

OUSTER, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(in thousands)

	March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 115,827	\$ 122,932
Restricted cash, current	566	257
Short-term investments	140,909	—
Accounts receivable, net	22,848	11,233
Inventory	28,726	19,533
Prepaid expenses and other current assets	10,646	8,543
Total current assets	319,522	162,498
Property and equipment, net	14,643	9,695
Operating lease, right-of-use assets	21,968	12,997
Unbilled receivable, long-term portion	6,657	—
Goodwill	67,266	51,152
Intangible assets, net	29,654	18,165
Restricted cash, non-current	1,089	1,089
Other non-current assets	3,199	541
Total assets	<u>\$ 463,998</u>	<u>\$ 256,137</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 17,634	\$ 8,798
Accrued and other current liabilities	41,683	17,071
Contract liabilities	5,965	402
Operating lease liability, current portion	7,404	3,221
Total current liabilities	72,686	29,492
Operating lease liability, long-term portion	23,908	13,400
Debt	39,853	39,574
Contract liabilities, long-term portion	2,660	342
Other non-current liabilities	2,155	1,710
Total liabilities	141,262	84,518
Commitments and contingencies		
Stockholders' equity:		
Common stock	39	19
Additional paid-in capital	942,072	613,665
Accumulated deficit	(619,196)	(441,916)
Accumulated other comprehensive loss	(179)	(149)
Total stockholders' equity	322,736	171,619
Total liabilities and stockholders' equity	<u>\$ 463,998</u>	<u>\$ 256,137</u>

OUSTER, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited)
(in thousands, except share and per share data)

	Three Months Ended March 31,	
	2023	2022
Product revenue	\$ 17,230	\$ 8,558
Cost of product	17,606	5,967
Gross (loss) profit	(376)	2,591
Operating expenses:		
Research and development	32,459	15,906
Sales and marketing	13,533	7,090
General and administrative	31,325	13,783
Goodwill impairment charges	99,409	—
Total operating expenses	176,726	36,779
Loss from operations	(177,102)	(34,188)
Other (expense) income:		
Interest income	1,719	154
Interest expense	(1,669)	—
Other income, net	54	1,684
Total other income, net	104	1,838
Loss before income taxes	(176,998)	(32,350)
Provision for income tax expense	282	47
Net loss	\$ (177,280)	\$ (32,397)
Other comprehensive loss		
Changes in unrealized gain (loss) on available for sale securities	\$ 51	\$ —
Foreign currency translation adjustments	\$ (81)	\$ (12)
Total comprehensive loss	\$ (177,310)	\$ (32,409)
Net loss per common share, basic and diluted	\$ (6.03)	\$ (1.90)
Weighted-average shares used to compute basic and diluted net loss per share	29,411,612	17,090,620

OUSTER, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Three Months Ended March 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (177,280)	\$ (32,397)
Adjustments to reconcile net loss to net cash used in operating activities:		
Goodwill impairment charges	99,409	—
Depreciation and amortization	6,159	2,385
Loss on write-off of construction in progress and right-of-use asset impairment	1,423	—
Stock-based compensation	21,780	8,750
Change in right-of-use asset	1,112	644
Interest expense	685	—
Amortization of debt issuance costs and debt discount	62	—
Accretion or amortization on short-term investments	(805)	—
Change in fair value of warrant liabilities	(106)	(1,745)
Inventory write down	2,836	203
Provision for doubtful accounts	445	—
Loss/(Gain) from disposal of property and equipment	145	(100)
Changes in operating assets and liabilities, net of acquisition effects:		
Accounts receivable	(3,450)	842
Inventory	(2,329)	(4,373)
Prepaid expenses and other assets	672	2,480
Accounts payable	5,488	4,807
Accrued and other liabilities	(9,218)	(2,551)
Contract liabilities	944	—
Operating lease liability	(984)	(772)
Net cash used in operating activities	<u>(53,012)</u>	<u>(21,827)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	168	275
Purchases of property and equipment	(1,006)	(416)
Purchase of short-term investments	(5,003)	—
Proceeds from sales of short-term investments	19,981	—
Cash and cash equivalents acquired in the Velodyne Merger	32,137	—
Net cash provided by (used in) investing activities	<u>46,277</u>	<u>(141)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of common stock	—	(31)
Proceeds from exercise of stock options	18	209
Taxes paid related to net share settlement of restricted stock units	—	(59)
Net cash provided by financing activities	<u>18</u>	<u>119</u>
Effect of exchange rates on cash and cash equivalents	(79)	(12)
Net decrease in cash, cash equivalents and restricted cash	(6,796)	(21,861)
Cash, cash equivalents and restricted cash at beginning of period	124,278	184,656
Cash, cash equivalents and restricted cash at end of period	<u>\$ 117,482</u>	<u>\$ 162,795</u>

OUSTER, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(unaudited)
(in thousands)

	Three Months Ended March 31,	
	2023	2022
GAAP net loss	\$ (177,280)	\$ (32,397)
Interest expense (income), net	(50)	(154)
Other expense (income), net	(54)	(1,684)
Stock-based compensation ⁽¹⁾	21,780	8,750
Provision for income tax expense	282	47
Goodwill impairment charge	99,409	—
Amortization of acquired intangibles ⁽²⁾	1,511	1,122
Restructuring costs, excluding stock-based compensation expense	12,635	—
Excess and obsolete expenses and loss on firm purchase commitments	3,630	—
Depreciation expense ⁽²⁾	4,648	1,263
Litigation expenses ⁽³⁾	537	500
Merger and acquisition related expenses ⁽⁴⁾	6,058	—
Adjusted EBITDA	\$ (26,893)	\$ (22,553)

⁽¹⁾Includes stock-based compensation expense as follows:

	Three Months Ended March 31,	
	2023	2022
Cost of revenue	\$ 774	\$ 217
Research and development	7,505	3,761
Sales and marketing	2,881	1,524
General and administrative	10,620	3,248
Total stock-based compensation	\$ 21,780	\$ 8,750

⁽²⁾Includes depreciation and amortization expense as follows:

	Three Months Ended March 31,	
	2023	2022
Cost of revenue	\$ 1,750	\$ 382
Research and development	2,964	789
Sales and marketing	181	75
General and administrative	1,264	1,139
Total depreciation and amortization expense	\$ 6,159	\$ 2,385

⁽³⁾Litigation expenses and litigation-related expenses outside of the Company's ordinary business operations

⁽⁴⁾Merger and acquisition related expenses represent transaction costs for the Velodyne Merger which include legal and accounting professional service fees

	Three Months Ended March 31,	
	2023	2022
Gross (loss) profit on GAAP basis	\$ (376)	\$ 2,591
Stock-based compensation	774	217
Amortization of acquired intangible assets	249	—
Excess and obsolete expenses and loss on firm purchase commitments	3,630	—
Gross profit on non-GAAP basis	\$ 4,277	\$ 2,808
Gross margin on GAAP basis	(2)%	30 %
Gross margin on non-GAAP basis	25 %	33 %

###