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# Fourth Quarter 2023 Earnings Update

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# Ouster is a global leader in 3D lidar



Software Solutions

Digital Lidar

Diversified Business

## Message from the CEO

2023 was a transformative year for Ouster and marked a journey of growth, opportunity, and innovation that reflected our values and aspirations. We successfully completed the merger with Velodyne, which forged a stronger company with an expanded patent portfolio and streamlined cost structure.

We continued to advance our core mission of making the physical world safer and more efficient. We scaled production and shipments of REV7, added new revenue streams with the introduction of Ouster Gemini and Blue City, and demoed our first DF sensors with customers.

We delivered record financial performance, generating all-time high quarterly and annual revenues, while significantly reducing our cash burn and exceeding our initial post-merger annualized cost savings target by over 40%.

Our digital lidar technology, complemented by a suite of AI-powered software solutions, supports our uniquely diversified business model and will drive near- and long-term growth. I'm excited to continue this momentum in 2024 as we execute our plan towards profitability.



Angus Pacala  
CEO and Co-founder

# Executed 2023 Strategic Business Priorities

- **Drive new business**

Booked **\$142 million** in business and delivered record annual revenues of **\$83 million** up 103% year over year

- **Execute on digital lidar roadmap**

Taped out the **L4 chip**, our next-generation custom ASIC, and demoed the final form factor **DF sensor** with dozens of OEMs

- **Develop a robust software ecosystem**

Launched software solutions business for smart infrastructure with **Ouster Gemini** and **Blue City**

- **Build a financially strong business**

Exceeded cost savings target<sup>1</sup> by over **40%** and announced a new **long-term financial framework**

<sup>1</sup> Annualized cost savings baselined against initial post-merger target of \$75 million.

# Q4 2023 Results

**\$24.4M**

In revenue  
Up 10% vs. the third quarter of 2023

**22%**

GAAP gross margin  
Up from 14% in the third quarter of 2023

**35%**

Non-GAAP gross margin<sup>1</sup>  
Up from 33% in the third quarter of 2023

**4,100+**

Sensors shipped  
Up 24% vs. the third quarter of 2023

<sup>1</sup> Non-GAAP gross margin is a non-GAAP financial metric. For a reconciliation of non-GAAP gross margins to GAAP gross margins, please see Appendix.

# FY 2023 Results

**\$83M**

In revenue  
Up 103% year over year<sup>1</sup>

**10%**

GAAP gross margin  
30% non-GAAP gross margin<sup>2</sup>

**\$142M**

In bookings  
Book to bill of 1.7x

**\$192M**

Cash balance<sup>3</sup>  
As of December 31, 2023

<sup>1</sup> Includes Velodyne revenue of \$29 million for 2023.

<sup>2</sup> Non-GAAP gross margin is a non-GAAP financial metric. For a reconciliation of non-GAAP gross margins to GAAP gross margins, please see Appendix.

<sup>3</sup> Cash, cash equivalents, restricted cash, and short-term investments.



**Q1 2024**  
**Revenue Guidance**  
\$25 to \$26 Million in Revenue

# 2024 Strategic Business Priorities

Expand **software solutions** and grow the installed base

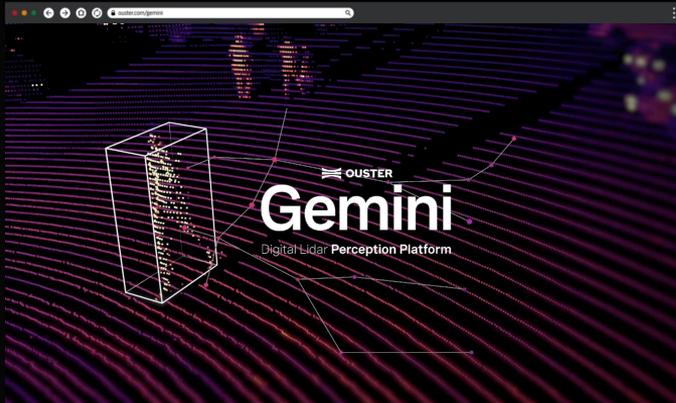
Advance the development of **digital lidar hardware**

Progress on the long-term **financial framework**



# Expand software solutions

Additional software tools that improve the ease of installation and provide additional statistics and analytics for **smart infrastructure**



## GEMINI

Cloud-backed digital lidar perception platform  
White-labeled software that integrates with third-party solutions for Security, Crowd Analytics, and ITS



## BLUE CITY

Complete Solutions  
Turnkey traffic management software

# Advance digital lidar hardware

Multi-sensor suites with a common digital architecture across short, mid, and long range sensors

■ **L4: OS SERIES** NEXT-GENERATION SYSTEM ON A CHIP

■ **CHRONOS: DF SERIES** NEXT-GENERATION SYSTEM ON A CHIP



# Long-Term Financial Framework

Achieve **30-50%** annual revenue growth.

- Substantial momentum from strong bookings
- Expand sales pipeline in high-volume end markets
- Consumer ADAS as a major upside catalyst

Expand gross margins to **35-40%**.

- Favorable mix shift to higher performance products
- Leverage contract manufacturing model
- Increase contribution from software coupled sales

Maintain operating expenses **at or below** Q3 2023 levels.

- Complete manufacturing transition to Thailand
- Consolidate duplicative enterprise systems
- Optimize underutilized fixed assets



An aerial LiDAR point cloud visualization of a residential street. The scene is rendered in a dark color palette, primarily black and dark blue, with some green and yellow highlights. The street is visible as a dark horizontal band, with several cars parked along the sides. Trees and bushes are scattered throughout the scene, and buildings are visible in the background. The overall appearance is that of a high-resolution 3D scan of a real-world environment.

 **OUSTER**

# GAAP to Non-GAAP Reconciliation

GROSS PROFIT MARGIN (\$K)	THREE MONTHS ENDED		TWELVE MONTHS ENDED
	December 31	September 30	December 31
	2023	2023	2023
<b>Gross (loss) profit on GAAP basis</b>	<b>5,411</b>	<b>3,093</b>	<b>8,314</b>
Stock-Based Compensation	856	570	2,854
Amortization of acquired intangible assets	517	467	1,644
Excess & obsolete expenses & loss on firm purchases commitments	1,732	3,187	12,299
<b>Gross profit on a non-GAAP basis</b>	<b>8,516</b>	<b>7,316</b>	<b>25,111</b>
<b>Gross margin on GAAP basis</b>	<b>22%</b>	<b>14%</b>	<b>10%</b>
<b>Gross margin on non-GAAP basis</b>	<b>35%</b>	<b>33%</b>	<b>30%</b>