

# COMPANY UPDATE

November 2023



# Disclaimer

## Forward-Looking Statements

This presentation contains forward-looking statements within the meaning the federal securities laws. Forward-looking statements generally relate to future events or Inspirato’s future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “believe,” “may,” “will,” “estimate,” “potential,” “continue,” “anticipate,” “intend,” “expect,” “could,” “would,” “project,” “forecast,” “plan,” “intend,” “target,” or the negative of these words or other similar expressions that concern expectations, strategy, priorities, plans, or intentions. Forward-looking statements in this presentation include, but are not limited to, statements regarding Inspirato’s expectations relating to future operating results and financial position; guidance and growth prospects including those related to new platforms Inspirato for Good and Inspirato for Business; the impacts of Inspirato’s Rewards program, Inspirato’s partnership with Capital One Ventures; quotations of management; Inspirato’s expectations regarding the luxury travel market, including recent trends in the duration and mix of travel bookings; anticipated future expenses and investments, including the timing and sufficiency of Inspirato’s cost-cutting efforts; business strategy and plans; market growth; market position; and potential market opportunities. Inspirato’s expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties, including changes in Inspirato’s plans or assumptions, that could cause actual results to differ materially from those projected. These risks include Inspirato’s inability to forecast its business due to limited experience with its pricing models; the risk of downturns in the travel and hospitality industry, including residual effects of the COVID-19 pandemic; the effects of the Russian invasion of Ukraine and the war between Israel and Hamas; Inspirato’s ability to compete effectively in an increasingly competitive market; its ability to sustain and manage growth; its ability to service its outstanding indebtedness and satisfy related covenants; the impacts of changes to Inspirato’s management team; and current market, political, economic and business conditions and other risks detailed in filings with the Securities and Exchange Commission (the “SEC”), including in Inspirato’s Annual Report on Form 10-K filed with the SEC on March 15, 2023, Quarterly Reports on Form 10-Q that were filed on May 9, 2023 and on August 9, 2023, and Quarterly Report on Form 10-Q that will be filed with the SEC by November 9, 2023 and subsequent filings with the SEC.

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In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this presentation and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and such statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements.

## Use of Data

This presentation contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves a number of assumptions and limitations, you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Accordingly, no representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any projections or modeling or any other information contained herein. Any data on past performance or modeling contained herein is not an indication as to future performance. We assume no obligation to update the information in this presentation. Further, the Inspirato financial data, 2012 through 2017, included in this presentation were audited in accordance with private company AICPA standards.

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# Disclaimer

## **Key Performance Metrics and Use of Non-GAAP Financial Measures**

This presentation includes certain non-GAAP financial measures (including on a forward-looking basis) such as Adjusted Net Loss, Adjusted EBITDA and Adjusted EBITDA Margin. These non-GAAP measures are presented for supplemental informational purposes only, and not a substitute for measures of financial performance prepared in accordance with GAAP. These non-GAAP measures have limitations as analytical tools, and they should not be considered in isolation or as a substitute for analysis of other GAAP financial measures. Reconciliations of non-GAAP measures to their most directly comparable GAAP counterparts are included in this presentation. In addition, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore, Inspirato's non-GAAP measures may not be directly comparable to similarly titled measures of other companies. Additionally, to the extent that forward-looking non-GAAP financial measures are provided, they are presented on a non-GAAP basis without reconciliations of such forward-looking non-GAAP measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.

This presentation includes certain key performance metrics, such as Active Subscriptions, Active Subscribers and total nights delivered. Inspirato's management uses these key performance metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. Our key performance metrics may differ from estimates published by third parties or from similarly titled metrics of other companies due to differences in methodology.



NOVEMBER 2023

 INSPIRATO

We inspire lasting memories and relationships by changing the way family and friends experience the world



# The Inspirato Platform



## SUPERIOR TO TRADITIONAL HOSPITALITY



Stable Base of Subscription Revenue



Luxury Portfolio Suitable for Strategic Partnerships



Beneficial to Travelers and Hospitality Partners

# White-Glove Hospitality from Start to Finish

## Before Booking

*Inspirato grants members access to a dedicated Care team of in-house travel experts who help them find and book the perfect vacations*



### Dedicated Care Team

These in-house travel advisors get to know member's individual preferences, travel habits, and more. They can recommend trips, notify members about new accommodations, place a hold on homes and eventually book vacations.



### Explore Bespoke Custom Travel

This team of experts can turn any trip members can imagine, anywhere in the world, into an Inspirato vacation with a tailor-made itinerary handcrafted for each individual member.

## Before Arrival

*Inspirato expert teams will handle all of a member's trip logistics, from start to finish*



### Plan Itinerary

Inspirato expert Destination Planners handcraft each trip itinerary, always taking into account the most up-to-date destination information. These locals live in-destination and know all the insider tips and top recommendations. They'll make a member's dinner reservations, arrange excursion transportation, and more.



### Book Flights

Inspirato travel experts can book members flights, select preferred seats and flight times, and enter frequent flier number so members still earn miles. Experts will find the best available price—even for vacations members are not taking with Inspirato.



### Complete Pre-Arrival Grocery Order

Members enjoy a well-stocked refrigerator and pantry, thanks to pre-arrival grocery delivery. Destination Concierge will deliver and put away groceries before members step foot inside—at no extra delivery charge.

## During Trip

*Destination Concierge is an on-site hospitality expert who ensures members trips go smoothly. This service is included with every stay at an Inspirato home*



### Meet Destination Concierge

Destination Concierge give members an in-depth tour, manage trip logistics, and check in daily. Inspirato also offers remote check-in and checkout if members prefer a contactless experience.



### Enjoy Daily Housekeeping

Housekeeping is included with each Inspirato stay. With The Inspirato Clean Vacation Commitment, Inspirato has enhanced its already-robust housekeeping protocols and stocked its homes with face masks and disinfectant wipes.

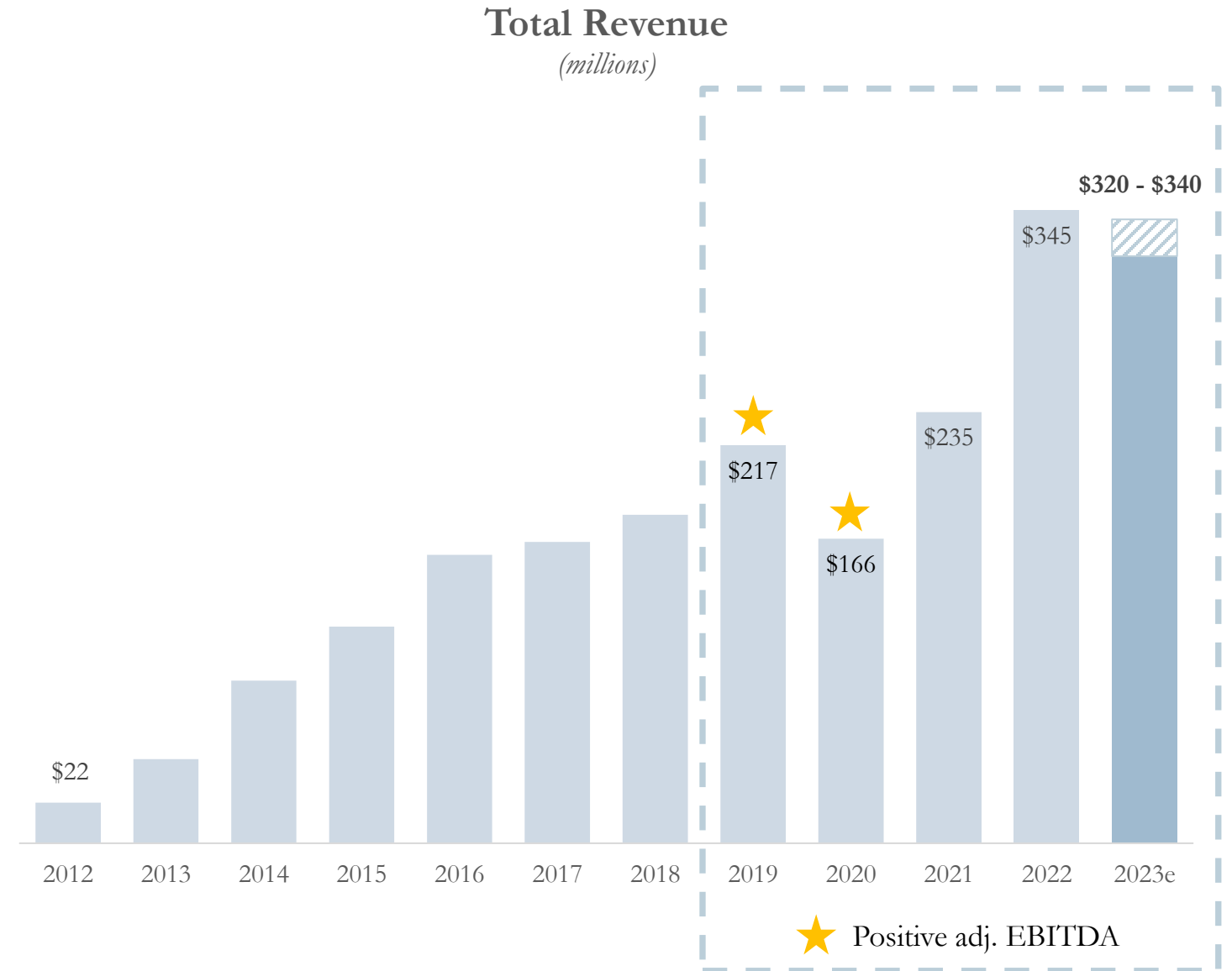


### Call or Text at Any Time

Call or text Destination Concierge, who are standing by to offer assistance. These helpful experts can also book on-the-fly dinner reservations, schedule excursions, and manage other staff, including housekeeping, pool maintenance workers, and more.

# Inspirato at a Glance

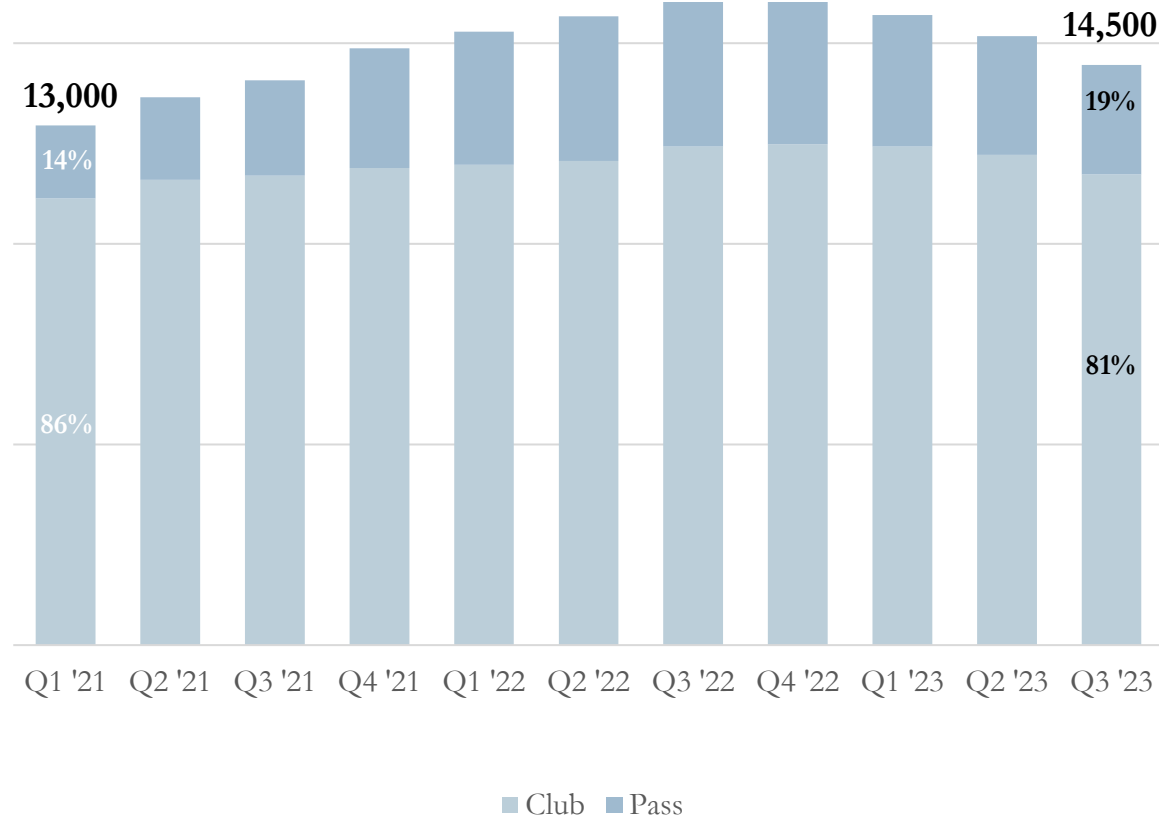
- Exclusive portfolio of world class residences and luxury hotel partnerships in premier vacation destinations
- Anticipate \$320 - \$340 million of revenue and adj. EBITDA loss of (\$30) - (\$45) million in 2023
- \$25 million of long-term debt and \$50+ million of cash as of 9/30/23
  - Controlled Accommodations are all leased
  - Closed \$25 million investment from Capital One Ventures
- Large subscriber base offers predictable, recurring revenue
  - 14,500 Active Subscriptions as of 9/30/23



# Highly Attractive Subscriber Demographic

As of 9/30/23

Active Subscriptions



- Complementary suite of products and multiple price points offer recurring revenue and ability to attract, retain and upgrade new and existing subscribers
- Solid subscriber-base including ~14,500 Active Subscriptions
  - ~11,800 Inspirato Club subscriptions
  - ~2,700 Inspirato Pass subscriptions
  - 75+% of Active Subscribers have household net worth of more than \$1 million<sup>1</sup>
- Member-centric approach produced NPS scores of 70+ for five consecutive years<sup>2</sup>
  - Launched Inspirato Rewards in August 2023 – loyalty program with tiered-based benefits and value-enhancers
- Average retention of ~80%<sup>3</sup>
  - ~80% of year-to-date Inspirato Club sales are for multiple years

(1) As of 6/30/23. Source: Epsilon.

(2) Source: Source: Inspirato internal systems as of 12/31/22. Net Promoter Score (NPS) is a customer satisfaction metric taken from asking customers how likely they are to recommend Inspirato to others on a scale of 0-10. Inspirato's reported NPS is measured after travel within Inspirato's managed and controlled portfolio.

(3) 2022 full-year retention, including beginning of period and end of period monthly, annual and multi-year pre-paid subscribers

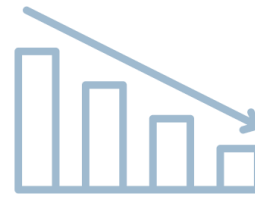


# Redefining Customer Acquisition Cost

Revenue Generating



Reduced Sales + Marketing Expense



Highly-Qualified, Pre-Screened Prospects



INSPIRATO  
FOR GOOD.

- Philanthropic partnership aimed at accelerating charitable fundraising and increasing brand awareness among qualified prospects
- Packages of subscriptions bundled with vacations to Inspirato’s luxury residences and hotel suites
- Demonstrating solid performance since launch in Sept. ‘22
  - ~\$8.5 million of total sales since Sept. ‘22
  - ~2,500 trip and membership packages sold 2023 YTD

INSPIRATO  
FOR BUSINESS.

- B2B platform geared toward incentive programs, retention initiatives and corporate benefit packages
- Custom-made, flat-rate travel packages inclusive of pre-determined number of trips and Inspirato Club access
- Solid early-adoption trends since launch in Sept. ‘22
  - ~\$15 million of total sales since Sept. ‘22

# Multiple Streams of Travel Revenue

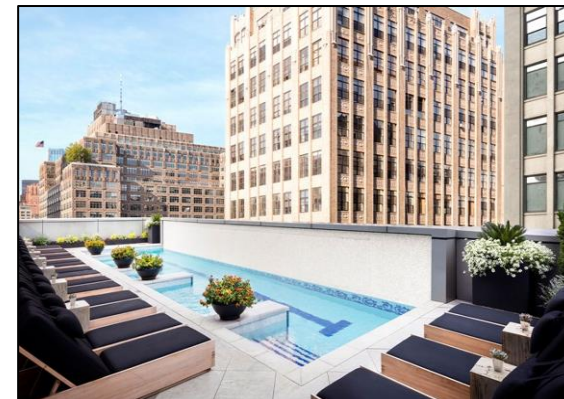
- Unique portfolio of luxury residences
  - Portfolio of more than 450 residences in over 100 iconic vacation destinations
- Exclusive hotel partnerships
  - Exclusive rates and amenities at luxury hotels in the Inspirato collection
- Global events and experiences
  - Customized itinerary with exclusive Inspirato-only guest list
  - More than 30 cruises, safaris and sporting events to choose from
- Bespoke custom travel
  - Tailor-made itinerary and travel services for trips in and out of the Inspirato Network



Naupaka Big Island, HI



Juniper Vail, CO



Inspirato SoHo at The Dominick NYC, NY



Inspirato Only at The Masters



# Exclusive Portfolio of Unique Luxury Residences

**299** Beach Accommodations



**88** Mountain Accommodations



**61** Lifestyle Accommodations

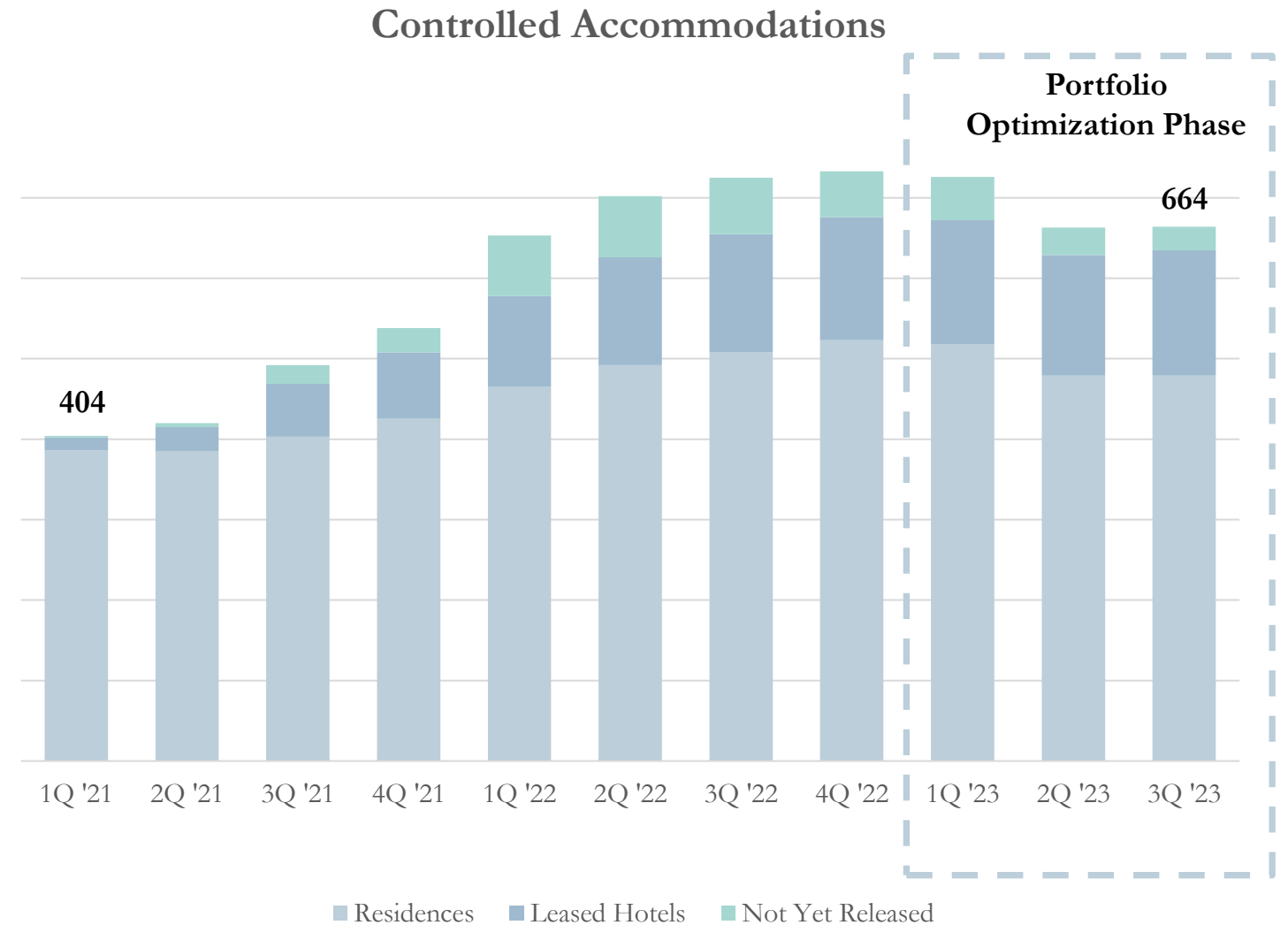


**19** Metropolitan Accommodations



# Optimizing Portfolio to Improve Economics

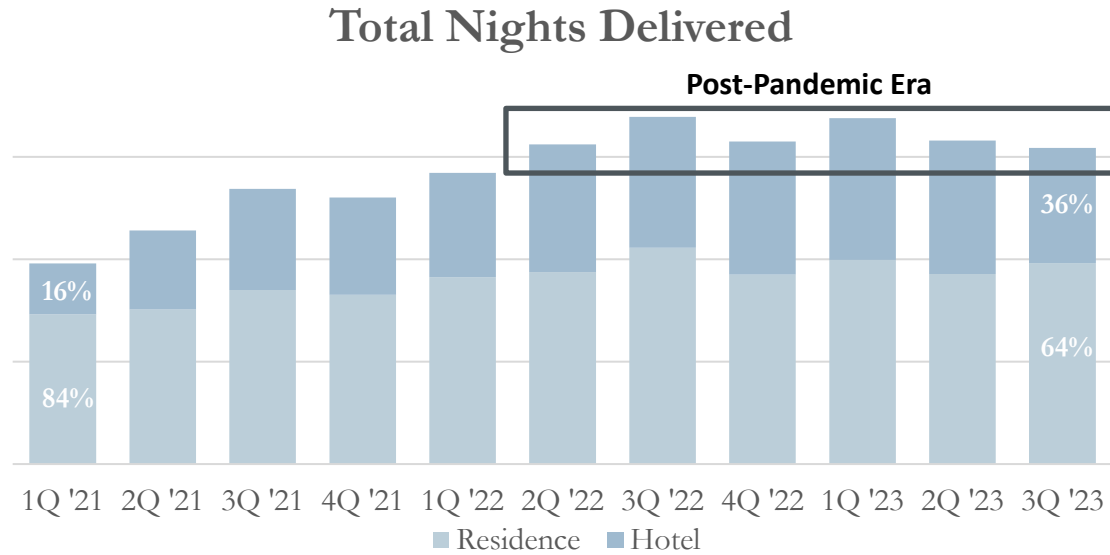
- Lease model ensures low capital intensity during growth phase and high degree of flexibility to optimize portfolio
  - Average lease length of ~5.5 years with minimal lease rate hikes
  - ~85% of leases have Inspirato-friendly early termination clause language (typically require 6-12 months notice)
- Grew Controlled Accommodations by ~80% in 2021-2022 to meet rapidly growing subscriber base and travel demand
  - Supply growth brought depressed margins due to increased costs (leases, furnishings, staff, etc.) and lower occupancy (calendar integration)
- Began optimizing portfolio in 2023 to:
  - Better align supply with current demand
  - Improve portfolio economics by terminating poor-performing units
  - Improve occupancy by pruning over-saturated markets



**Anticipate portfolio optimization efforts to result in \$25+ million annualized lease expense savings**



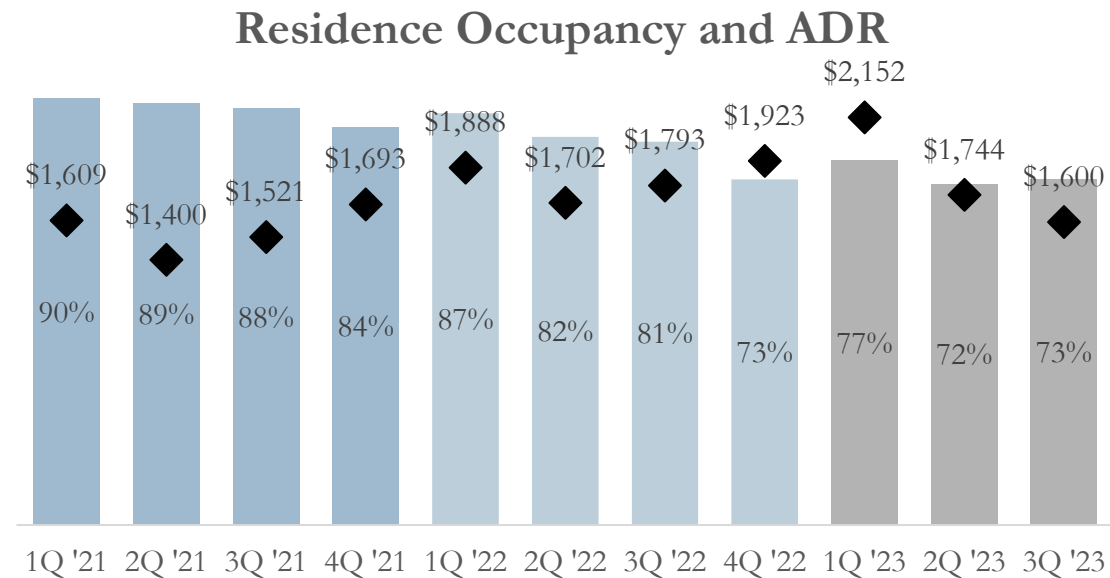
# Meeting Travel Demand While Maintaining High Occupancy



## Maintained Post-Pandemic Level of Total Nights Delivered

### Residences:

- Ratable growth in residence availability to meet consistent demand for high-end residence vacations
  - Maintained solid occupancy rates of 70+%
- Post-pandemic revenge travel phase resulted in rapidly increasing ADRs
  - Portfolio-wide ADR reductions to members in June '23 in effort to drive more paid bookings and return occupancy rates to historical levels



# Appendix



# Q3 2023 Financials

| <i>(\$ in thousands)</i>                  | Q3 '22            | Q2 '23          | Q3 '23          |
|---|-------------------|-----------------|-----------------|
| <b>Travel Revenue</b>                     | 54,508            | 48,031          | 49,065          |
| <b>Subscription Revenue</b>               | 38,587            | 36,038          | 33,344          |
| <b>Loyalty</b>                            | -                 | -               | 189             |
| <b>Other Revenue</b>                      | 37                | 23              | -               |
| <b>Total Revenue</b>                      | <b>93,132</b>     | <b>84,092</b>   | <b>82,598</b>   |
| Cost of Revenue <sup>1</sup>              | 62,959            | 64,686          | 57,704          |
| Asset Impairment <sup>2</sup>             | -                 | 30,054          | 4,294           |
| <b>Gross Margin</b>                       | <b>30,173</b>     | <b>(10,648)</b> | <b>20,600</b>   |
| <b>Gross Margin (%)</b>                   | <b>32%</b>        | <b>(13%)</b>    | <b>25%</b>      |
| Sales & Marketing                         | 9,438             | 7,954           | 8,600           |
| <i>% of Revenue</i>                       | 10%               | 9%              | 10%             |
| Operations                                | 10,351            | 6,419           | 8,623           |
| <i>% of Revenue</i>                       | 11%               | 8%              | 10%             |
| Technology & Development                  | 3,778             | 3,007           | 2,355           |
| <i>% of Revenue</i>                       | 4%                | 4%              | 3%              |
| General & Administrative <sup>3</sup>     | 16,934            | 17,885          | 23,487          |
| <i>% of Revenue</i>                       | 18%               | 21%             | 28%             |
| <b>Total Operating Expense</b>            | <b>40,501</b>     | <b>35,265</b>   | <b>43,065</b>   |
| <b><i>% of Revenue</i></b>                | <b>43%</b>        | <b>42%</b>      | <b>52%</b>      |
| <b>Net Loss</b>                           | <b>(\$7,050)</b>  | <b>(46,672)</b> | <b>(25,422)</b> |
| <b>Adjusted Net Loss<sup>4</sup></b>      | <b>(\$10,770)</b> | <b>(16,998)</b> | <b>(21,395)</b> |
| <b>Adjusted EBITDA<sup>4</sup></b>        | <b>(\$6,765)</b>  | <b>(11,645)</b> | <b>(9,165)</b>  |
| <b>Adjusted EBITDA Margin<sup>5</sup></b> | <b>(7.3%)</b>     | <b>(13.8%)</b>  | <b>(11.1%)</b>  |

1. Cost of Revenue includes depreciation and amortization.

2. In the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2023, the Company impaired the right of use assets for the leases related to a group of underperforming assets, the majority of which were in a single geographic location.

3. General & Administrative expense includes equity-based compensation.

4. Adjusted EBITDA and Adjusted Net Loss are non-GAAP financial measures. See slide 16 for reconciliations.

5. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by revenue

# Non-GAAP Measure Reconciliations

| <i>(\$ in thousands)</i>               | Q3 '22          | Q3 '23          |
|--|-----------------|-----------------|
| <b>Net loss and comprehensive loss</b> | <b>(7,252)</b>  | <b>(25,422)</b> |
| Asset impairment                       | -               | 4,294           |
| Warrant fair value losses              | (3,518)         | (267)           |
| <b>Adjusted Net Loss</b>               | <b>(10,770)</b> | <b>(21,395)</b> |

| <i>(\$ in thousands)</i>                     | Q3 '22          | Q3 '23          |
|--|-----------------|-----------------|
| <b>Net cash used in operating activities</b> | <b>(21,868)</b> | <b>(16,097)</b> |
| Development of internal-use software         | (2,258)         | (1,368)         |
| Purchase of property and equipment           | (2,499)         | (2,307)         |
| <b>Free Cash Flow</b>                        | <b>(26,625)</b> | <b>(19,772)</b> |

| <i>(\$ in thousands)</i>               | Q3 '22         | Q3 '23          |
|--|----------------|-----------------|
| <b>Net loss and comprehensive loss</b> | <b>(7,252)</b> | <b>(25,422)</b> |
| Interest expense, net                  | (125)          | 1,731           |
| Income taxes                           | 202            | 492             |
| Depreciation & amortization            | 1,332          | 3,321           |
| Equity-based compensation              | 2,596          | 6,686           |
| Warrant fair value losses              | (3,518)        | (267)           |
| Asset impairment                       | -              | 4,294           |
| <b>Adjusted EBITDA</b>                 | <b>(6,765)</b> | <b>(9,165)</b>  |

# Capitalization

As of 9/30/23

## Total Fully Diluted Share Count (mm)

| Class                                   | # Shares   | %           |
|---|------------|-------------|
| Class A                                 | 3.5        | 54%         |
| Class V                                 | 2.9        | 46%         |
| <b>Total Shares Outstanding</b>         | <b>6.4</b> | <b>100%</b> |
| Rollover Options <sup>1</sup>           | 0.0        | 0%          |
| <b>Fully Diluted Shares<sup>2</sup></b> | <b>6.4</b> | <b>100%</b> |

## Valuation (mm)

|   |                      |
|---|----------------------|
| Shares Outstanding <sup>3</sup>         | 6.4                  |
| Share Price <sup>3</sup>                | \$11.80              |
| <b>Equity Value</b>                     | <b>\$75</b>          |
| (-) PF Net Cash <sup>4</sup>            | (26)                 |
| <b>Enterprise Value</b>                 | <b>\$49</b>          |
| <i>2023e Revenue</i>                    | <i>\$320 - \$340</i> |
| <i>Enterprise Value / 2023e Revenue</i> | <i>0.15x</i>         |

(1) Rollover options of 0.2 million have exercise price of \$15.60 per share

(2) Excludes 0.4 million public warrants with exercise price of \$230 per share as their effect would have been anti-dilutive under the treasury stock method

(3) As of 9/30/23, share price reflected is pro forma 1:20 reverse stock split effected on October 17.

(4) Cash balance of \$51 million, as of 9/30/23, less \$25 million of convertible note debt



# Key Definitions

*Adjusted Net Loss.* Adjusted Net Loss is a non-GAAP financial measure that Inspirato defines as net loss and comprehensive loss less warrant fair value gains and losses and asset impairment.

The above items are excluded from Inspirato's Adjusted Net Loss measure because management believes that these costs and expenses are not indicative of core operating performance and do not reflect the underlying economics of Inspirato's business.

*Adjusted EBITDA.* Adjusted EBITDA is a non-GAAP financial measure that Inspirato defines as net income (loss) and comprehensive loss less interest, income taxes, depreciation and amortization, equity-based compensation expense, warrant fair value gains and losses and asset impairment.

The above items are excluded from Inspirato's Adjusted EBITDA measure because management believes that these costs and expenses are not indicative of core operating performance and do not reflect the underlying economics of Inspirato's business.

*Free Cash Flow.* Inspirato defines Free Cash Flow as net cash provided by operating activities less purchases of property and equipment and development of internal-use software. Inspirato believes that Free Cash Flow is a meaningful indicator of liquidity that provides information to management and investors about the amount of cash generated from operations, after purchases of property and equipment and development of internal-use software, that can be used for strategic initiatives. Inspirato's Free Cash Flow is impacted by the timing of bookings because it collects travel revenue between the time of booking and 30 days before a stay or experience occurs. See below for reconciliations of non-GAAP financial measures.

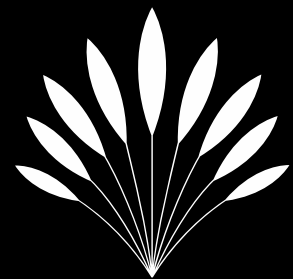
## **Key Business Metrics**

We use a number of operating and financial metrics, including the following key business metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and business plans, and make strategic decisions. We regularly review and may adjust our processes for calculating our internal metrics to improve their accuracy.

***Active Subscriptions and Active Subscribers.*** We use Active Subscriptions to assess the adoption of our subscription offerings, which is a key factor in assessing our penetration of the market in which we operate and a key driver of revenue. We define Active Subscriptions as subscriptions as of the measurement date that are paid in full, as well as those for which we expect payment for renewal. Active Subscribers are subscribers who have one or more Active Subscription(s).

***Controlled Accommodations.*** Controlled Accommodations includes leased residences, hotel penthouses, suites and rooms, and residences under net rate agreements, including those that have executed agreements but have not yet been released for booking by our members.

***Total Nights Delivered.*** Total Nights Delivered includes all Paid, Inspirato Pass, Inspirato for Good, Inspirato for Business, employee and other complimentary nights in all residences or hotels.



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for more information:

<https://investor.inspirato.com/>

Questions? We are here to help.

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