



Investor Presentation

November 2022

Sonder Paseo de Gracia, Barcelona

Opened in July 2022

Disclaimer

Use of Non-GAAP Financial Measures

Sonder supplements its consolidated financial statements presented in accordance with generally accepted accounting principles in the United States ("GAAP") by providing additional financial measures that are not prepared in accordance with GAAP, including Free Cash Flow, Free Cash Flow Margin, Cash Contribution and Cash Contribution Margin. Further information about these measures appears under "Key Terms" to the right. Sonder's management uses these non-GAAP financial measures, collectively, to evaluate ongoing operations and for internal planning and forecasting purposes. Sonder believes that these non-GAAP financial measures are useful in evaluating its operating performance, and may assist investors in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results. However, Sonder's definitions may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar measures. These non-GAAP financial measures should not be viewed in isolation or as a substitute for, or superior to, measures prepared in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures. Sonder has not reconciled consolidated Free Cash Flow guidance to projected consolidated GAAP cash provided by (used in) operating activities because Sonder does not provide guidance on GAAP cash provided by (used in) operating activities or the reconciling items between Free Cash Flow and GAAP cash provided by (used in) operating activities, as a result of the uncertainty regarding, and the potential variability of, certain of these items. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP measure is not available without unreasonable effort.

Key Terms

Total Portfolio

Total Portfolio represents Live Units plus Contracted Units. This includes any unit that has a signed real estate contract, regardless of whether or not the unit is available for guests to book. This excludes any units that have been exited (i.e., the lease was terminated or allowed to expire). **Live Units** are defined as units which are available for guest bookings on Sonder.com, the Sonder app and other channels. Sonder pays rent (or utilizes pre-negotiated abatement) and is able to generate revenue from these units. **Contracted Units** are units for which Sonder has signed real estate contracts, but are not yet available for guests to book. Sonder is not yet able to generate revenue from these units.

Occupancy Rate

Occupancy Rate ("OR") is defined as Occupied Nights divided by Bookable Nights, expressed as a percentage. **Bookable Nights** represent the total number of nights available for stays across all Live Units. This excludes nights lost to full building closures of greater than 30 nights. **Occupied Nights** represent the total number of nights occupied across all Live Units.

Revenue per Available Room

Revenue Per Available Room ("RevPAR") represents the average revenue earned per available night, and is calculated either by dividing revenue by Bookable Nights, or by multiplying Average Daily Rate by Occupancy Rate. **Average Daily Rate** ("ADR") represents the average revenue earned per night occupied and is calculated as revenue divided by Occupied Nights.

Free Cash Flow

Free Cash Flow ("FCF") is defined as cash provided by (used in) operating activities plus cash provided by (used in) investing activities, excluding the impact of restructuring charges, if any. **Free Cash Flow Margin** is defined as Free Cash Flow as a percentage of revenue. Reconciliation of Free Cash Flow to the most comparable GAAP measure can be found on pg 30.

Cash Contribution

Cash Contribution is defined as operating cash flow before other operating expenses, excluding the impact of restructuring charges, if any. **Cash Contribution Margin** is defined as Cash Contribution as a percentage of revenue. Reconciliation of Cash Contribution to the most comparable GAAP measure can be found on pg 31.

Disclaimer (continued)

About Sonder

Sonder is revolutionizing hospitality through innovative, tech-powered service and inspiring, thoughtfully designed accommodations combined into one seamless managed experience. Launched in 2014 and headquartered in San Francisco, Sonder provides a variety of accommodation options — from spacious rooms to fully-equipped suites and apartments — found in over 40 markets spanning ten countries and three continents. The Sonder app gives guests full control over their stay. Complete with self-service features, simple check-in and 24/7 on-the-ground support, amenities and services at Sonder are just a tap away, making a world of better stays open to all.

To learn more, visit www.sonder.com or follow Sonder on [Facebook](#), [Twitter](#) or [Instagram](#). Download the Sonder app on [Apple](#) or [Google Play](#). The information that can be accessed through hyperlinks or website addresses included herein is deemed not to be incorporated in or part of this presentation.

Forward-Looking Statements

This presentation and the oral presentation accompanying it contain a number of “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements about Sonder’s forecasted revenue growth, costs, and cash flow (including Sonder’s guidance for revenue and Free Cash Flow for the year and quarter ending December 31, 2022, and statements about potential cash flow margin), statements about total addressable market, anticipated numbers of Live and Contracted Units, the statements regarding “Cash Flow Positive Plan,” including anticipated cost reductions, targeted capital-light signings and potential cash flow improvements and its plan to reach positive quarterly FCF within 2023 without additional fundraising, the anticipated recovery of travel demand, booking patterns, and other trends, expectations, and objectives discussed in this presentation, potential new markets, and market penetration, innovation plans and initiatives including plans for enhanced app functionality and features, the success of Sonder’s corporate travel efforts and other RevPAR initiatives, anticipated unit economics, and other information concerning Sonder’s possible or assumed future financial or operating results and measures, business strategies, competitive position, industry environment, potential growth opportunities, and future operations. These forward-looking statements are based on Sonder’s management’s current expectations, estimates, projections and beliefs, as well as a number of assumptions concerning future events. When used in this presentation, the words “estimates,” “projected,” “expects,” “anticipates,” “forecasts,” “plans,” “intends,” “believes,” “seeks,” “may,” “will,” “should,” “future,” “proposed,” “guidance,” and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside Sonder’s management’s control, that could cause actual results to differ materially from the results discussed in the forward-looking statements. These risks, uncertainties, assumptions and other important factors include, but are not limited to: potential negative impacts on Sonder’s financial results as a result of changes in travel, hospitality, real estate and vacation markets, including the possibility that travel demand and pricing do not recover to the extent anticipated, particularly in the current geopolitical and macroeconomic environment; potential inability to negotiate satisfactory leases or other arrangements to operate new properties, onboard new properties in a timely manner, or renew or replace existing properties on attractive terms, and the possibility of lease terminations prior to scheduled expirations; possible delays in real estate development and construction projects related to Sonder’s leases, or other delays in generating revenues from new properties; the possibility that Sonder may not benefit from any market recovery to the extent it anticipates; risks and uncertainties associated with Sonder’s Cash Flow Positive Plan announced in June 2022, including the possibility that Sonder will not realize the anticipated cost savings, capital-light signings or cash flow improvements or will need to engage in additional fundraising, and the risk that the plan will adversely affect employee retention, effectiveness and hiring or other aspects of Sonder’s business; the possibility that Sonder will be unable to effectively manage its growth; potential delays or difficulties introducing new or upgraded amenities, services or features, including enhancements to the Sonder app; the possibility that new RevPAR initiatives will not achieve the desired results and that future pricing and/or occupancy will be lower than anticipated; the possibility of higher than expected capital expenditures, property-related costs or other operating expenses and unanticipated conditions or incidents at leased properties; risks associated with Sonder’s relationships with and reliance upon real estate owners, OTAs and other third parties, and their performance of their obligations; changes in applicable laws or regulations, including legal, tax or regulatory developments, and the impact of any litigation or other legal or regulatory proceedings; the possibility that Sonder may be adversely affected by other economic, business and/or competitive factors, including the additional risks associated with operating internationally; risks related to the impact of the ongoing COVID-19 pandemic, including the Omicron variant or future variants and further governmental and other restrictions (including travel restrictions) resulting therefrom; and other risks and uncertainties described under the heading “Risk Factors” in Sonder’s most recent Quarterly Report on Form 10-Q filed with the SEC on August 12, 2022 and Annual Report on Form 10-K filed with the SEC on March 28, 2022. You are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Except as required by law, Sonder does not undertake any obligation to update or revise its forward-looking statements to reflect events or circumstances after the date of this presentation. Additional risks and uncertainties are identified and discussed in Sonder’s reports filed and to be filed with the SEC and available on the SEC’s website at www.sec.gov.

A modern kitchen and dining area with a white countertop, stainless steel refrigerator, and a wooden dining table with black chairs. The background shows a kitchen with a range hood and a window. The text is overlaid on a semi-transparent orange border.

Our mission

**Revolutionizing hospitality
through design and
technology, to make a world
of better stays open to all.**

Our vision

A better traveled world.

Sonder's value proposition

**Design-forward experience
loved by our guests**

40%+¹

direct bookings as a percentage of booked revenue

Tech-enabled platform

100%

Digital, mobile-first experience

**Strong proven value proposition
to real estate partners**

Lower costs, faster lease-up, better ROI,
alleviate management responsibilities

Enormous market opportunity

\$835B

Global lodging market²

Substantial embedded growth

2.1x³

Supply growth embedded in current Total Portfolio

**Multiple levers for further
RevPAR improvement**

Including market recovery, corporate travel and
ancillary revenue

**Clear path to reach FCF profitability,
while keeping a robust cash cushion**

Expect to reach positive quarterly
FCF within 2023



Q3 2022 highlights

Revenue

\$125M

85% y/y improvement

RevPAR

\$158

25% y/y improvement

Occupancy Rate

84%

1,600 bps y/y improvement

Operating Cash Flow¹

\$(32)M

Operating Cash Flow margin improvement to (26)% in Q3 2022 from (59)% in Q3 2021

Free Cash Flow²

\$(39)M

Free Cash Flow margin improvement to (31)% in Q3 2022 from (66)% in Q3 2021

Cash Contribution²

\$27M

Cash Contribution margin improvement to 22% in Q3 2022 from 5% in Q3 2021



Sonder Henri on 24, New York
Opened in May 2022

Business Overview



Today, travelers are forced to choose among three flawed options

Boutique Hotels

Expensive



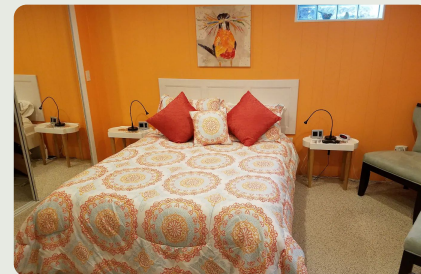
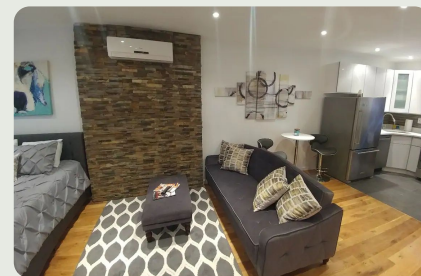
"Big Box" Hotels

Boring



Short Term Rentals

Unpredictable



Sonder delivers a unique value proposition to the modern traveler...



Exceptional design



Consistent, high quality



Tech-enabled, modern service



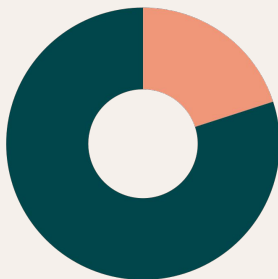
Compelling value

...and serves a wide range of guest profiles and use cases

The majority of our guests are:

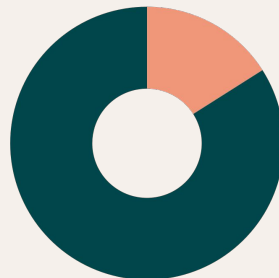
Leisure Travelers¹

● Leisure ● Business



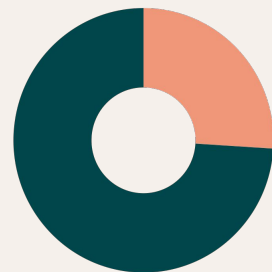
Domestic Travelers²

● N. America ● International



Younger Travelers

● Under 50 ● Over 50



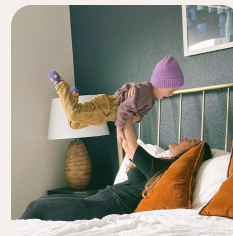
Our product portfolio can serve diverse use cases:



1 night to 30+ night stays



Apartments & hotel rooms



Leisure travelers & families



Digital nomads & young professionals

We offer properties curated and operated by Sonder, from apartment developments to modernized hotels...

Apartment developments¹

E.g. in-unit laundry, stocked kitchen, studio to 3-bedroom+

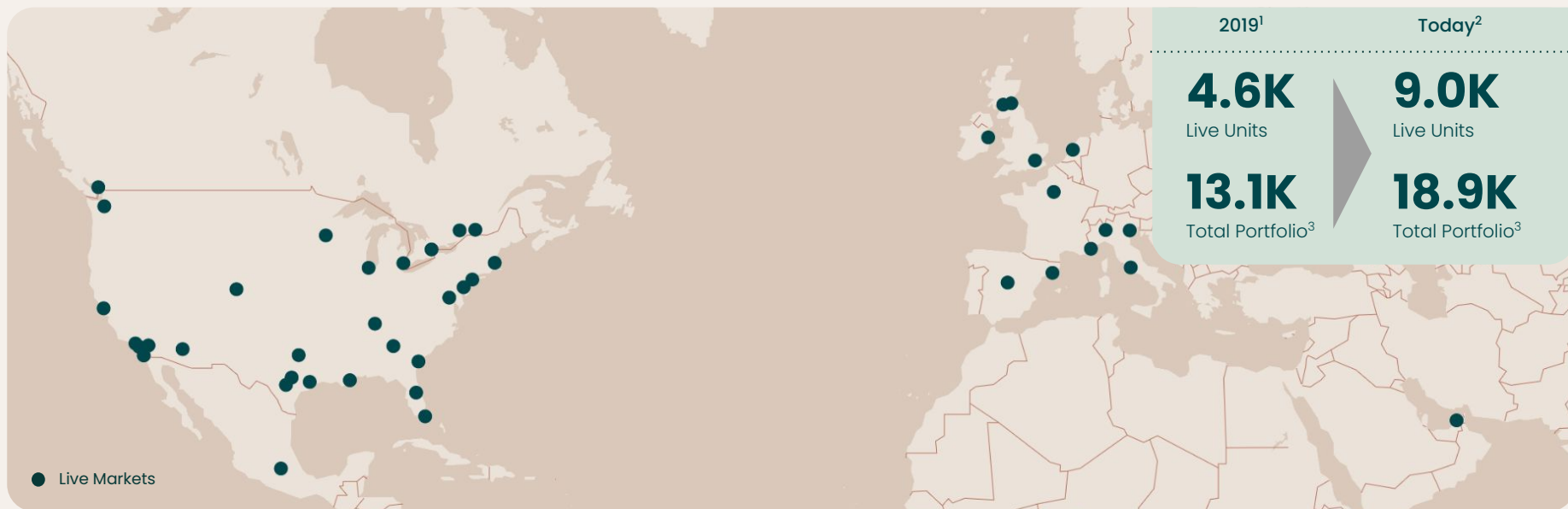


Modernized hotels

E.g. single room, lower price point vs. apartment developments



...with global scale of over 250 Live Properties across 43 markets



Americas (~80% of Live Units)

Atlanta	Dallas	Los Angeles	Montreal	Orange County	Philadelphia	San Francisco	Toronto
Austin	Denver	Mexico City	Nashville	Orlando	Phoenix	Savannah	Vancouver
Boston	Detroit	Miami	New Orleans	Ottawa	San Antonio	Seattle	Washington D.C.
Chicago	Houston	Minneapolis	New York City	Palm Springs	San Diego		

Europe & Other International (~20% of Live Units)

Amsterdam	Edinburgh	Madrid	Paris
Barcelona	Glasgow	Milan	Rome
Dubai	London	Nice	Venice
Dublin			

We're building the operating system for modern hospitality...

We've infused technology into every aspect of our business...



Supply growth

Revenue forecasting
Underwriting



Property openings

Supply chain / onboarding
Listing / distribution



Operations

Demand generation
Dispatch / customer service

...resulting in significantly reduced operating costs and high-value guest experiences



Process automation

Check-ins
Guest requests
Operations



Service efficiency

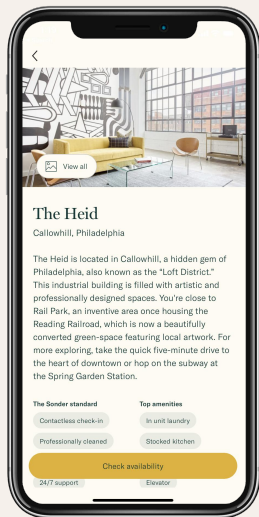
Messaging, not calling
Centralized contact center
Self-serve & automation



3rd party amenities

On-demand services
Partnerships

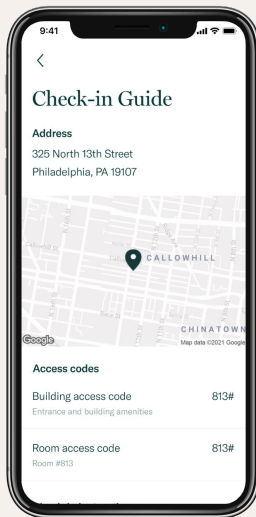
...with our technology powering the entire guest experience, from booking through checkout



1

Search, Discovery & Booking

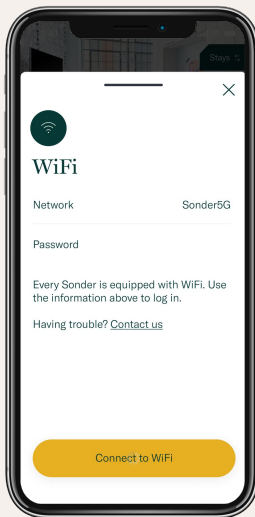
Easy, intuitive browsing with frictionless reservations



2

Check-In

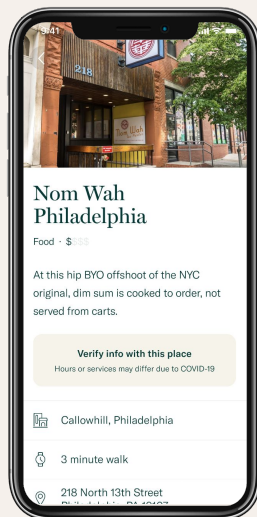
Seamlessly request early check-in or late checkout with one click



3

One-Touch WiFi

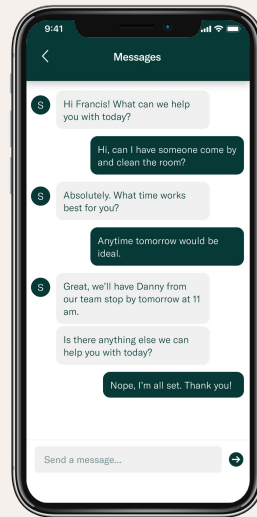
WiFi and other amenities can be accessed and booked on mobile



4

Digital Concierge

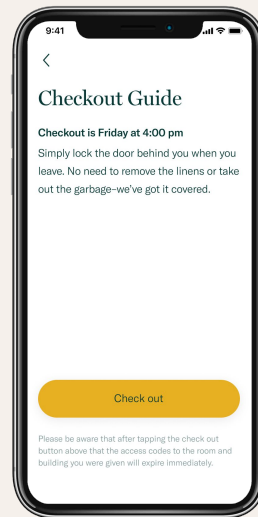
Curated localized recommendations



5

Customer Service

On-demand service requests and issue reporting



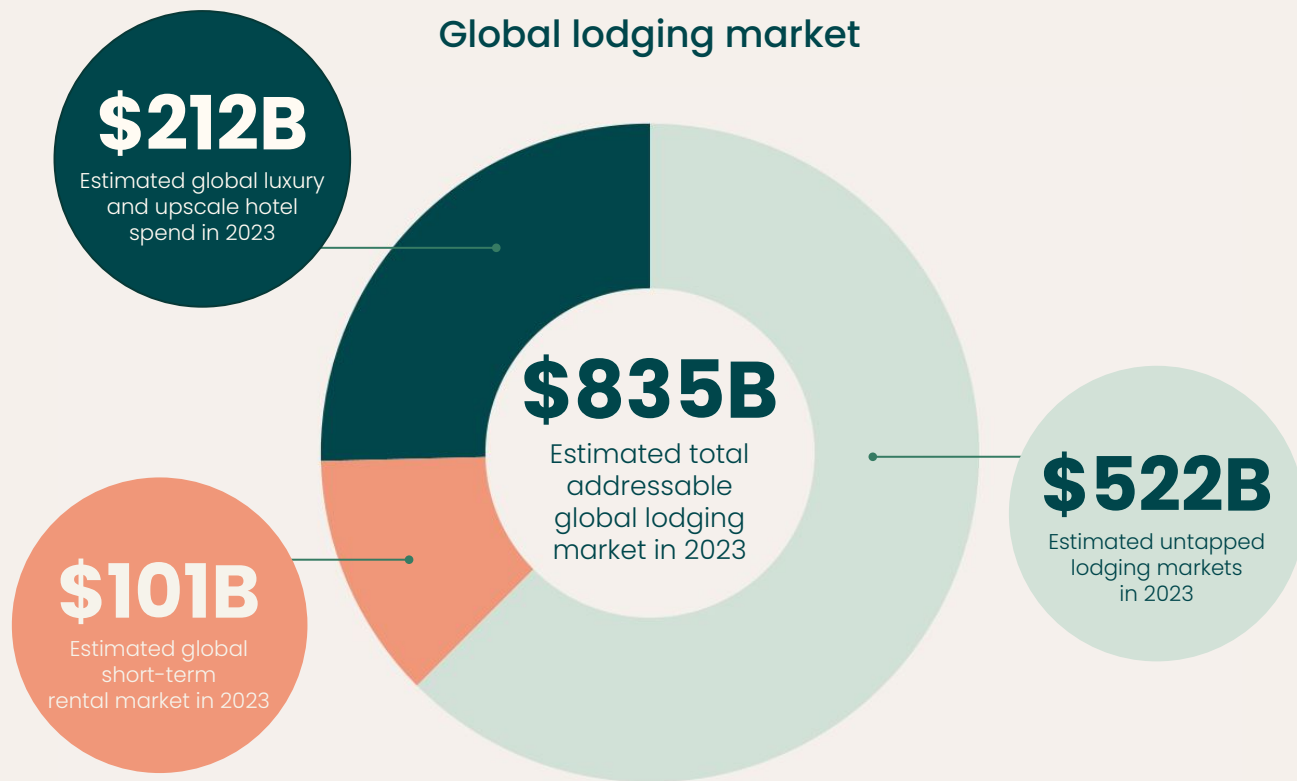
6

Check-out

Check-out guide and guest survey

Our long-term goal is to become the leading brand within the massive, \$835B addressable lodging market

Global lodging market



Source: Euromonitor

Note: The untapped lodging markets are primarily comprised of mid-market and budget hotels, as well as the long-tail lodging options globally such as smaller, unrated hotels and hostels/inns/lodges.

We deliver a unique value proposition to our real estate partners...



Apartment developers



Eliminate 12-24 month lease-ups



Faster construction loan pay down



Cash flow advantage driven by Sonder's operating efficiency



Hotel owners



Technology, design & brand-driven revenue

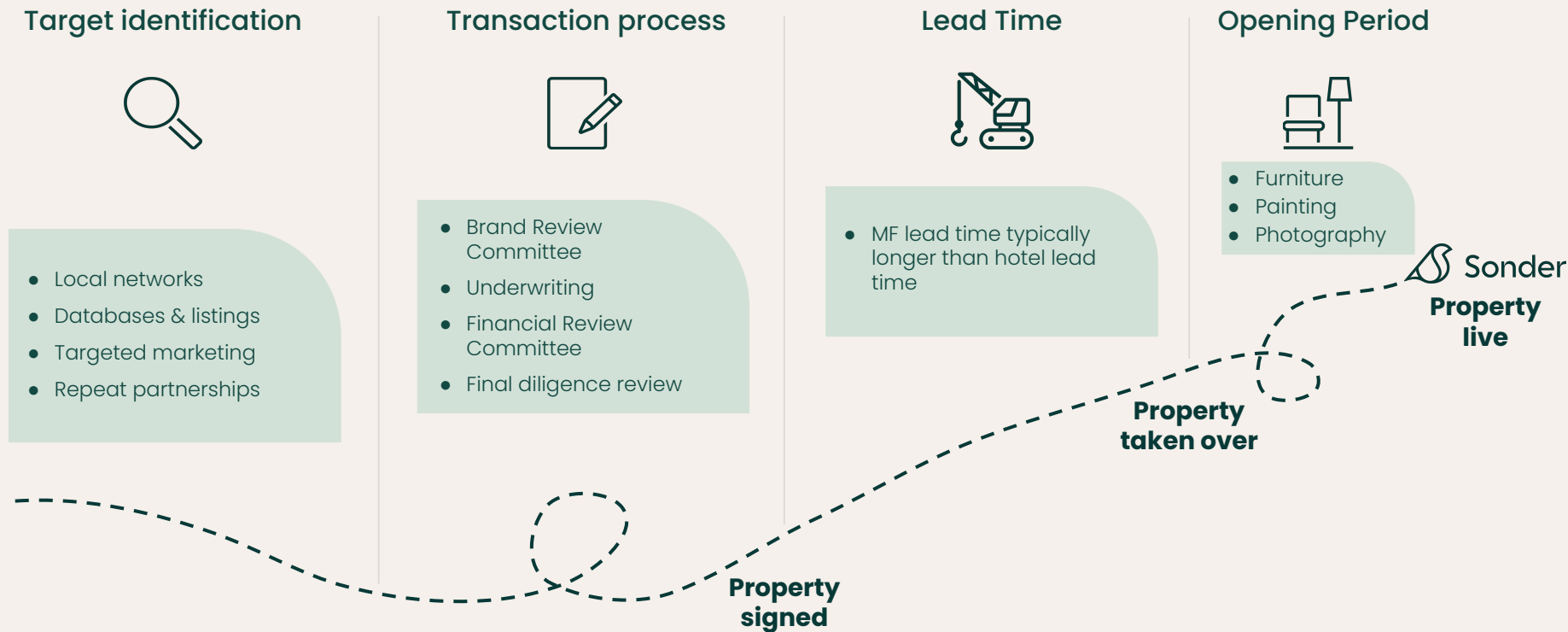


Significant operating cost reduction



No management or daily operational responsibilities

...and have created a playbook for efficiently identifying, signing and taking new properties live...



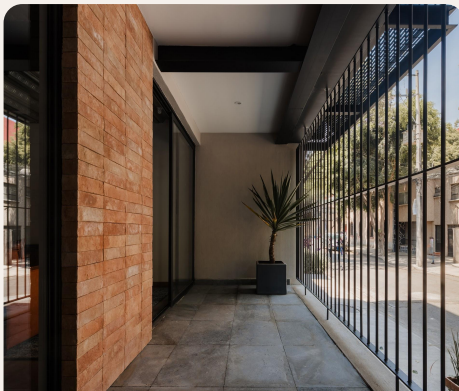
...all while achieving attractive terms for Sonder



Targeting 100%
capital-light deals



5-10 years
initial term
with renewals
at Sonder's option



Upfront rent
abatements



Downside
protections

*(recession relief,
force majeure, mark-to-market,
regulatory change clauses)*

Case Study: Sonder La Ensenada (~70 keys in Laguna Beach, opened May 2022)

For hotel owners, we're able to significantly reduce costs as well as maximize the property's potential by applying our unique design, merchandising, distribution and revenue management capabilities

Before Sonder takeover:



After Sonder takeover:



New Property Spotlight: Sonder Business Bay in Dubai

(Opened September 2022)

~400 unit property

Largest live property in Sonder's portfolio

Third property in Dubai

Studio to 3-bedroom apartments



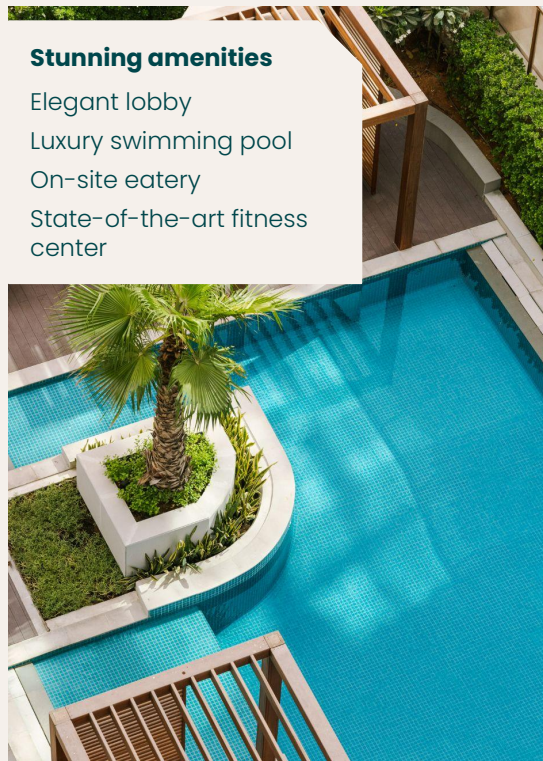
Stunning amenities

Elegant lobby

Luxury swimming pool

On-site eatery

State-of-the-art fitness center

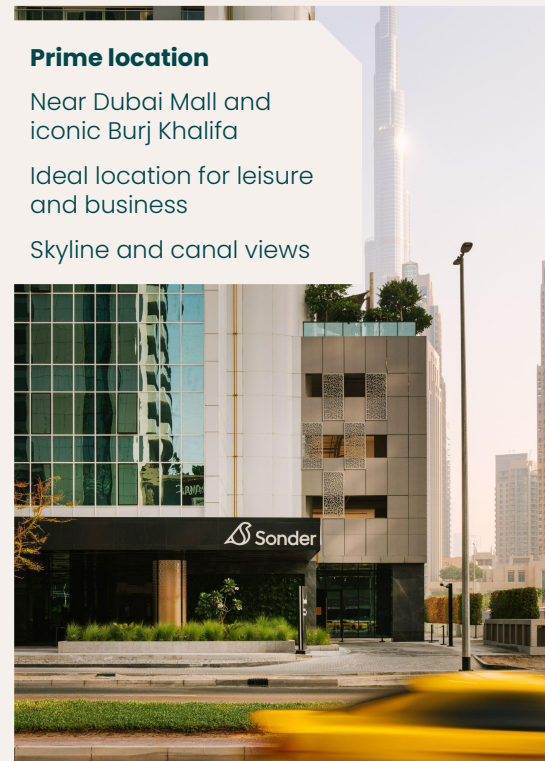


Prime location

Near Dubai Mall and iconic Burj Khalifa

Ideal location for leisure and business

Skyline and canal views



Cash Flow Positive Plan Overview



Sonder The Atlee, San Antonio
Opened in September 2022

Cash Flow Positive Plan (Announced June 9, 2022)

We're pulling several levers to reach positive quarterly FCF within 2023, without additional fundraising and while keeping a robust cash cushion

A

Cut cash costs by approximately \$85M (vs. Q1 2022) on an annualized basis

B

Reduce planned signings pace and drive growth primarily by opening already contracted units

C

Improve growth quality by increasing our high threshold for incremental signings targeting 100% capital light

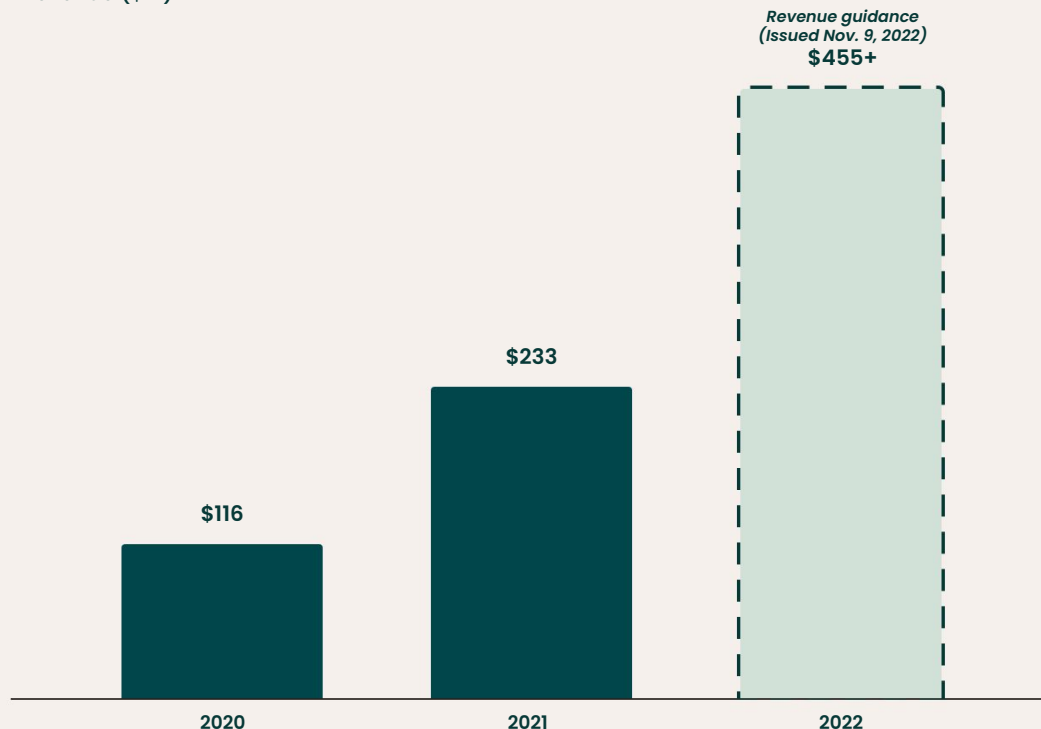
D

Focus on **RevPAR initiatives** to improve near term FCF



We have a substantial embedded growth opportunity in our Total Portfolio...

Revenue (\$M)



Even with no additional RevPAR improvements or signing additional units, the embedded supply growth in our Total Portfolio implies approximately

2.1x¹

Embedded growth in the coming years

9.0K Live Units

+ **9.9K** Contracted Units

= **18.9K** Total Portfolio²

...with additional upside from further RevPAR improvement

Market Recovery

Expect to continue benefiting from the recovery of urban travel, with third party forecasters anticipating full market recovery back to 2019 levels in mid-2023¹

Ancillary Revenue Initiatives

Implementing monetization of add-ons (early check-in / late check-out, room upgrades) & exploring additional offerings in select markets (parking, breakfast rates)

More notable benefit in 2023+

Corporate Travel

Still in the early innings of launching corporate travel offering; presents a massive opportunity; 6x corporate travel accounts in the first nine months of 2022

More notable benefit in 2023+

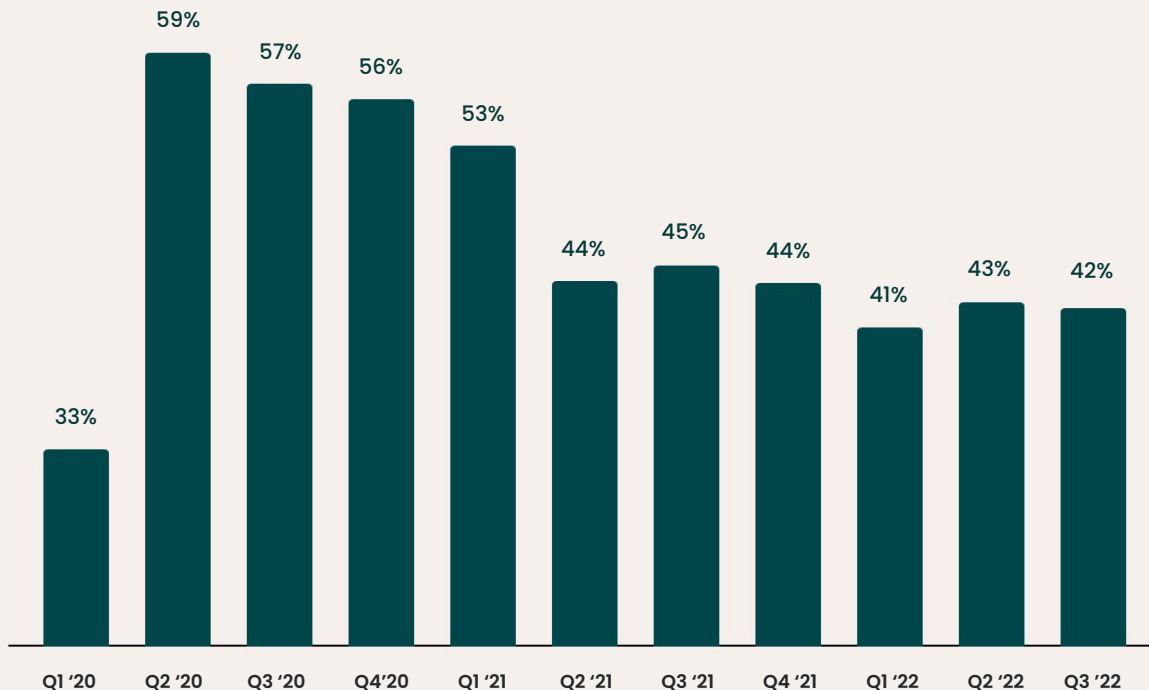
Sonder Court Square, New York

Opened in February 2022



Our exceptional experience continues to drive direct booking share, even with minimal performance marketing spend (<2% of revenue)

Direct Bookings as % of Booked Revenue



Direct booking % **spiked in Q2 2020** when we began **experimenting with performance marketing & extended stay discounts** on Sonder.com at the onset of the COVID-19 pandemic.

Direct bookings % has normalized since the early days of the pandemic, and has remained **above 40% for the past 2+ years**.

We will continue to prudently build out the Sonder brand through select investments including small amounts of performance marketing spend.

We also **remain focused on leveraging large OTA partners to drive distribution**.

Cash contribution margin illustrates compelling and improving unit economics

Cash Contribution Margin (“CCM”) is a unit economics measure that measures property-level performance by excluding corporate and other non-property level expenses

Cash Contribution Margin Calculation:

(in thousands) **Q3 2022**

Non-property level sales and marketing:

Sales and marketing	\$13,372
(-) Property level sales and marketing ¹	(10,566)

Non-property level sales and marketing \$2,806

Non-property level operations and support:

Operations and support	\$55,586
(-) Property level operations and support ²	(26,967)

Non-property level operations and support \$28,619

Non-property level operating expenses:

General and administrative	\$33,016
(+) Research and development	6,936
(+) Non-property level sales and marketing	2,806
(+) Non-property level operations and support	28,619
(-) Stock based compensation	(6,405)
(-) Depreciation and amortization	(6,175)

Non-property level operating expenses \$58,797

Cash contribution:

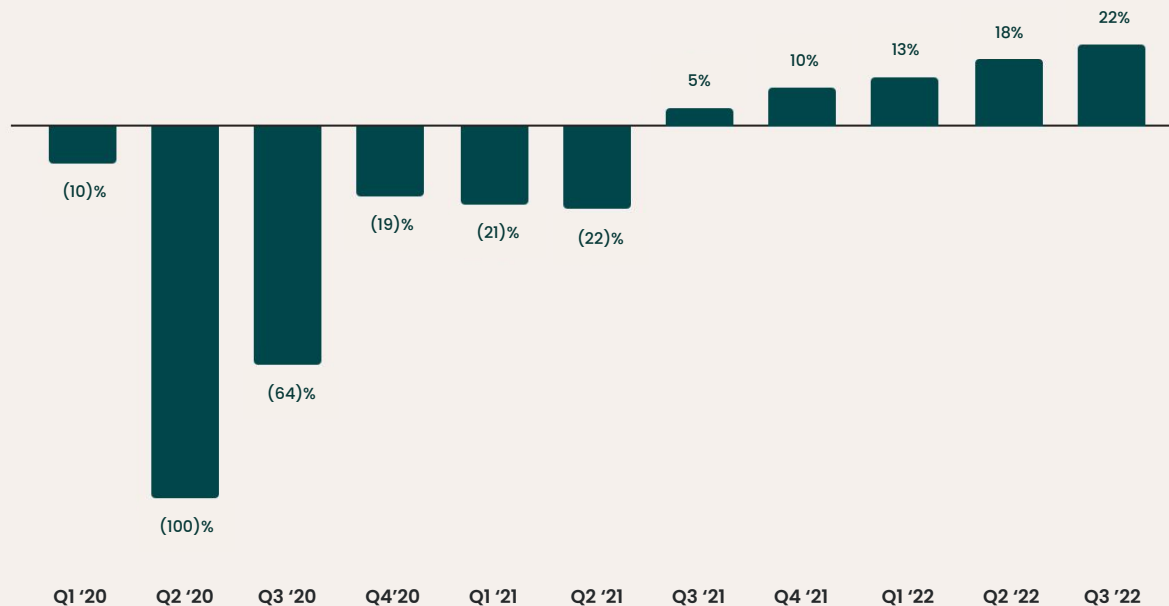
Cash provided by (used in) operating activities	\$(32,477)
(+) Cash paid for restructuring costs	1,114
(+) Non-property level operating expenses	58,797

Cash contribution ³ \$27,434

Revenue \$124,526

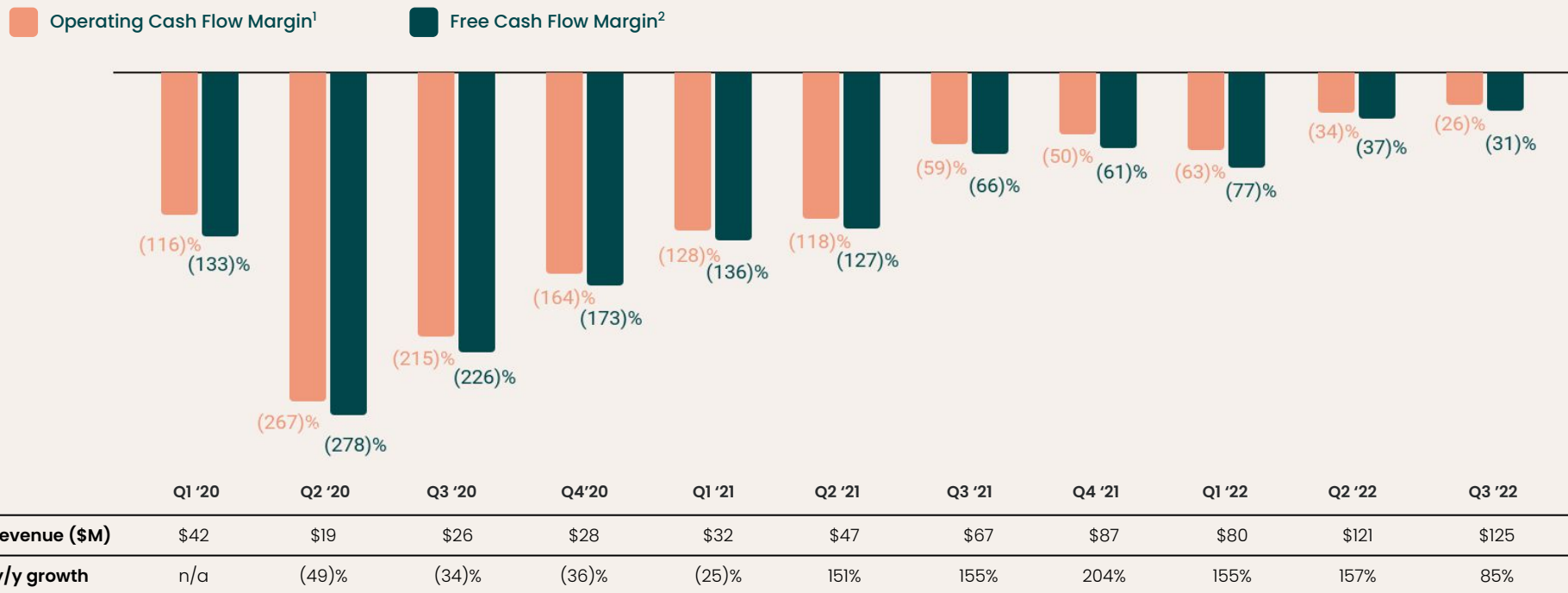
Cash contribution margin 22%

Quarterly Cash Contribution Margin %



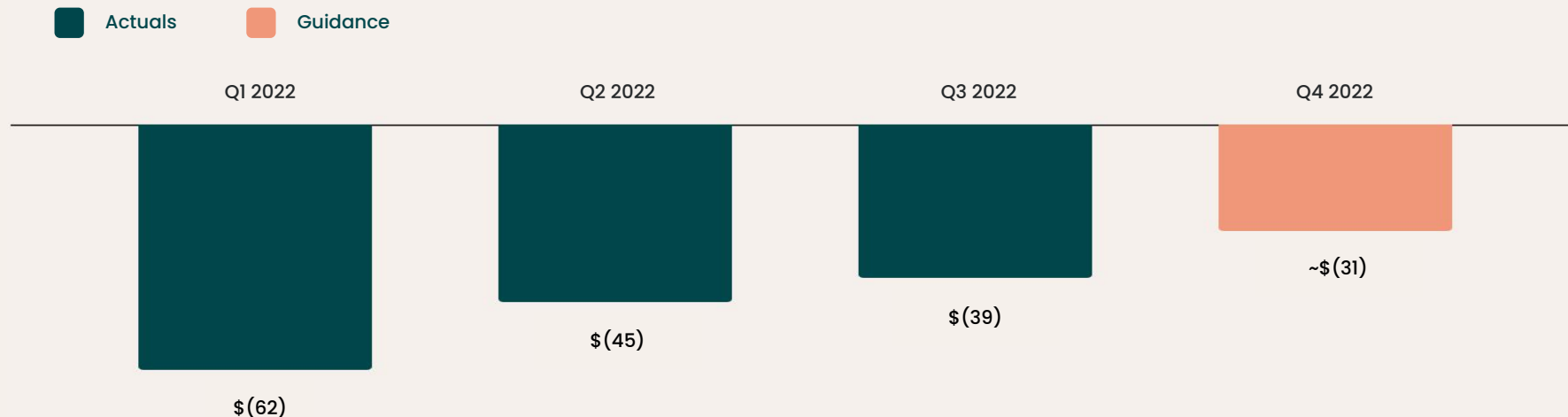
We've demonstrated significant margin improvement since the height of the COVID-19 pandemic

Quarterly Operating Cash Flow Margin and Free Cash Flow Margin



Free Cash Flow Guidance

Illustrative Free Cash Flow¹ Based on Guidance (\$M)



Guidance: Reach positive quarterly free cash flow within 2023 without additional fundraising and while preserving a robust cash cushion

Non-GAAP Reconciliations

Sonder Paseo de Gracia, Barcelona

Opened in July 2022

Reconciliation of Cash used in operating activities to Free Cash Flow

(in thousands)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Cash provided by (used in) operating activities	\$(48,771)	\$(50,256)	\$(56,824)	\$(46,651)	\$(40,308)	\$(55,945)	\$(39,690)	\$(43,448)	\$(50,693)	\$(40,922)	\$(32,477)
(+) Cash provided by (used in) investing activities	(7,094)	(2,144)	(3,123)	(2,489)	(2,676)	(4,224)	(4,952)	(9,735)	(11,616)	(6,765)	(7,708)
Free Cash Flow including restructuring costs	\$(55,865)	\$(52,400)	\$(59,947)	\$(49,140)	\$(42,984)	\$(60,169)	\$(44,642)	\$(53,183)	\$(62,309)	\$(47,687)	\$(40,185)
(+) Cash paid for restructuring costs	-	-	-	-	-	-	-	-	-	2,363	1,114
Free Cash Flow excluding restructuring costs	\$(55,865)	\$(52,400)	\$(59,947)	\$(49,140)	\$(42,984)	\$(60,169)	\$(44,642)	\$(53,183)	\$(62,309)	\$(45,324)	\$(39,071)
Revenue	\$41,881	\$18,841	\$26,471	\$28,485	\$31,558	\$47,269	\$67,454	\$86,663	\$80,466	\$121,322	\$124,526
Free Cash Flow margin	(133)%	(278)%	(226)%	(173)%	(136)%	(127)%	(66)%	(61)%	(77)%	(37)%	(31)%

Reconciliation of Cash used in operating activities to Cash Contribution

(in thousands)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Non-property level sales and marketing:											
Sales and marketing	\$4,374	\$2,923	\$3,108	\$2,443	\$2,511	\$4,888	\$6,724	\$9,367	\$9,461	\$12,414	\$13,372
(-) Property level sales and marketing ¹	(3,980)	(1,262)	(1,272)	(1,220)	(1,592)	(3,052)	(4,638)	(6,634)	(6,814)	(9,535)	(10,566)
Non-property level sales and marketing	\$394	\$1,661	\$1,836	\$1,223	\$919	\$1,836	\$2,086	\$2,733	\$2,647	\$2,879	\$2,806
Non-property level operations and support:											
Operations and support	\$35,063	\$22,641	\$29,227	\$28,141	\$25,423	\$34,889	\$36,592	\$45,824	\$48,267	\$54,003	\$55,586
(-) Property level operations and support ²	(10,443)	(6,127)	(7,762)	(9,195)	(9,921)	(13,308)	(14,795)	(19,855)	(22,104)	(24,814)	(26,967)
Non-property level operations and support	\$24,620	\$16,514	\$21,465	\$18,946	\$15,502	\$21,581	\$21,797	\$25,969	\$26,163	\$29,189	\$28,619
Non-property level operating expenses:											
General and administrative	\$21,268	\$15,156	\$17,972	\$22,637	\$32,149	\$24,615	\$21,694	\$27,677	\$36,981	\$31,277	\$33,016
(+) Research and development	5,479	3,999	3,853	4,221	3,319	4,066	5,443	6,263	7,625	8,088	6,936
(+) Non-property level sales and marketing	394	1,661	1,836	1,223	919	1,836	2,086	2,733	2,647	2,879	2,806
(+) Non-property level operations and support	24,620	16,514	21,465	18,946	15,502	21,581	21,797	25,969	26,163	29,189	28,619
(-) Stock based compensation	(3,067)	(1,742)	(1,020)	(1,394)	(14,153)	(2,448)	(3,573)	(5,073)	(6,680)	(5,054)	(6,405)
(-) Depreciation and amortization	(4,152)	(4,206)	(4,269)	(4,342)	(4,119)	(4,213)	(4,357)	(5,025)	(5,630)	(5,996)	(6,175)
Non-property level operating expenses	\$44,542	\$31,382	\$39,837	\$41,291	\$33,617	\$45,437	\$43,090	\$52,544	\$61,106	\$60,383	\$58,797
Cash contribution:											
Cash provided by (used in) operating activities	\$(48,771)	\$(50,256)	\$(56,824)	\$(46,651)	\$(40,308)	\$(55,945)	\$(39,690)	\$(43,448)	\$(50,693)	\$(40,922)	\$(32,477)
(+) Cash paid for restructuring costs	-	-	-	-	-	-	-	-	-	2,363	1,114
(+) Non-property level operating expenses	44,542	31,382	39,837	41,291	33,617	45,437	43,090	52,544	61,106	60,383	58,797
Cash contribution ³	\$(4,229)	\$(18,874)	\$(16,987)	\$(5,360)	\$(6,691)	\$(10,508)	\$3,400	\$9,096	\$10,413	\$21,824	\$27,434
Revenue	\$41,881	\$18,841	\$26,471	\$28,485	\$31,558	\$47,269	\$67,454	\$86,663	\$80,466	\$121,322	\$124,526
Cash contribution margin	(10)%	(100)%	(64)%	(19)%	(21)%	(22)%	5%	10%	13%	18%	22%





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