

OUSTER, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(in thousands, except share and per share data)

	September 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 133,189	\$ 182,644
Restricted cash, current	250	977
Accounts receivable, net	10,783	10,723
Inventory	20,804	7,448
Prepaid expenses and other current assets	6,923	5,566
Total current assets	171,949	207,358
Property and equipment, net	8,594	10,054
Operating lease, right-of-use assets	13,652	15,156
Goodwill	51,151	51,076
Intangible assets, net	19,286	22,652
Restricted cash, non-current	1,088	1,035
Other non-current assets	554	371
Total assets	<u>\$ 266,274</u>	<u>\$ 307,702</u>
Liabilities, redeemable convertible preferred stock and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 8,154	\$ 4,863
Accrued and other current liabilities	14,395	14,173
Operating lease liability, current portion	3,127	3,067
Total current liabilities	25,676	22,103
Operating lease liability, long-term portion	14,288	16,208
Warrant Liabilities	276	7,626
Debt	19,181	—
Other non-current liabilities	1,561	1,065
Total liabilities	60,982	47,002
Commitments and contingencies		
Redeemable convertible preferred stock	—	—
Stockholders' equity (deficit):		
Common stock	18	17
Additional paid-in capital	605,195	564,045
Accumulated deficit	(399,740)	(303,356)
Accumulated other comprehensive loss	(181)	(6)
Total stockholders' equity	205,292	260,700
Total liabilities, redeemable convertible preferred stock, and stockholders' equity	<u>\$ 266,274</u>	<u>\$ 307,702</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Product revenue	\$ 11,204	\$ 7,755	\$ 30,091	\$ 21,726
Cost of product	7,488	5,879	21,002	16,212
Gross (loss) profit	3,716	1,876	9,089	5,514
Operating expenses:				
Research and development	17,212	8,390	49,011	19,576
Sales and marketing	8,541	6,737	23,194	14,777
General and administrative	14,008	14,073	40,306	36,177
Total operating expenses	39,761	29,200	112,511	70,530
Loss from operations	(36,045)	(27,324)	(103,422)	(65,016)
Other (expense) income:				
Interest income	733	165	1,231	305
Interest expense	(699)	—	(1,143)	(504)
Other income (expense), net	61	14,490	7,071	(422)
Total other expense, net	95	14,655	7,159	(621)
Loss before income taxes	(35,950)	(12,669)	(96,263)	(65,637)
Provision for income tax expense	37	—	121	—
Net loss	\$ (35,987)	\$ (12,669)	\$ (96,384)	\$ (65,637)
Other comprehensive loss				
Foreign currency translation adjustments	\$ (87)	\$ —	\$ (175)	\$ —
Total comprehensive loss	\$ (36,074)	\$ (12,669)	\$ (96,559)	\$ (65,637)
Net loss per common share, basic and diluted	\$ (0.20)	\$ (0.08)	\$ (0.55)	\$ (0.53)
Weighted-average shares used to compute basic and diluted net loss per share	181,361,354	156,647,259	175,795,093	123,175,390

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

	Nine months ended September 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (96,384)	\$ (65,637)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	7,070	3,428
Stock-based compensation	25,324	18,557
Change in right-of-use asset	2,075	1,292
Interest expense	290	36
Amortization of debt issuance costs and debt discount	104	250
Change in fair value of warrant liabilities	(7,350)	406
Inventory write down	894	866
Provision for doubtful accounts	9	—
Gain from disposal of property and equipment	(100)	—
Changes in operating assets and liabilities:		
Accounts receivable	(69)	(4,378)
Inventory	(14,249)	(2,551)
Prepaid expenses and other assets	(1,540)	42
Accounts payable	3,225	(2,707)
Accrued and other liabilities	(158)	7,060
Operating lease liability	(2,431)	(1,770)
Net cash used in operating activities	(83,290)	(45,106)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property & equipment	275	—
Purchases of property and equipment	(2,353)	(1,774)
Net cash used in investing activities	(2,078)	(1,774)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the merger and private offering	—	291,454
Payment of offering costs	—	(27,124)
Repayment of debt	—	(7,000)
Proceeds from issuance of promissory notes to related parties	—	5,000
Repayment of promissory notes to related parties	—	(5,000)
Repurchase of common stock	(46)	(43)
Proceeds from exercise of stock options	398	539
Proceeds from borrowings, net of debt discount and issuance costs	19,077	—
Proceeds from the issuance of common stock under at-the-market offering, net of commissions and fees	16,322	—
At-the-market offering costs for the issuance of common stock	(278)	—
Taxes paid related to net share settlement of restricted stock awards	(59)	—
Net cash provided by financing activities	35,414	257,826
Effect of exchange rates on cash and cash equivalents	(175)	—
Net increase (decrease) in cash, cash equivalents and restricted cash	(50,129)	210,946
Cash, cash equivalents and restricted cash at beginning of period	184,656	12,642
Cash, cash equivalents and restricted cash at end of period	\$ 134,527	\$ 223,588

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
GAAP net loss	\$ (35,987)	\$ (12,669)	\$ (96,384)	\$ (65,637)
Interest expense (income), net	(34)	(165)	(88)	199
Other expense (income), net	(61)	(14,490)	(7,071)	422
Stock-based compensation ⁽¹⁾	8,455	7,147	25,324	18,557
Provision for income tax expense	37	—	121	—
Non-GAAP operating loss	(27,590)	(20,177)	(78,098)	(46,459)
Depreciation and amortization expense ⁽²⁾	2,331	1,174	7,070	3,428
Litigation expenses ⁽³⁾	1,123	500	1,715	500
Adjusted EBITDA	\$ (24,136)	\$ (18,503)	\$ (69,313)	\$ (42,531)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of product revenue	\$ 207	\$ 206	\$ 570	\$ 457
Research and development	3,681	2,063	11,248	4,305
Sales and marketing	1,913	1,717	5,276	2,702
General and administrative	2,654	3,161	8,230	11,093
Total stock-based compensation	\$ 8,455	\$ 7,147	\$ 25,324	\$ 18,557

⁽²⁾Includes depreciation and amortization expense as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of revenue	\$ 227	\$ 275	\$ 820	\$ 678
Research and development	889	231	2,600	350
Sales and marketing	75	—	225	—
General and administrative	1,140	654	3,426	1,226
Total depreciation and amortization expense	\$ 2,331	\$ 1,160	\$ 7,070	\$ 2,254

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