement claims brought by third parties against our suppliers and licensors or against us, our ability to operate some aspects of our business could be severely limited and our business could be harmed. In addition, some of our license agreements may be terminated by our licensors for convenience. If we are unable to obtain necessary technology from third parties, 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 our ability to provide new or competitive offerings and increase our costs. In addition, we may be unable to enter into new agreements on commercially reasonable terms or develop our own technologies and amenities relying on or containing technology previously obtained from third parties. If alternate technology cannot be obtained or developed, we may not be able to offer certain functionality to our guests or manage our business as we had intended, which could adversely affect our business, **results of operations,** financial condition, and **cash flows results of operations.** See the risk factor titled **entitled “ If our Our processing, storage, use and disclosure of personal data and other sensitive data expose us to risks of internal or external security breaches and information technology systems, or those of third parties with whom we work, are or were again compromised, we could give rise to experience, and have in the past experienced, adverse consequences including regulatory investigations or actions; litigation, including class claims; 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, and the risk factor entitled “ We may not realize the anticipated benefits from our agreement with Marriott at the time or to the degree that we anticipate, or at all, and our agreement with Marriott may expose us to other risks and uncertainties ” for further information about certain risks related to our relationship with Marriott.** We rely on a third- party payment processor **processors** to process payments made by guests, and if we cannot manage our relationships with such third party **parties** and other payment- related risks, our business, **results of operations,** financial condition, and **cash flows results of operations** could be adversely affected. We rely on a third- party payment processor **processors** to process payments made by guests. If **any of** our third- party payment processor **processors** terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we would need to find an alternate payment processor **processors**, and we may not be able to secure similar terms or replace such payment processor **processors** in an acceptable time frame. Furthermore, the software and services provided by our third- party payment processor **processors** may fail to meet our expectations, contain errors or vulnerabilities, be compromised or experience outages. Any of these risks could cause us to lose our ability to accept online payments or other payment transactions or make timely payments to landlords, any of which could adversely affect our ability to attract and retain guests or disrupt our operations. Nearly all payments made to us by our guests are made by credit card, debit card or through a third- party payment service, which subjects us to certain regulations and to the risk of fraud. We may in the future offer new payment options to guests that may be subject to additional regulations and risks. We are also subject to a number of other laws and regulations relating to the payments we accept from 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. **If our Our processing, storage, use and disclosure of personal data and other sensitive data expose us to risks of internal or external security breaches and information technology systems, or those of third parties with whom we work, are or were again compromised, we could give rise to experience, and have in the past experienced, adverse consequences including regulatory investigations or actions; litigation, including class claims; 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.** In the ordinary course of business, we **and the third parties with whom we work** collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, ~~processing~~ **process**) 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 services. Among other things, 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. Cyber- attacks, 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.~~ **As we integrate our properties with Marriott’ s platform and systems pursuant to the Marriott Agreement, the aforementioned third parties will include Marriott, and any third parties whose technologies, services or systems are incorporated into Marriott’ s platform or systems or on which Marriott otherwise relies.** 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- supported actors. Some actors now engage and are expected to continue to engage in cyber- attacks, including without limitation nation- state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. For example, cyber- attacks may increase as a result of the Russian invasion of Ukraine in 2022. We and the third parties upon which with whom we rely work are subject to a variety of evolving threats, including but not limited to social -engineering attacks (including through phishing and so- called deep fake attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial- of- service and attacks (such as credential stuffing ) attacks, 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. We have experienced targeted Any security breach whether instigated internally or externally on our systems or third- party systems could significantly harm our reputation and therefore our business, brand-- and organized phishing, market share and results of operations account takeover attacks and may experience more in the future. In particular, severe Ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations and ability to provide services to our guests, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. It We have experienced targeted and organized phishing and account takeover attacks and may experience more be difficult and / or costly to detect, investigate, mitigate, contain, and remediate a security incident. Our efforts to do so may not be successful. Actions taken by us or the third parties with whom we work to detect, investigate, mitigate, contain, and remediate a security incident could result in outages, data losses, and disruptions of our business. Threat actors may also gain access to the other future networks and systems after a compromise of our networks and systems. These-- The foregoing risks are likely to increase as we expand our business, integrate our products and services with those of third parties or at new properties, and store and process more data, including personal data, and as the use of generative artificial intelligence may permit more automated and effective attacks. Our 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 our business, reputation, and results of operations. In Additionally, past or future business transactions (such as integrations of our systems and technologies with those of commercial partners, or any businesses we may acquire) could expose us to additional additional cybersecurity risks and vulnerabilities. Among other things, our reliance on systems could be negatively affected by vulnerabilities present in the third- party service providers could introduce new systems and technologies, or created by the integration. Furthermore, we may discover cybersecurity security risks and vulnerabilities, including supply issues that were not found during our analysis of any third - chain attacks party business partner, and it may be difficult to integrate our information technology environment and security program with those of other companies threats to our business operations. We rely on third parties and 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 parties - party service providers to provide other products, services, or technologies. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If our the third - party service providers parties with whom we work experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our those third parties - 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, in November 2022, we received an email from an unknown threat actor alleging to have accessed certain sensitive data. We immediately commenced an investigation and discovered that 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. In addition We have also experienced targeted and organized phishing and account takeover attacks and may experience more in the future. To date, sensitive information we believe these attacks have been unsuccessful in causing unauthorized transfers of funds, but about the outcome our company or guests could be leaked, disclosed, or revealed as a result of any future attacks is inherently uncertain or in connection with the use of generative

**artificial intelligence technologies by our vendors, contractors, or employees**. Additionally, while we take steps **designed** to detect, **mitigate** and remediate vulnerabilities **in our information systems**, we may not be able to detect and remediate all vulnerabilities **on a timely basis or at all**, 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 incident has occurred. These vulnerabilities may pose material risks to our business. ~~For example, in connection with including the risk that the they result in~~ **audit of our 2020 financial statements, we and our independent auditors identified a material weakness** ~~weaknesses~~ **in our internal controls over financial reporting system access, program change management and computer operations that are intended to ensure that access to data is adequately restricted.** ~~We~~ **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); **voluntary or mandatory notifications of guests, regulators, and other relevant stakeholders; the provision of credit monitoring and identity theft protection services or other potentially costly actions; lost revenues or other** financial loss; and other similar harms. **For example, in August 2023, a purported class action lawsuit was filed against the Company in connection with the November 2022 security incident described above, asserting claims based on the Company's alleged failure to secure and safeguard the personally identifiable information of the putative class, which was subsequently dismissed.** 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 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, **as we integrate our systems and technologies with those of additional third parties**, 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~~ **protect** us ~~from for~~ **or any or all** ~~mitigate~~ **liabilities and** 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 **pay future claims or 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 limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. System capacity constraints or system or operational failures could materially adversely affect our business, results of operations, ~~and~~ **financial condition, and cash flows**. Since our founding, we have experienced rapid growth in consumer traffic to our website and usage of our app, and our portfolio of properties has grown and diversified. If our technologies, systems, and network infrastructure cannot be expanded or are not scaled to cope with increased demand or fail to perform, we could experience unanticipated disruptions in bookings and guest service, slower response times, decreased guest satisfaction, and delays in launching new properties and markets. In the event of certain system failures, 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. 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 our engineering staff, these outages can create a significant number of guest issues and complaints that need to be resolved by our guest services team. Any unscheduled interruption in our service could result in an immediate and significant loss of revenue, an increase in guest support costs (including refunds and reimbursements), and harm our reputation, and could result in some consumers switching to competitors or making claims against us. If we experience frequent or persistent system failures, our brand and reputation could be permanently and significantly harmed, and our business, results of operations, ~~and~~ **financial condition, and cash flows** could be materially adversely affected. Our ongoing efforts to increase the reliability of 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 operations. We do not carry business interruption insurance sufficient to compensate us for all losses that may occur. We use both internally developed systems and third-party systems to operate 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 our website increases substantially, or if critical internally developed or third-party systems stop operating as designed, we may need to significantly upgrade, expand, or repair our systems and other infrastructure. We may not be able to upgrade our systems and infrastructure to accommodate such conditions in a timely manner, and our systems could be impacted for a meaningful period of time, which could materially adversely affect our business, results of operations, ~~and~~ **financial condition, and cash flows**. The software underlying our 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 code after release could result in damage to our reputation, loss of guests, disruption to our sales channels, loss of revenue,

or liability for damages, any of which could adversely affect our growth prospects and business. Disruptions in Internet access or guests' usage of their mobile devices could harm our business. Our business depends on the performance and reliability of the Internet, telecommunications network operators, and other infrastructures that are not under our control. Our revenue and guest experience are also heavily dependent on consumers' ability to interact with our mobile app and guest services functions using their mobile devices. Accordingly, we 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 our business, results of operations, and financial condition, **and cash flows**. ~~Supply chain interruptions may increase our costs or reduce our revenues~~. We depend on good vendor relationships and the effectiveness of our supply chain management systems to ensure reliable and sufficient supply, on reasonably favorable terms, of materials used in our renovation, building openings and operating activities, such as furniture, linens, unit decor and appliances, lighting, security equipment and consumables. The materials we purchase and use in the ordinary course of 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 (including those that resulted from the COVID- 19 pandemic 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 our control. In the event of disruptions in our existing supply chain, the labor and materials we rely on in the ordinary course of our business may not be available at reasonable rates or at all. In some cases, we may rely on a single source for procurement of furniture or other supplies in a given region. Our 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 leased properties could disrupt operations at our existing locations or significantly delay our opening of a new location, which may cause harm to our reputation and results of operations. We may be subject to liability claims and our insurance may be inadequate to wholly cover our losses. We are subject to various types of claims and liabilities in the operation of our business. Despite the procedures, systems, and internal controls we have implemented to avoid or mitigate risks, we **have experienced and** may experience **additional** 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 insurance policies may be inadequate to wholly cover the potentially significant losses that may result from claims arising from incidents related to our units or leased properties, guest or employee acts or omissions, disruptions in our service, including those caused by cybersecurity incidents, failures or disruptions to our infrastructure, catastrophic events, and disasters or otherwise. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, the insurance may not cover all claims made against 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 business is subject to the risks of earthquakes, fire, floods, **geopolitical conflicts**, and other catastrophic events. A significant natural disaster could materially adversely affect our business, results of operations, financial condition, **cash flows**, 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 technology infrastructure. Although we 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, we may be unable to continue 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 our business or the business of our landlords, vendors or other business partners, or the economy as a whole. All of the aforementioned risks may be further increased if our disaster recovery plans prove to be inadequate. **Our business, operations, growth, and financial results had been adversely impacted by the effects of the COVID- 19 pandemic and may be adversely impacted by COVID- 19 or another pandemic, epidemic or infectious disease outbreak in the future. The COVID- 19 pandemic and related governmental and business responses had, and a resurgence of COVID- 19 or another public health crisis may again have, an adverse effect on our customers, employees, landlords and other potential business partners, and our operations. For example, public health concerns arising out of the COVID- 19 pandemic and efforts to mitigate its spread caused severe economic disruptions around the world as governments, public institutions and other organizations imposed or recommended, at various times and degrees, restrictions on a wide array of activities, including travel and in- person gatherings, as well as mandatory vaccination requirements, and quarantines and lock- downs. The COVID- 19 pandemic drastically reduced demand for accommodations and necessitated more restrictive approaches to guest services, and required us to take drastic steps to reduce operating costs, including phasing units from our portfolio and laying off or furloughing employees. Similar actions that may be taken in response to any resurgence of COVID- 19 or any future public health crisis may negatively our hospitality operations and guest satisfaction, damage our revenues and reputation, disrupt our operations, and lead to costly or disruptive disputes, impact our ability to attract and retain employees, result in reductions in our Live Unit and / or leased unit portfolio, and reduce our ability to realize revenue. The extent to which a public health crisis could again impact us will depend on numerous evolving factors and future developments that are uncertain and that we are not able to predict at this time, including: the timing, extent, trajectory and duration of the pandemic or other health crisis; the emergence of new viral variants; the development, availability, distribution and effectiveness of vaccines and treatments; the imposition of protective public safety measures; and the impact of the pandemic or other crisis on the global economy and demand for our products and services. We could again experience adverse impacts to our business as a result of any economic**

**recession that may occur from a resurgence of COVID- 19 or other global pandemics**. Our technology contains third-party open- source software components, and failure to comply with the terms of the underlying open source software licenses could restrict our ability to operate as intended or could increase our costs. Our technology contains software modules licensed to us by third- party authors under “ open source ” licenses. Use and distribution of open- source software may entail greater risks than use of third- party commercial software, as open source licensors generally do not provide support, warranties, indemnification or other contractual protections regarding infringement claims or the quality of the code. In addition, the public availability of such software may make it easier for others to compromise our technology. Some open- source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open source software we use, or grant other licenses to our intellectual property. If we combine our proprietary software with open- source software in a certain manner, we could, under certain open source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar offerings with lower development effort and time and ultimately could result in a loss of our competitive advantages. Alternatively, to avoid the public release of the affected portions of our source code, we could be required to expend substantial time and resources to re- engineer some or all of our software. Although we monitor our use of open- source software to avoid subjecting our technology to conditions we do not intend, the terms of many open source licenses have not been interpreted by U. S. or foreign courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to provide or distribute our technology. From time to time, there have been claims challenging the ownership of open- source software against companies that incorporate open source software into their solutions. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open- source software. Moreover, we cannot assure you that our processes for controlling our use of open- source software in our technology will be effective. If we are held to have breached or failed to fully comply with all the terms and conditions of an open source software license, we could face infringement or other liability, or be required to seek costly licenses from third parties to continue providing our offerings on terms that may not be economically feasible, re- engineer our technology, discontinue or delay the provision of our offerings if re- engineering could not be accomplished on a timely basis or make generally available, in source code form, our proprietary code, any of which could adversely affect our business, **results of operations, financial condition, and cash flows** ~~results of operations~~. We may be unable to protect our brand and other intellectual property, and we have been and may be subject to legal proceedings and claims relating to intellectual property rights. Our intellectual property is important to our success. 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 our intellectual property. However, these only afford limited protection, and unauthorized parties may attempt to copy aspects of our services, technology, mobile app, algorithms, or other features and functionality, or to use information that we consider proprietary or confidential. There can be no assurance that any of our intellectual property will be protectable by patents, but if it is, any efforts to obtain patent protection that are not successful may harm our business in that others will be able to use our 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 us to protect our proprietary rights will be adequate or that third parties will not infringe or misappropriate our trademarks, copyrights, and similar proprietary rights. We endeavor to defend our intellectual property rights diligently, but intellectual property litigation is expensive and time- consuming, and may divert managerial attention and resources from our business objectives. We may not be able to successfully defend our intellectual property rights, which could have a material adverse effect on our business, brand, and results of operations. From time to time, in the ordinary course of business, we have been and may be subject to legal proceedings and claims relating to the intellectual property rights of others, and we expect that third parties will continue to assert intellectual property claims, in particular trademark claims, against us, particularly as we expand the complexity and scope of our business. Successful claims against us could result in a significant monetary liability or prevent us from operating our business, or portions of our business. In addition, resolution of claims may require us to obtain licenses to use intellectual property rights belonging to third parties, which may be expensive to procure, or to cease using those rights altogether. Any of these events could have a material adverse effect on our business, results of operations **and, financial condition, and cash flows**. We expend resources relating to the preparation and repair of our leased properties, which may be higher than anticipated. We typically devote resources to prepare a newly leased property for its initial guests, referred to as building openings, and to keep our leased properties in a safe and attractive condition. Although we endeavor to have the landlord or developer bear the out- of- pocket opening costs, we are sometimes responsible for all or a portion of these costs. Even where landlords and developers are contractually responsible for some costs, they **have in the past and may in the future** dispute or fail to comply with their obligations. In addition, while the majority of our leases require landlords to bear responsibility for the repair and maintenance of building structures and systems, at times we are responsible for some of these obligations, and in most cases, we are responsible for the repair and maintenance of damage caused by our guests. ~~Our leases may also require that we return the space to~~. Our ~~properties are concentrated in a limited number~~ **leases may also require that we return the space to the landlord at the end of cities the lease term in essentially the same condition it was delivered to us**, which ~~increases our exposure to local factors affecting demand~~ **may require repair work. The costs associated with or our hospitality- building openings, repair and maintenance may be significant and may vary from our forecasts. We also periodically refurbish some of our units to keep pace with the changing needs of our guests and to maintain our brand and reputation. Although we include estimated refurbishments in our business and financial planning, refurbishments can result in lost revenues at the affected unit, may be more costly and time- consuming than we expect, may impair guests’ experiences in other units, and may otherwise adversely affect our results of operations, financial condition, and cash flows**. Our operations are relatively concentrated in a limited number of cities, and we expect that the majority of our operations will continue to be concentrated in a limited number of cities. As of December 31, **2022-2023**, our five largest cities (New York City, **Mexico**

**City, Dubai, Los Angeles, and Philadelphia, New Orleans, and London**) accounted for approximately ~~38-35~~ 4 % of our Live Units, and our 10 largest cities accounted for approximately ~~59-56~~ 0-8 % of our Live Units. Geographic concentration magnifies the risk to us of localized economic, political, public health and other conditions such as natural disasters. Civil unrest, public health crises, unusual weather, natural disasters, or other factors affecting travel to these cities or other markets in which we are expanding, as well as changes in local competitive conditions and regulations affecting the hospitality industry, may have a disproportionate negative effect on our revenue and on our ability to secure sufficient staffing, supplies or services for our largest markets. We are exposed to fluctuations in currency exchange rates. Since we conduct a portion of our business outside the United States but report our results in U. S. dollars, we face exposure to adverse movements in currency exchange rates, which may cause our revenue and operating results to differ materially from expectations. In addition, fluctuation in our mix of U. S. and foreign currency denominated transactions may contribute to this effect as exchange rates vary. Moreover, as a result of these 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 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 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 revenue and operating results are subject to fluctuation if our mix of U. S. and foreign currency denominated transactions and expenses changes in the future. We do not currently have hedging arrangements to manage foreign currency exposure. If we do enter into such arrangements in the future, such activity may not completely eliminate fluctuations in 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 **and our portfolio optimization program**, which ~~focuses-- focus~~ on rapidly achieving **sustainable positive** Free Cash Flow ~~positivity~~, we may decide to emphasize **investments in** 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 **If we are unable** to introduce new or upgraded amenities, services or features that guests recognize as valuable, we may fail to attract guests, property developers and landlords. Our efforts to develop new and upgraded services and amenities could require 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, 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 us from 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 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 website or app may be difficult to manage or maintain. 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 us to continue to market, may require additional regulatory permits and personnel, may subject 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 we succeed in introducing new or upgraded amenities, services and features, we cannot guarantee that our guests or landlords will respond favorably to them, or that they will result in a positive return on investment. In addition to developing our own amenities, features and services, we have and may continue to license or otherwise integrate applications, technologies, ~~systems~~, content and data from third parties. These third- party applications, ~~technologies and systems~~ may not support our offerings as intended, may cause unanticipated disruptions in guests' bookings, in- room experience, or our other business operations, and may not remain available on commercially reasonable terms, or at all. If we partner with companies to offer food delivery, parking or other services through our app, these third- party services may be difficult to integrate with our other product offering, may not comply with guest security and privacy measures or otherwise operate as we intended, could give rise to guest complaints, and could damage our brand and **reputation**. Changes in our effective tax rate could harm our future operating results. We are subject to federal and state income taxes in the United States and in various international jurisdictions. Our provision for income taxes and our effective tax rate are subject to volatility and could be adversely affected by several factors, including: • Earnings being lower than anticipated in countries that have lower tax rates and higher than anticipated in countries that have higher tax rates; • Effects of certain non- tax- deductible expenses, including those arising from the requirement to expense stock options; • Changes in the valuation of our deferred tax assets and liabilities; • Adverse outcomes resulting from any tax audit, including transfer pricing adjustments with respect to intercompany transactions; • Our ability to utilize 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 corporate structure and intercompany arrangements cause us to be subject to the tax laws of various jurisdictions, and we could be obligated to pay additional taxes, which could materially adversely affect our business, **results of operations**, financial condition, **cash flows** ~~results of operations~~, and prospects. We are

expanding our international operations and personnel to support our business in international markets. We generally conduct our international operations through wholly owned subsidiaries and are or may be required to report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. Our intercompany relationships are subject to complex transfer pricing regulations administered by tax authorities in various jurisdictions. The amount of taxes we pay in different jurisdictions may depend on the application of the tax laws of such jurisdictions, including the United States, to our international business activities, changes in tax rates, new or revised tax laws, interpretations of existing tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The relevant tax authorities **have in the past disagreed and may in the future** disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If **additional such a disagreement disagreements** were to occur, and our position was not sustained, we could be required to pay additional taxes, interest, and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows, and lower overall profitability of our operations. If existing tax laws, rules or regulations are amended, or if new unfavorable tax laws, rules or regulations are enacted, including with respect to occupancy, sales, value-added 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 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 products and services could decrease if such costs are passed on to our guests, result in increased costs to update or expand our technical or administrative infrastructure or effectively limit the scope of our business activities should we decide not to conduct business in particular jurisdictions. ~~We are subject to federal, state, and local income, sales, and other taxes in the United States and income, withholding, transaction, and other taxes in numerous foreign jurisdictions. Evaluating our tax positions and our worldwide provision for taxes is complicated and requires exercising significant judgment. During the ordinary course of business, there are many activities and transactions for which the ultimate tax determination is uncertain. In addition, our tax obligations and effective tax rates could be adversely affected by changes in the relevant tax, accounting, and other laws, regulations, principles, and interpretations, including those relating to income tax nexus, by recognizing tax losses or lower than anticipated earnings in jurisdictions where we have lower statutory rates, or higher than anticipated earnings in jurisdictions where we have higher statutory rates, by changes in foreign currency exchange rates, or by changes in the valuation of our deferred tax assets and liabilities. 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 us. Although we believe our tax estimates are reasonable, the final determination of any tax audits or litigation could differ materially from our historical tax provisions and accruals, which could have an adverse effect on our results of operations or cash flows in the period or periods for which a determination is made. We may be subject to substantial liabilities if it is determined that we should have collected, or in the future should collect, additional sales and use, value added or similar taxes. We currently collect and remit applicable sales taxes and other applicable transaction taxes in jurisdictions where we, through our employees or economic activity, have a presence and where we have determined, based on applicable legal precedents, that sales of travel accommodations are classified as taxable. We do not currently collect and remit state and local excise, utility user, or transfer taxes, fees, or surcharges in jurisdictions where we believe 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 characterization of 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 ours, is a complex and evolving area. Where we sell our services through OTAs, 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 we conduct or may conduct business, **and resource and local personnel constraints can make it difficult for us to collect local taxes due from guests accurately, which could result in unanticipated additional tax liabilities** . If an OTA does not collect such taxes from travelers, 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 business, **results of operations,** financial condition, **cash flows 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. 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 we conduct 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. We sometimes engage third parties to conduct our business abroad. We and 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 we do not explicitly authorize such activities. We cannot guarantee that all of our employees and agents will not take actions in violation of applicable law, for which we may be ultimately held responsible. As we increase our international sales and business, the risks under these laws may increase. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have policies and procedures to address compliance with such laws, we cannot guarantee that none of our employees, agents, representatives, business partners or third-party intermediaries will take actions in violation of Company policies and applicable law, for which 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 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. We are subject to governmental export and import controls and economic sanctions programs that could impair our ability to compete in international markets or subject us to liability if we violate these controls. In many cases, our business activities are subject to U. S. and international import and export control laws and regulations including trade and economic sanctions maintained by the Office of Foreign Assets Control, or OFAC. For example, restrictions may exist on 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. **While we have policies and procedures in place designed to ensure compliance with sanctions and trade restrictions and other applicable laws, our employees, contractors, partners, and agents may take actions in violation of such policies and applicable law, for which we may be ultimately held responsible.** If we were to fail to comply with such import or export control laws and regulations, trade and economic sanctions, or other similar laws, we could be subject to both civil and criminal penalties, including substantial fines, possible incarceration for employees and managers for willful violations, **damage to our reputation,** and the possible loss of export or import privileges, **any of which could have a material and adverse impact on our business, results of operations, financial condition, and cash flows.** 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 operating results. We operate in markets throughout the world and are subject to various regulatory and taxation requirements of the jurisdictions in which we operate. Our 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 ability to achieve economies of scale, add compliance costs, and increase the potential liability for compliance deficiencies. Additionally, laws or regulations that increase our costs, require changes in our business practices, or otherwise harm our business could be adopted, or interpreted in a manner that affects our activities, including but not limited to the regulation of personal and consumer information, consumer advertising, labor laws, accessibility, health and safety, 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 ability to operate existing properties or to develop new ones, negatively impact our guest relations or operations in other ways, increase our expenses, and damage our reputation and business. **Even when we are in compliance with applicable laws, a suspected violation of these laws or regulations can temporarily disrupt our ability to operate existing properties, negatively impact our guest relations or operations in other ways, damage our reputation and business, and result in loss of revenues, even if the matter is ultimately resolved in our favor.** In addition, since we began operations, there have been, and continue to be, regulatory developments that affect ~~our the hospitality services industry and the ability of companies like us~~ to offer units for specified durations or in certain neighborhoods. For example, some municipalities have adopted ordinances that limit our ability to offer certain properties to 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 we have already leased properties and begun to offer stays to guests there. **The regulation of short-term rentals and related government enforcement efforts have been increasing in scope and intensity in many cities, often due to governments' concerns about affordable housing or over-tourism, or due to pressures from private groups such as neighborhood associations. Even where we operate in compliance with existing regulations, local groups or governments have occasionally argued that we should comply with additional or different requirements, and similar developments can be expected in the future. Any such developments could reduce our revenues by limiting our ability to open or continue operating at certain properties or in certain cities, damage our reputation with landlords and others, result in expensive and disruptive disputes or regulatory proceedings, or require burdensome changes to our operations.** 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 business. These and other similar new and newly interpreted regulations could increase our costs, require us to reduce or even cease operations in certain locations, reduce the diversity and number of units available for us to lease and offer to guests, and otherwise harm our business and operating results. From time to time, we have been involved in and 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 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 us, negatively affect lease renewals, impair landlords' ability or willingness to repair and maintain leased properties, or increase costs of doing business. Any or all of these events could adversely impact our business and financial performance. Furthermore, as we expand or change our business and the services that we offer or the methods by which we offer them, we may become subject to additional legal regulations, tax requirements or other risks. Whether we comply with or challenge these additional regulations, our costs may increase, and our business 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, **and cash flows.** 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 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 filings required of a public company, our business and, results of operations, financial condition, and cash flows 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 and 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, financial condition, and cash flows 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. 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 landlords may not have designed, constructed, or operated their properties to comply fully with the ADA or similar laws, and our operations may not fully comply with such laws. Operators of hospitality websites, including ourselves, are also occasionally targeted by complaints that they have failed to make their sites and online reservation systems sufficiently accessible. 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. We may be required to expend substantial resources to remedy any noncompliance at our leased properties or in our app or website, or to defend against complaints of noncompliance, even if they lack merit. If we fail to comply with the requirements of the ADA or similar laws, we could be subject to fines, penalties, injunctive action, costly legal proceedings, 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 our brand and results of operations. If we fail to comply We and the third parties with whom we work are subject to stringent and evolving U. S. and foreign laws, rules, contractual obligations, industry standards, policies, and other obligations relating to data privacy and data protection; we may face potentially significant liability, negative publicity, and security. Any actual or perceived failure to comply with such obligations has in the past an and erosion of trust, and increased regulation could materially in the future result in adversely -- adverse affect consequences, including but not limited to regulatory investigations or actions; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions of our business ; results of operations ; ; reputational harm; loss of revenue or profits; loss of customers or sales; and financial condition other adverse business consequences . We 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 -- process ”), a large volume of 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 ”). Our data processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations relating to data privacy and security. In residents certain rights concerning their -- 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 . Such rights may include the right to access, consumer protection laws (e correct, or delete certain personal data, and to opt- out of certain data processing activities, such as targeted advertising, profiling, and automated decision- making. The exercise g., Section 5 of these -- the Federal Trade Commission Act) rights may adversely impact our business and ability to provide our services. Certain states also impose stricter requirements for processing certain personal data. and other similar including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance (e.g., wiretapping laws) . For example, the CCPA applies to personal data information of 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 breaches to recover significant statutory damages. **Moreover, California voters approved the CPRA, which significantly modifies the CCPA, creating additional obligations relating to consumer data effective as of January 1, 2023. Other states, such as Virginia and Colorado, have also passed comprehensive privacy laws, and similar similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future.** These developments may further complicate compliance efforts and increase legal risk and compliance costs for us and the third parties upon whom we **rely**. Outside the United States, an increasing number of laws, regulations, and industry standards govern data privacy and security, **and our collection, processing and security of data may be subject to these laws, regulations, and industry standards**. For example, the EU GDPR and the UK GDPR (collectively, “GDPR”) impose strict requirements for processing personal data. In Canada, the PIPEDA and various related provincial laws, as well as Canada’s Anti-Spam Legislation, may apply to our operations. 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, **17.5 million pounds sterling under the UK GDPR** or, **in each case, 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..... 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 they believes-~~ **believe** 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, **the UK’s International Data Transfer Agreement / Addendum, and the EU- U. S. Data Privacy Framework**, these mechanisms are subject to legal challenges, and there is 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 for us to transfer personal data from the EEA, the UK or other jurisdictions to the United States, ~~or if~~ **we fail to comply with** the requirements for a legally-compliant transfer **or such requirements** 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. 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, we are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. We also publish 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 our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences. We could be adversely affected if legislation or regulations are expanded to require changes in our business practices or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our business, results of operations, ~~or~~ **financial condition, and cash flows**. 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 ability to make effective use of services that employ such technologies, could increase our costs of operations, and limit our ability to track trends, optimize our services, or acquire new guests on cost-effective terms and consequently, materially adversely affect our business, **results of operations, financial condition, and operating results cash flows**. As a result, we may be required to change the way we market our accommodations and services. **Additionally, under various privacy laws and other obligations, we may be required to obtain certain consents to process personal data. For example, some of our data**

processing practices may be challenged under wiretapping laws, if we obtain consumer information from third parties through various methods, including chatbot and session replay providers, or via third-party marketing pixels. Recently, these practices have been subject to increased challenges by class action plaintiffs, and our inability or failure to obtain consent for these practices could result in adverse consequences, including class action litigation and mass arbitration demands. Such a demand could allow for the recovery of statutory damages on a per violation basis, which could be significant depending on the volume of data and the number of violations. 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 may 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~~ **Additionally, our employees and continue personnel use generative artificial intelligence ("AI") technologies to invest resources perform their work, and the disclosure and use of personal data in generative AI technologies is subject to various** comply with privacy laws and data security obligations, including the EU GDPR, the UK GDPR, the CCPA / CPRA, and other privacy regulations and obligations. **Governments have passed and are likely to pass additional laws regulating generative AI. Our use of this technology could result in additional compliance costs, as applicable regulatory investigations and actions, and lawsuits. If we are unable to use generative AI, it could make our business less efficient and result in competitive disadvantages. We use AI and machine learning ("ML") to assist us in making certain decisions, which is regulated by certain privacy laws. Due to inaccuracies or flaws in these-- the inputs, outputs, or logic of AI or ML, the model could be biased and could lead us to make decisions that could bias certain individuals (or classes of individuals), and adversely impact their rights, employment, and ability to obtain certain pricing, products, services, or benefits.** ~~Obligations~~ **Obligations related to data privacy and security (and consumers' data privacy expectations)** 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. ~~If we~~ **Any failure, or perceived or alleged failure, by us or the third parties on which with whom we rely work fail, or are perceived to have failed, to address or** comply with applicable data privacy and security 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-, ~~we~~ **data protection, information security, or consumer protection could have face significant consequences,** significant consequences, including (but not limited to) government enforcement actions (e. g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class-action claims) **and mass arbitration demands**; 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. **For example, in August 2023, a purported class action lawsuit was filed against the Company asserting claims based on the Company's alleged failure to secure and safeguard the personally identifiable information of the putative class, which was subsequently dismissed. Additionally, plaintiffs have become increasingly active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for significant statutory damages, depending on the volume of data and the number of violations.** Any of these events could have a material adverse effect on our reputation, business, ~~or~~ **results of operations,** financial condition, **and cash flows**, 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 business. Our business is subject to various laws and regulations governing consumer protection, advertising, and marketing. We **have encountered and** may **continue to** encounter governmental and private party investigations and complaints in areas such as the clarity, transparency, accuracy, and presentation of information on our website or in third-party listings of our properties, as has occurred with respect to other hospitality booking sites. In addition, as we attempt to increase the proportion of stays booked directly through our website, 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. 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, our guest relationships and revenues could be adversely affected, and our costs could increase, due to changes required in our marketing, listing, or booking practices, or any investigations, complaints, or other adverse developments related to these laws and regulations. Industry-specific payment regulations and standards are evolving, and unfavorable industry-specific laws, regulations, interpretive positions or standards could harm our business. Our payment processors expect attestation of compliance with the Payment Card Industry (“PCI”) Data Security Standards. If we are unable to comply with these guidelines or controls **due to changes in business processes, supporting technology, or core technology**, or if our third-party payment processors are unable to obtain regulatory approval to use our services where required, our business may be harmed. For example, failing to maintain our **Attestation-attestation of Compliance-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 we are unable to achieve or maintain industry-specific certifications or other requirements or standards relevant to our guests, business partners, and other third parties. **Risks Related to Indebtedness and Liquidity** **There is substantial doubt about the Company’s ability to continue as a going concern, and this may adversely affect our stock price, our ability to raise capital or enter into strategic transactions, and our relationships with key stakeholders. In accordance with ASC Topic 205-40, Going Concern, the Company’s management evaluates whether there are certain conditions and events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern. This evaluation includes considerations related to the Company’s forecasted liquidity and cash consumption requirements for one year from the date of issuance of this Annual Report on Form 10-K. As discussed in Note 18, Subsequent Events, to the consolidated financial statements included in this Annual Report on Form 10-K, the Company has, throughout 2024, announced a series of financing arrangements and cost optimization initiatives. Additionally, in August 2024, the Company entered into the Marriott Agreement, whereby the Company’s portfolio of properties is expected to join the Marriott system under a newly-created collection called “Sonder by Marriott Bonvoy.” While the 2024 actions discussed in Note 18, Subsequent Events demonstrate a series of material steps taken to improve the Company’s financial condition, the Company has a history of net losses and negative operating cash flows and expects to continue to incur additional losses in the near future. Additionally, the benefits of the Company’s recent financing arrangements and licensing agreement are contingent upon the successful execution of a number of critical milestones. The timing of the completion of these milestones cannot be guaranteed to ensure liquidity is available when needed to meet the Company’s obligations. As a result of these considerations, the Company’s management has concluded that there is substantial doubt, which is not alleviated, about the Company’s ability to continue as a going concern for at least one year from the date of issuance of this Annual Report on Form 10-K. To address the substantial doubt about the Company’s ability to continue as a going concern, as described above, the Company has embarked on the following actions:**

- engaged a financial advisor to assist in identifying and securing strategic alternatives and financing arrangements,
- launched a portfolio optimization program, which involves discussions with landlords about renegotiating the terms of our leases, including terminations, at certain properties;

As of June 10, 2024, the Company has signed agreements to exit or reduce rent for approximately 105 buildings, or 4,300 units, which is expected to lead to estimated annualized run-rate free cash flow improvements of over \$40 million of which the Company expects termination fees of less than \$20 million associated with these agreements; Of the approximately 80 buildings, or 3,200 units, with finalized exit agreements, the Company has already exited approximately 60 buildings, or 2,300 units, as of June 10, 2024 and expects to exit the remaining buildings throughout the remainder of 2024,

- implemented a series of deep cost-cutting initiatives;
- In February 2024, the Company announced a reduction in force plan affecting 17% of the corporate workforce, which is estimated to result in approximately \$11 million in annualized cost savings;
- The Company continues to be focused on identifying and executing cost optimization initiatives, including further rent reductions, better sourcing contracts that lower property-level direct costs, and further savings in overhead costs,
- entered into the Marriott Agreement which allows us to integrate our properties with Marriott’s systems, distribution channels, and branding, and, subject to meeting certain conditions, entitles the Company to receive \$15 million of Key Money in two tranches by March 31, 2025; This agreement provides the opportunity for the Company to increase its financial performance through the potential to increase revenue by integrating with Marriott’s commercial engine, deliver cost savings through synergies and scale and power future growth,
- received financing from the Company’s existing noteholders in the amount of \$16 million during June and July 2024, as previously announced, and
- secured financing arrangements that provide the Company with access to approximately \$139 million in additional liquidity, including ◦ by issuing approximately \$43 million in Series A Convertible Preferred Stock to certain qualified institutional buyers or accredited investors, of which \$14.7 million was received in August 2024 and commitments have been received to purchase an additional \$28.6 million, subject to certain milestones and customary closing conditions, ◦ approximately \$83 million in additional liquidity, including \$4 million in financing funded in August 2024, and approximately \$79 million in the form of a 30-month extension (through the end of 2026) of the paid-in-kind feature of the Note Purchase Agreement (21 months of which is at Sonder’s option), and ◦ other sources of liquidity totaling \$13 million. The Company’s management has considered the mitigating impact of its substantial doubt remediation plan and has concluded that substantial doubt is not alleviated within the context of ASC Topic 205-40, Going Concern.

There may be adverse impacts to the Company's stock price, the Company's ability to raise capital or enter into strategic transactions, or the Company's relationship with its key stakeholders as a result of the uncertainty regarding our ability to continue as a going concern or the Company's inability to successfully execute its substantial doubt mitigation plan. If we are unable to successfully execute our mitigation plan or obtain sufficient, timely financial resources, our business, results of operations, financial condition, and cash flows could be materially and adversely affected and we may be forced to terminate, significantly curtail or cease our operations or to pursue other strategic alternatives, including, but not limited to, commencing a case under the U. S. Bankruptcy Code. Because the Company's management has concluded that there is substantial doubt, which is not alleviated, about our ability to continue as a going concern for at least one year from the date of issuance of these financial statements, the associated financial statement opinion includes a going concern explanatory paragraph. Accordingly, this going concern determination and related financial statement opinion that includes a going concern explanatory paragraph is not in compliance with our affirmative covenants. If not cured within 30 days by obtaining a waiver from the purchasers under the Delayed Draw Notes Purchase Agreement, it would then constitute an Event of Default as defined therein. We are in discussions with the Purchasers under the Delayed Draw Notes Purchase Agreement to obtain a waiver for this potential Event of Default. As a result of the potential Event of Default, the indebtedness related to our Delayed Draw Notes as of December 31, 2023 has been reclassified from long- term debt, net to current portion of long term- debt, net. These events could further limit our ability to obtain adequate or satisfactory financing when we require it. 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. We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop or add new properties or services or enhance our existing properties or services, enhance our operating infrastructure, invest in the effort to integrate our properties with Marriott's systems under the Marriott Agreement, add personnel, and acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds in the future. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our common stock. Any debt financing could involve restrictive covenants relating to financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions or strategic partnerships. In addition, the U. S. government- arranged closure and receivership of SVB, one of our lenders, Series A Convertible Preferred Stock initially issued in March-August 2023-2024 (the " Preferred Stock ") may also make it more difficult or impossible for us to borrow further amounts under our raise capital in the future, because the purchasers of the Preferred Stock collectively have a right to purchase up to 25 % of any equity offering before August 2029 loan at a 25 % discount and specified rights to consent to certain future security securities agreement with SVB issuances. In addition, and we may not be able to obtain the closing of the second tranche of 28. 6 million additional shares of Preferred Stock is subject to conditions, alternative financing on favorable terms including the absence of certain Nasdaq suspension or delisting events as described below in the section entitled " Risks Related to Ownership of Our Securities, if " and we cannot provide any assurance that such closing will occur when we currently anticipate or at all. If we are unable to obtain adequate or satisfactory financing when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited. Our indebtedness could adversely affect our business and financial condition. We As of December 31, 2022, we had indebtedness related to our Delayed Draw Notes (as defined in Note 8, Debt, to our consolidated financial statements included in this Annual Report on Form 10- K) in the aggregate principal amount of \$ 183-203. 9 million as of June 30, 2024 (\$ 180 . 2 million as of December 31, 2023), including capitalized paid-in- kind interest, secured against substantially all of our assets. Risks relating to our indebtedness include: • Increasing our vulnerability to general adverse economic and industry conditions; • Requiring us to dedicate a portion of our cash flow to principal and interest payments on 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 us to optimally capitalize and manage the cash flow for our businesses; • Limiting our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate, due in part to restrictive covenants in our debt instruments; • Possibly placing us at a competitive disadvantage compared to our competitors that have less debt, a lower cost of borrowing or less restrictive debt covenants; and • Limiting our ability to borrow additional funds or to borrow funds at rates or on other terms that we find acceptable. Our classification of the indebtedness related to our Delayed Draw Notes within the current portion of long- term debt, net may enhance these risks further and further adversely affect our business and financial condition. Our indebtedness and credit facilities contain financial covenants and other restrictions on our actions that may limit our operational flexibility or otherwise adversely affect our results of operations, including as a result of a potential Event of Default under our Delayed Draw Notes. The terms of certain of our indebtedness and credit facilities include a number of covenants that limit our ability and our subsidiaries' ability to, among other things, incur additional indebtedness, grant liens, merge or consolidate with other companies or, sell or otherwise dispose of our assets, pay dividends, make redemptions and repurchases of stock, make investments, loans and acquisitions, change the nature of our business or engage in transactions with affiliates. In addition, we must comply with a minimum EBITDA covenant to the extent we have not cash collateralized letters of credit issued by our senior lender, as well as a minimum adjusted quick ratio free cash flow covenant, and a minimum liquidity covenant, and maintain our common stock' s listing on Nasdaq. Due to the March 2023 U. S. government- arranged temporary closure of SVB, we have added additional letters of credit issuance facilities and 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 our indebtedness and credit facilities may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs. In addition, complying with these covenants may make it more difficult for us to successfully execute 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 credit agreements, **including as described in the next paragraph**, 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 our debt were to be accelerated, **including as described in the next paragraph**, 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 our business, **results of operations, financial condition, and cash flows**, ~~results of operations, and financial condition~~. Even if we were able to obtain new financing, such financing may not be on commercially reasonable terms or on terms that are acceptable to us.

**Risks Related to Ownership of Our Securities** We ~~may~~ **are not in compliance with Nasdaq's requirements for continued listing of our securities, and if we** fail to continue to meet the listing standards of Nasdaq, ~~and as a result~~ our common stock and publicly traded warrants may be delisted, which could have a material adverse effect on the liquidity and trading price of our common stock and warrants and on our ability to raise capital, **and other adverse consequences**. Our common stock and publicly traded warrants currently trade on The Nasdaq Global Select Market. The Nasdaq Stock Market LLC ("Nasdaq") has requirements for our equity securities to remain listed on Nasdaq, including, **among others, rules requiring timely filing of SEC reports, governance rules including requirements for stockholder approval of certain transactions, and** a rule requiring our common stock to maintain a minimum closing bid price of \$ 1.00 per share. **We have** ~~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~~ **received notices** a notification from Nasdaq **notifying us** that, **because** our common stock would be subject to delisting if we ~~do~~ **were delinquent in filing our required periodic reports with the SEC, we are not in compliance with Nasdaq Listing Rule 5250 (c) (1). We submitted a plan to** regain compliance with the minimum bid price requirement **and, although we are working diligently toward regaining compliance, no assurance can be given that we will file such reports** within the time period ~~periods~~ **specified** required by Nasdaq. If we ~~were~~ **fail** to ~~receive~~ **do so, we expect the Nasdaq staff to notify us that our securities will be delisted, and at that time, we expect to appeal that determination to a Nasdaq Hearing Panel. The outcome of any** such a notification, we expect **Nasdaq process is inherently uncertain. There can be no assurance** that we **will** be afforded a grace period of 180 calendar days to ~~regain~~ **remain** 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 **requirements in the future. If we fail to maintain compliance with Nasdaq's listing requirements,** our common stock and publicly traded warrants could be delisted from Nasdaq. **If** ~~There can be no assurance that~~ **occurs** we will continue to meet the minimum bid price requirement or any other Nasdaq listing requirement in the future. If our common stock and publicly traded warrants were to be delisted, the liquidity of our common stock and publicly traded warrants would be adversely affected, **and** their market prices could decrease. **In addition, and a suspension** our ~~or~~ **ability** ~~removal of listing of our common stock from Nasdaq, or the initiation or threatening of additional proceedings from Nasdaq, could cause the second closing of our sale of Preferred Stock not to raise equity~~ occur. Delisting would also constitute an event of default under certain of our debt instruments, which would require us to expend cash to repay debt or replace letters of credit. It could cause **other adverse consequences, such as difficulties in raising capital and in providing stock-based incentives to attract and retain personnel. Delisting could also impair** our reputation and **our** relationships with real estate owners and other business partners, **which could make it more difficult or costly for us to expand our portfolio of leased properties. In addition, our common stock could be **impaired** deemed to be a "penny stock," which could result in reduced levels of trading in our common stock, and we would also become subject to additional State securities regulations in connection with any sales of our securities. 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 became freely tradable due to the expiration of market stand-off periods in July 2022.** 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. 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. **See the risk factor below entitled "Conversion of our shares of Preferred Stock into common stock and related resales of shares in the public market may dilute the ownership interests of our other stockholders and depress the price of our common stock and other publicly traded securities, and the other terms of the Preferred Stock may adversely affect us"** for more information about the potential adverse effects of securities resales. 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. **The trading price of our common stock has recently declined and may decline further in the future.** 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 realization of any of the risk factors presented in this report;
- Actual or anticipated differences or changes in our estimates, or in the estimates of analysts, for our revenues, 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 and departures of key personnel;
- 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 to comply with the Sarbanes-Oxley Act or other laws or regulations;
- Future or anticipated issuances, sales, resales or repurchases, ~~of our securities~~, **or any amendments or adjustments in their terms, including but not limited to the issuance and resale of additional shares of common stock upon conversion of our outstanding shares of Preferred Stock**;
- Publication of research reports about us or other publicity about us, our properties, or incidents at our properties;
- The performance and market valuations of other similar companies;
- Commencement of, or involvement in, litigation or other legal proceedings involving us;
- Broad disruptions in the financial markets, including sudden disruptions in the credit markets;
- Speculation in the press or investment community;
- Actual, potential or perceived control, accounting or reporting problems;
- Changes in accounting principles, policies, and guidelines; and
- Other events or factors, including those resulting from infectious diseases, health epidemics and pandemics ~~(including the ongoing COVID-19 pandemic)~~, 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. ~~of any equity offering before August 2029 at a 25 % discount, which could also further dilute the interests of other stockholders, and the right to consent to certain future financings.~~ 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 Preferred Stock ranks senior to our common stock, and in the future, we may incur debt or issue additional equity securities ranking senior to our common stock. The Those Preferred Stock and any future senior securities will generally have priority upon liquidation.** Such securities also may be governed by an indenture or other instrument containing covenants restricting 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 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 ~~any our~~ decision to issue debt or equity in the future will depend on market conditions and other factors beyond our control, ~~and because of our existing Preferred Stock's rights to participate in and / or consent to certain future securities issuances,~~ 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**. 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 ceases coverage of us or 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..... 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. **The Our publicly traded warrants (the "Public Warrants") are exercisable on the basis of 20 Public Warrants for one share of common stock, at an exercise price of for the Public Warrants is \$ 11-230. 50-00 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 \$ ~~18-360~~ . 00 per share **(as adjusted for the Reverse Stock Split)** 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 \$ ~~18-360~~ . 00 per share **(as adjusted for the Reverse Stock Split)**. 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 \$ ~~10-200~~ . 00 **(as adjusted for the Reverse Stock Split)**. 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. 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 derivative action or proceeding brought on our behalf; • Any action asserting a claim of breach of a fiduciary duty owed by any of our directors, stockholders, officers or other employees to us or our stockholders; • Any action arising pursuant to any provision of the Delaware General Corporation Law, ~~or DGCL~~, our Amended and Restated Certificate of Incorporation or our Amended and Restated Bylaws; or • 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 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, **and cash flows**.