



Investor Presentation

May 2023

Sonder Market Hall, Chicago
Opened in March 2023

Our Mission

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

Our Opportunity



Sonder The Beacon, Santa Monica
Opened in January 2023

Sonder's design
and tech forward
experience is the
future of hospitality.



Exceptional design



Consistent, high quality



Tech-enabled, modern service



Compelling value

Our proprietary technology drives a frictionless experience at a lower cost structure.

Guest-facing technology



Mobile App

- Mobile keys
- Partner integrations
- One tap WiFi



Sonder.com

- Most popular booking channel
- 97% of guests are verified before arrival



Service

- Instant app chat 24/7
- App requests & upgrades

Operating system



Process automation

- Check-ins
- Guest requests
- Task management



Service efficiency

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



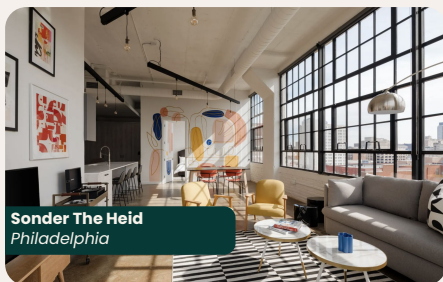
Revenue generation

- Fixed pattern length of stay
- Pricing automation

Our guests count on us for every type of trip.

Apartments

Aspirational and dependable, perfect for longer stays or extra space



Modernized hotels

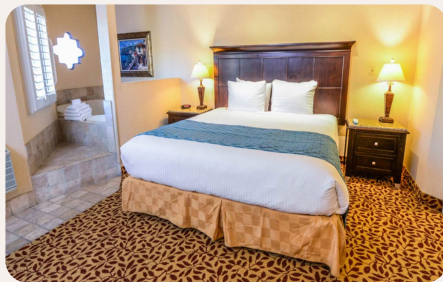
Hip, boutique hotel experience that's within reach



Case Study. Sonder La Ensenada, Laguna Beach

We improve property performance by improving costs and by applying our unique design, merchandising, distribution and revenue management capabilities.

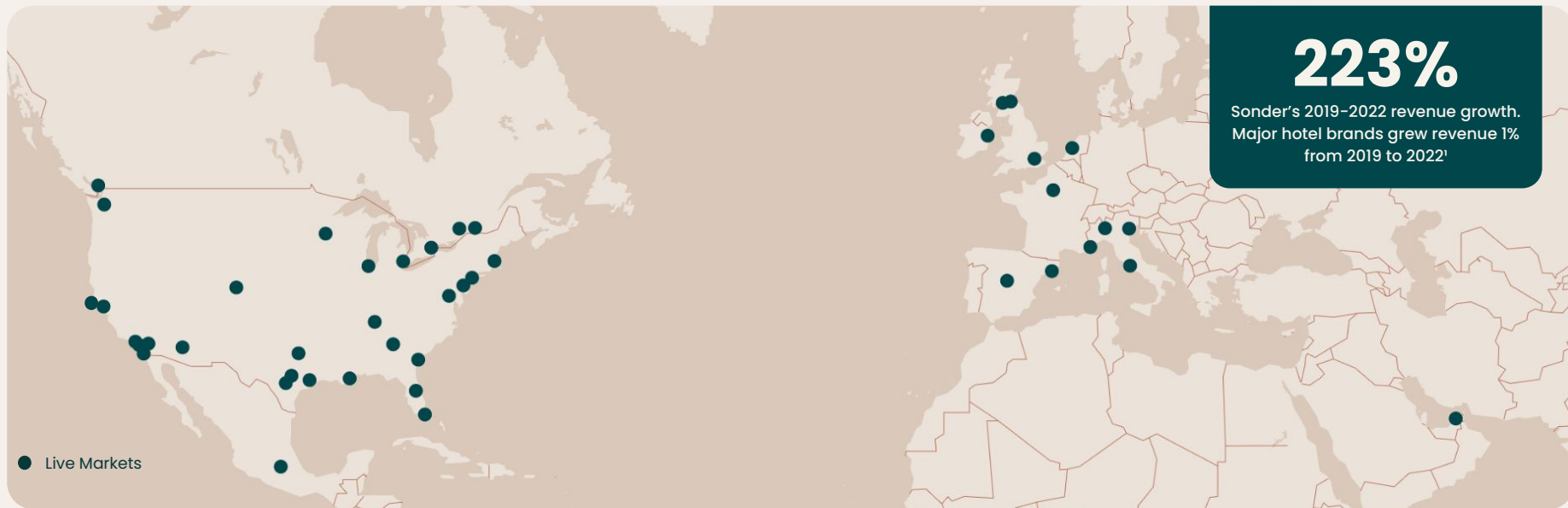
Before Sonder takeover:



After Sonder takeover:



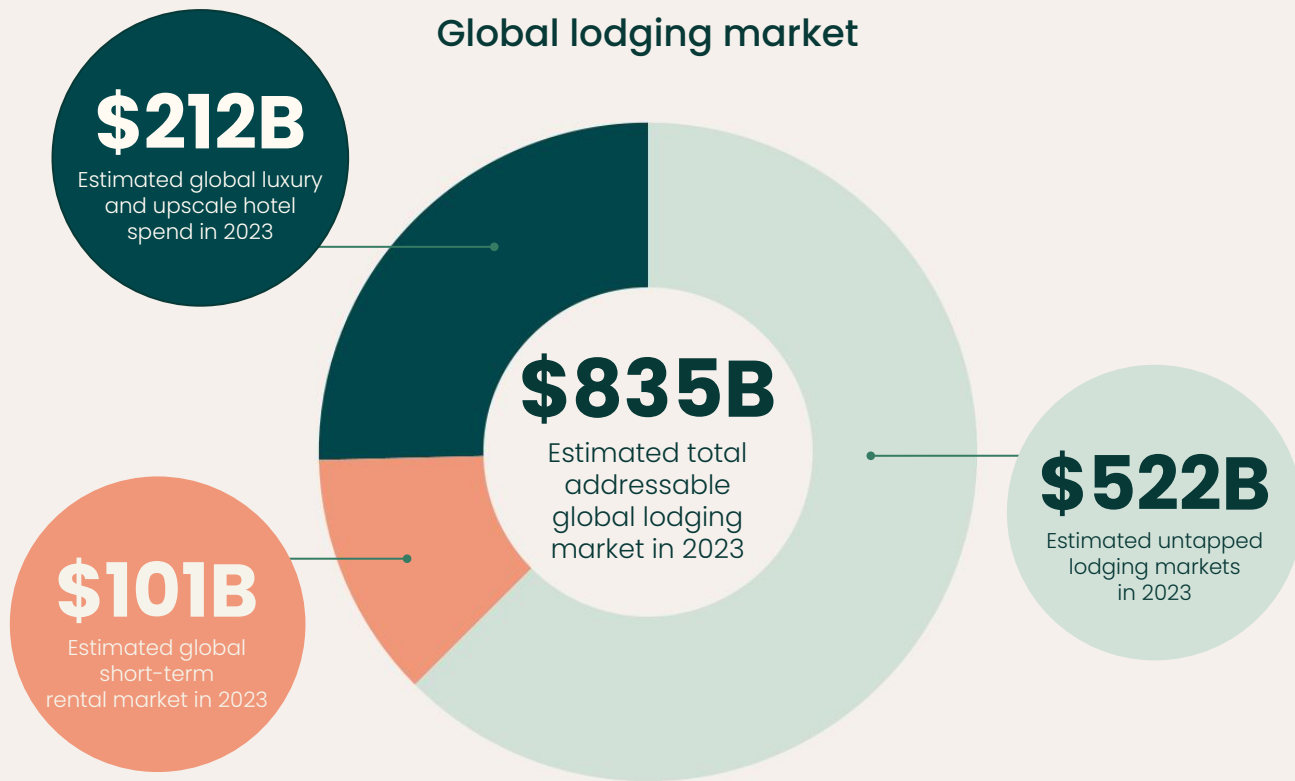
Our global scale spans over 250 live properties across 43 markets in 10 countries.



Atlanta	Dallas	Los Angeles	Montreal	Orange County	Philadelphia	San Francisco	Toronto	Amsterdam	Edinburgh	Madrid	Paris
Austin	Denver	Mexico City	Nashville	Orlando	Phoenix	Savannah	Vancouver	Barcelona	Glasgow	Milan	Rome
Boston	Detroit	Miami	New Orleans	Ottawa	San Antonio	Seattle	Washington D.C.	Dubai	London	Nice	Venice
Chicago	Houston	Minneapolis	New York City	Palm Springs	San Diego			Dublin			

Our long-term goal is to become the leading global hospitality brand.

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.

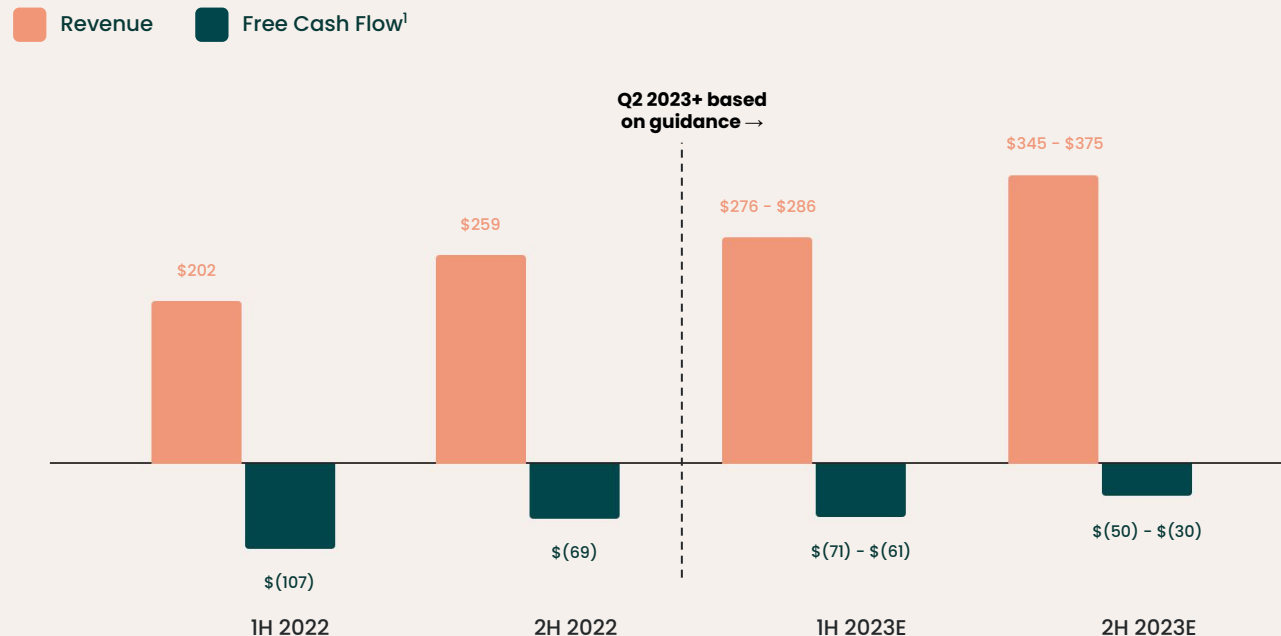
Financial Overview

Sonder at Found Miami Beach, Miami
Opened in March 2023



Since becoming a public company in early 2022, we've been relentlessly pursuing rapid improvements to Free Cash Flow.

Revenue and Free Cash Flow (\$M)

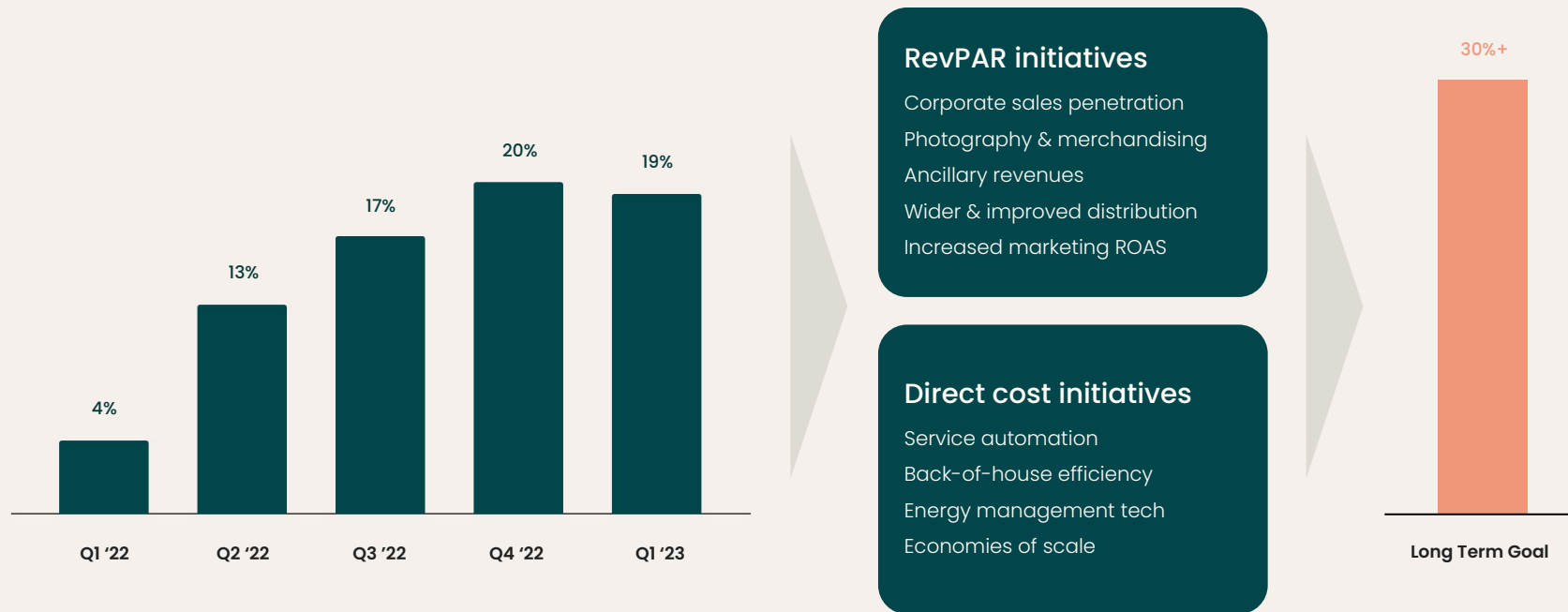


Our path to sustainable free cash flow positivity is driven by 4 levers:

1. Continued momentum on cash contribution margin
2. Over 75% embedded live unit growth
3. Declining overhead costs
4. Declining pre-opening costs

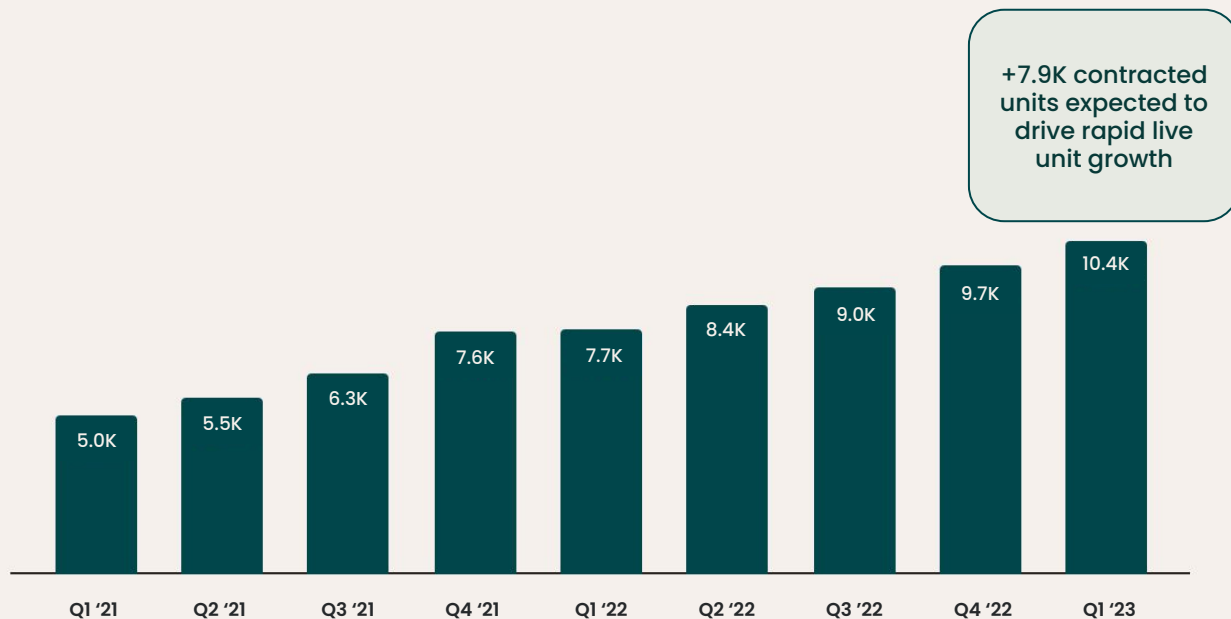
Our properties generate attractive and growing cash contribution margins, with a long term goal of achieving 30%+ margins.

TTM Cash Contribution Margin %



We expect our live units to grow over 75% through the opening of already contracted units.

Live Units (End of Period)



Multifamily developers

Opportunity to derisk lease-up amidst record deliveries in a weakening demand environment

Hotel owners

Opportunity to brand their asset Sonder to leverage our technology and superior operating model

Overhead & CapEx Initiatives

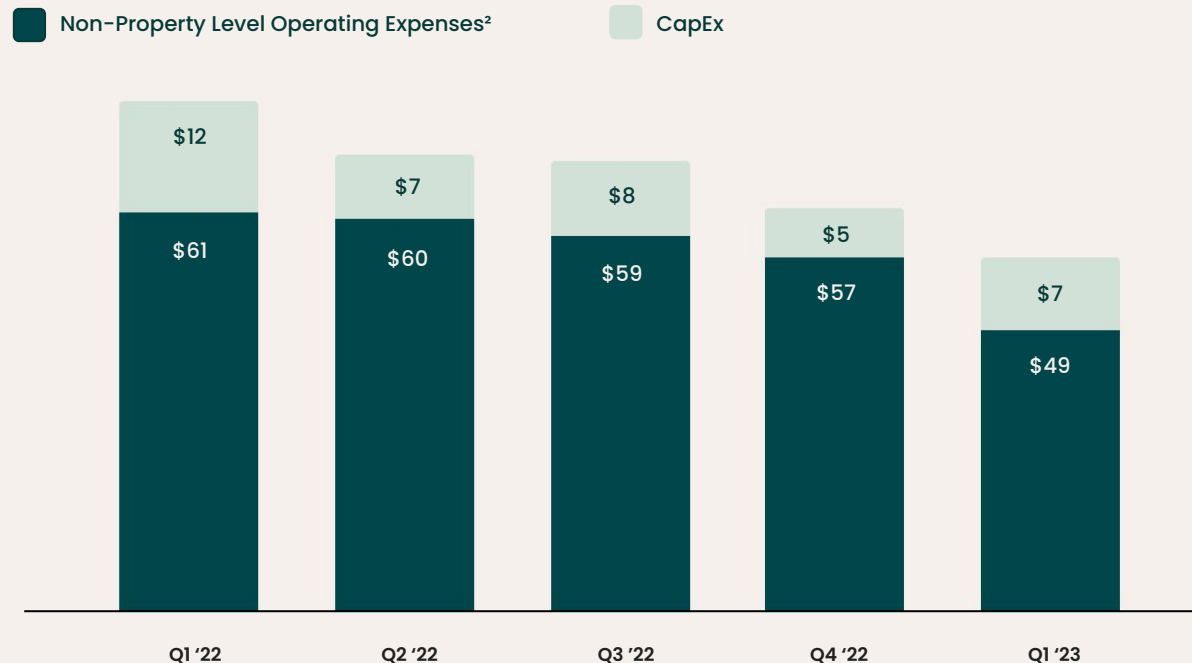
Reduced corporate headcount by 21% in June 2022, and a further 14% in March 2023.

Reducing non-headcount overhead through zero-based budgeting with savings materializing as we renegotiate contracts as they expire.

Containing growth investments via lower inventory and opening capex.

Overhead¹ declined 20% y/y, despite 98% revenue growth in 2022.

Non-Property Level Operating Expenses² and CapEx (\$M)

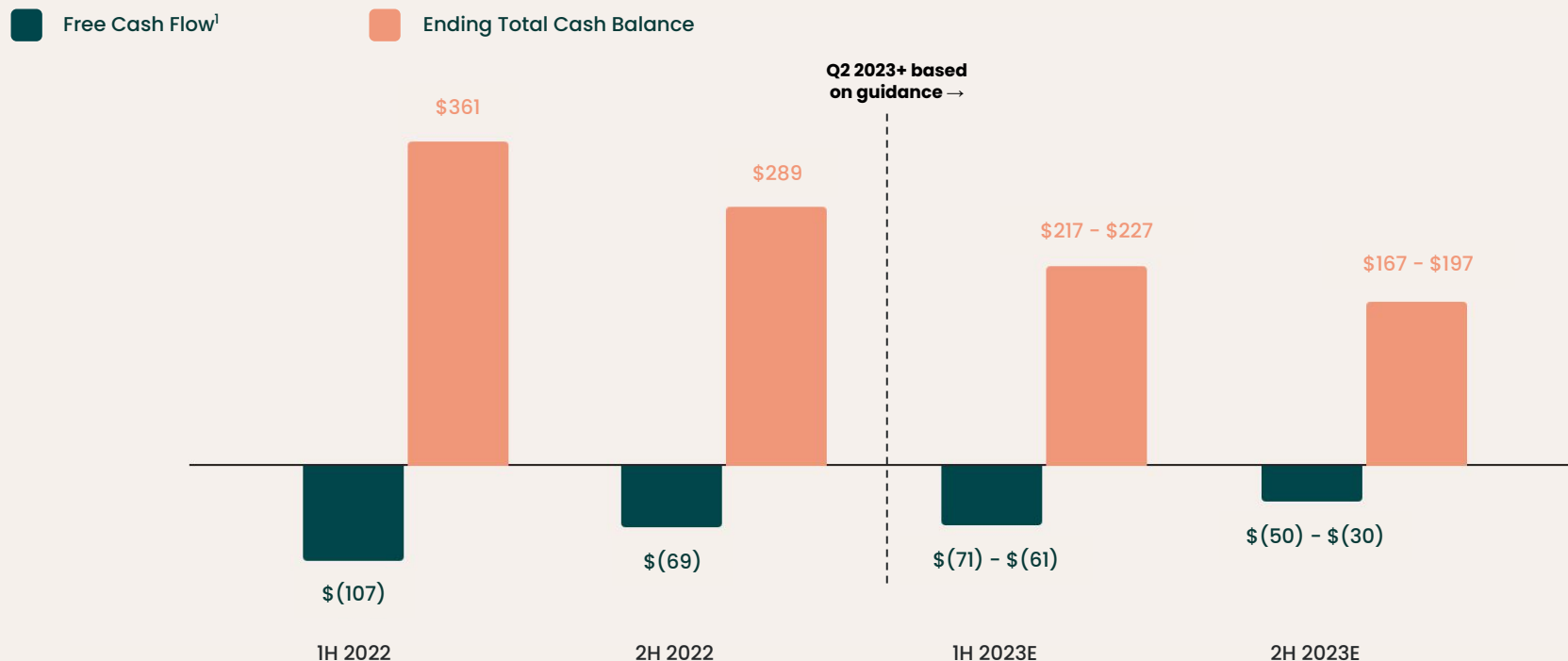


(1) Non-property level operating expenses.

(2) This is a Non-GAAP Financial Measure. Refer to section titled Non-GAAP Reconciliations for the reconciliation of our Non-GAAP Financial Measures to the most directly comparable GAAP Financial Measure. Non-Property Level Operating Expenses also includes pre-opening costs.

We're on a path to achieving cash flow positivity with a healthy cash cushion.

Illustrative Free Cash Flow¹ & Ending Cash Balance (\$M)



Our trading value has been significantly lower than hospitality peers.

Enterprise Value / TTM Revenue



Non-GAAP Reconciliations



Reconciliation of Cash used in operating activities to Free Cash Flow

(in thousands)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Cash used in operating activities	\$(40,308)	\$(55,945)	\$(39,690)	\$(43,448)	\$(50,693)	\$(40,922)	\$(32,477)	\$(24,923)	\$(35,492)
(+) Cash used in investing activities	(2,676)	(4,224)	(4,952)	(9,735)	(11,616)	(6,765)	(7,708)	(4,904)	(7,478)
Free Cash Flow including restructuring costs	\$(42,984)	\$(60,169)	\$(44,642)	\$(53,183)	\$(62,309)	\$(47,687)	\$(40,185)	\$(29,827)	\$(42,970)
(+) Cash paid for restructuring costs	-	-	-	-	-	2,363	1,114	235	1,597
Free Cash Flow excluding restructuring costs	\$(42,984)	\$(60,169)	\$(44,642)	\$(53,183)	\$(62,309)	\$(45,324)	\$(39,071)	\$(29,592)	\$(41,373)
Revenue	\$31,558	\$47,269	\$67,454	\$86,663	\$80,466	\$121,322	\$124,526	\$134,769	\$120,738
Free Cash Flow margin	(136)%	(127)%	(66)%	(61)%	(77)%	(37)%	(31)%	(22)%	(34)%

Reconciliation of Cash used in operating activities to Cash Contribution

(in thousands)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Non-property level sales and marketing:									
Sales and marketing	\$2,511	\$4,888	\$6,724	\$9,367	\$9,461	\$12,414	\$13,372	\$15,977	\$15,836
(-) Property level sales and marketing ¹	(1,592)	(3,052)	(4,638)	(6,634)	(6,814)	(9,535)	(10,566)	(11,837)	(11,672)
Non-property level sales and marketing	\$919	\$1,836	\$2,086	\$2,733	\$2,647	\$2,879	\$2,806	\$4,140	\$4,164
Non-property level operations and support:									
Operations and support	\$25,423	\$34,889	\$36,592	\$45,824	\$48,267	\$54,003	\$55,586	\$53,225	\$56,157
(-) Property level operations and support ²	(9,921)	(13,308)	(14,795)	(19,855)	(22,104)	(24,814)	(26,967)	(27,272)	(31,486)
Non-property level operations and support	\$15,502	\$21,581	\$21,797	\$25,969	\$26,163	\$29,189	\$28,619	\$25,953	\$24,671
Non-property level operating expenses:									
General and administrative	\$32,149	\$24,615	\$21,694	\$27,677	\$36,981	\$31,277	\$33,016	\$31,171	\$32,745
(+) Research and development	3,319	4,066	5,443	6,263	7,625	8,088	6,936	6,247	6,580
(+) Non-property level sales and marketing	919	1,836	2,086	2,733	2,647	2,879	2,806	4,140	4,164
(+) Non-property level operations and support	15,502	21,581	21,797	25,969	26,163	29,189	28,619	25,953	24,671
(-) Stock based compensation	(14,153)	(2,448)	(3,573)	(5,073)	(6,680)	(5,054)	(6,405)	(4,818)	(12,180)
(-) Depreciation and amortization	(4,119)	(4,213)	(4,357)	(5,025)	(5,630)	(5,996)	(6,175)	(6,110)	(7,048)
Non-property level operating expenses	\$33,617	\$45,437	\$43,090	\$52,544	\$61,106	\$60,383	\$58,797	\$56,583	\$48,932
Cash contribution:									
Cash used in operating activities	\$(40,308)	\$(55,945)	\$(39,690)	\$(43,448)	\$(50,693)	\$(40,922)	\$(32,477)	\$(24,923)	\$(35,492)
(+) Cash paid for restructuring costs	-	-	-	-	-	2,363	1,114	235	1,597
(+) Non-property level operating expenses	33,617	45,437	43,090	52,544	61,106	60,383	58,797	56,583	48,932
Cash contribution ³	\$(6,691)	\$(10,508)	\$3,400	\$9,096	\$10,413	\$21,824	\$27,434	\$31,895	\$15,037
Revenue	\$31,558	\$47,269	\$67,454	\$86,663	\$80,466	\$121,322	\$124,526	\$134,769	\$120,738
Cash contribution margin	(21.2)%	(22.2)%	5.0%	10.5%	12.9%	18.0%	22.0%	23.7%	12.5%

Reconciliation of Cash used in operating activities to Cash Contribution (TTM)

(in thousands)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Non-property level sales and marketing:					
Sales and marketing	\$30,440	\$37,966	\$44,614	\$51,224	\$57,599
(-) Property level sales and marketing ¹	\$(21,138)	\$(27,621)	\$(33,549)	\$(38,752)	\$(43,610)
Non-property level sales and marketing	\$9,302	\$10,345	\$11,065	\$12,472	\$13,989
Non-property level operations and support:					
Operations and support	\$165,572	\$184,686	\$203,680	\$211,081	\$218,971
(-) Property level operations and support ²	\$(70,062)	\$(81,568)	\$(93,740)	\$(101,157)	\$(110,539)
Non-property level operations and support	\$95,510	\$103,118	\$109,940	\$109,924	\$108,432
Non-property level operating expenses:					
General and administrative	\$110,967	\$117,629	\$128,951	\$132,445	\$128,209
(+) Research and development	\$23,397	\$27,419	\$28,912	\$28,896	\$27,851
(+) Non-property level sales and marketing	\$9,302	\$10,345	\$11,065	\$12,472	\$13,989
(+) Non-property level operations and support	\$95,510	\$103,118	\$109,940	\$109,924	\$108,432
(-) Stock based compensation	\$(17,774)	\$(20,380)	\$(23,212)	\$(22,957)	\$(28,457)
(-) Depreciation and amortization	\$(19,225)	\$(21,008)	\$(22,826)	\$(23,911)	\$(25,329)
Non-property level operating expenses	\$202,177	\$217,123	\$232,830	\$236,869	\$224,695
Cash contribution:					
Cash used in operating activities	\$(189,776)	\$(174,753)	\$(167,540)	\$(149,015)	\$(133,814)
(+) Cash paid for restructuring costs	\$0	\$2,363	\$3,477	\$3,712	\$5,309
(+) Non-property level operating expenses	202,177	217,123	232,830	236,869	224,695
Cash contribution ³	\$12,401	\$44,733	\$68,767	\$91,566	\$96,190
Revenue	\$281,852	\$355,905	\$412,977	\$461,083	\$501,355
Cash contribution margin	4%	13%	17%	20%	19%

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. Certain signed leases have contingencies or conditions that must be satisfied before we take over the units, and from time to time, we exclude some of these leases from our Contracted Units total based on our judgment about the likelihood that the contingencies or conditions will be satisfied.

Occupancy Rate

Occupancy Rate 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 18.

Cash Contribution

Cash Contribution is defined as operating cash flow before non-property level 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 pgs 19-20.

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 Investor Presentation contains 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 H1 2023 and H2 2023, and statements about potential cash contribution margin), statements about Sonder’s total addressable market, anticipated numbers of Live and Contracted Units, the statements regarding “Cash Flow Positive Plan,” including anticipated cost reductions and potential cash flow improvements, booking patterns, and other trends, expectations, and objectives discussed in this Investor Presentation, potential new markets, and market penetration. 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 Shareholder Letter, 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: risks and uncertainties associated with Sonder’s Cash Flow Positive Plan, including the possibility that Sonder will not realize the anticipated cost savings, capital-light signings or cash flow improvements from this plan or any future cost-saving initiatives, or will need to engage in additional fundraising, and the risk that the plan or any future cost-saving initiatives will adversely affect employee retention, effectiveness and hiring or other aspects of Sonder’s business; potential negative impacts on Sonder’s financial results as a result of changes in travel, hospitality, and real estate 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 continue meeting the listing standards of Nasdaq; 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 or the failure of lease contingencies; 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, including the possibility that Sonder will not realize the anticipated cost savings, capital-light signings or cash flow improvements from this plan or any future cost-saving initiatives, or will need to engage in additional fundraising, and the risk that the plan or any future cost-saving initiatives 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; 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; potential delays or difficulties introducing new or upgraded amenities, services or features; risks related to the impact of COVID-19; Sonder’s success in retaining or recruiting officers, other employees and directors; and other risks and uncertainties described under the heading “Risk Factors” in Sonder’s most recent Annual Report on Form 10-K filed with the SEC on March 16, 2022, and subsequent SEC filings. 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 Shareholder Letter. 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.



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