

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

	December 31,	
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 50,991	\$ 122,932
Restricted cash, current	552	257
Short-term investments	139,158	—
Accounts receivable, net	14,577	11,233
Inventory	23,232	19,533
Prepaid expenses and other current assets	34,647	8,543
Total current assets	263,157	162,498
Property and equipment, net	10,228	9,695
Operating lease, right-of-use assets	18,561	12,997
Unbilled receivable, long-term portion	10,567	—
Goodwill	—	51,152
Intangible assets, net	24,436	18,165
Restricted cash, non-current	1,091	1,089
Other non-current assets	2,703	541
Total assets	\$ 330,743	\$ 256,137
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 3,545	\$ 8,798
Accrued and other current liabilities	58,166	17,071
Contract liabilities	12,885	402
Operating lease liability, current portion	7,096	3,221
Total current liabilities	81,692	29,492
Operating lease liability, long-term portion	18,827	13,400
Debt	43,975	39,574
Contract liability, long-term portion	4,967	342
Other non-current liabilities	1,610	1,710
Total liabilities	151,071	84,518
Stockholders' equity:		
Common stock	42	19
Additional paid-in capital	995,464	613,665
Accumulated deficit	(816,026)	(441,916)
Accumulated other comprehensive income (loss)	192	(149)
Total stockholders' equity	179,672	171,619
Total liabilities and stockholders' equity	\$ 330,743	\$ 256,137

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

	Three Months Ended	Three Months Ended	Three Months Ended	Year Ended December 31,	
	December 31,	September 30,	December 31,	2023	2022
	2023	2023	2022		
Revenue	\$ 24,444	\$ 22,209	\$ 10,938	\$ 83,279	\$ 41,029
Cost of revenue	19,033	19,116	9,097	74,965	30,099
Gross profit	5,411	3,093	1,841	8,314	10,930
Operating expenses:					
Research and development	15,626	16,678	15,306	91,210	64,317
Sales and marketing	8,553	7,887	7,639	41,639	30,833
General and administrative	18,545	14,270	20,897	81,982	61,203
Goodwill impairment charges	—	—	—	166,675	—
Total operating expenses	42,724	38,835	43,842	381,506	156,353
Loss from operations	(37,313)	(35,742)	(42,001)	(373,192)	(145,423)
Other (expense) income:					
Interest income	2,579	2,495	977	9,038	2,208
Interest expense	(4,081)	(1,825)	(1,551)	(9,303)	(2,694)
Other income (expense), net	(6)	(13)	583	(130)	7,654
Total other (expense) income, net	(1,508)	657	9	(395)	7,168
Loss before income taxes	(38,821)	(35,085)	(41,992)	(373,587)	(138,255)
Provision for income tax expense	174	17	184	523	305
Net loss	\$ (38,995)	\$ (35,102)	\$ (42,176)	\$ (374,110)	\$ (138,560)
Other comprehensive loss					
Changes in unrealized gain (loss) on available for sale securities	314	63	—	354	—
Foreign currency translation adjustments	258	(213)	32	(13)	(143)
Total comprehensive loss	\$ (38,423)	\$ (35,252)	\$ (42,144)	\$ (373,769)	\$ (138,703)
Net loss per common share, basic and diluted	\$ (0.95)	\$ (0.89)	\$ (2.54)	\$ (10.10)	\$ (7.79)
Weighted-average shares used to compute basic and diluted net loss per share	41,135,659	39,228,118	16,585,392	37,042,081	17,792,316

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

	For the Years ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (374,110)	\$ (138,560)
Adjustments to reconcile net loss to net cash used in operating activities:		
Goodwill impairment charges	166,675	—
Depreciation and amortization	17,148	9,456
Loss on write-off of construction in progress and right-of-use asset impairment	1,732	—
Gain on lease termination	(807)	—
Stock-based compensation	57,725	33,321
Reduction of revenue related to stock warrant issued to customer	528	—
Amortization of right-of-use asset	4,519	2,730
Interest expense and loss on debt extinguishment	4,001	799
Amortization of debt issuance costs and debt discount	190	160
Non-cash interest income	(732)	—
Accretion or amortization on short-term investments	(4,685)	—
Change in fair value of warrant liabilities	49	(7,446)
Inventory write down	10,047	1,600
Provision for doubtful accounts	1,346	346
(Gain)/loss from disposal of property and equipment	(59)	430
Changes in operating assets and liabilities:		
Accounts receivable	3,574	(856)
Inventory	(4,047)	(13,684)
Prepaid expenses and other assets	(21,575)	(3,148)
Accounts payable	(8,520)	4,191
Accrued and other liabilities	8,081	3,196
Contract liabilities	6,597	—
Operating lease liability	(5,567)	(3,225)
Net cash used in operating activities	(137,890)	(110,690)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property & equipment	560	275
Purchases of property and equipment	(3,006)	(5,422)
Purchase of short-term investments	(137,104)	—
Proceeds from sales of short-term investments	158,014	—
Cash and cash equivalents acquired in the Velodyne Merger	32,137	—
Net cash used in investing activities	50,601	(5,147)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of common stock	—	(45)
Proceeds from exercise of stock options	271	470
Proceeds from ESPP purchase	1,174	378
Proceeds from borrowings, net of debt discount and issuance costs	43,975	39,077
Repayments of borrowings	(43,975)	—
Proceeds from the issuance of common stock under at-the-market offering, net of commissions and fees	14,575	16,322
At-the-market offering costs for the issuance of common stock	(363)	(541)
Taxes paid related to net share settlement of restricted stock units	—	(59)
Net cash provided by financing activities	15,657	55,602
Effect of exchange rates on cash and cash equivalents	(12)	(143)
Net increase decrease in cash, cash equivalents and restricted cash	(71,644)	(60,378)
Cash, cash equivalents and restricted cash at beginning of year	124,278	184,656
Cash, cash equivalents and restricted cash at end of year	\$ 52,634	\$ 124,278

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

	Three Months Ended December 31,		Three Months Ended September 30,		Year Ended December 31,	
	2023	2022	2023	2022	2023	2022
GAAP net loss	\$ (38,995)	\$ (42,176)	\$ (35,102)	\$ (35,987)	\$ (374,110)	\$ (138,560)
Interest income, net	1,502	574	(670)	(34)	265	486
Other expense (income), net	6	(583)	13	(61)	130	(7,654)
Stock-based compensation ⁽¹⁾	11,107	7,997	8,372	8,455	57,725	33,321
Provision for income tax expense	174	184	17	37	523	305
Goodwill impairment charge	—	—	—	—	166,675	—
Restructuring costs, excluding stock-based compensation expense	—	—	—	—	15,976	—
Excess and obsolete expenses and loss on firm purchase commitments	1,732	—	3,187	—	12,299	—
Amortization of acquired intangibles ⁽²⁾	1,757	—	1,759	1,122	6,729	4,487
Depreciation expenses ⁽²⁾	1,239	2,386	1,739	1,210	10,371	4,969
Litigation expenses ⁽³⁾	7,383	1,484	3,536	1,123	14,820	3,200
Merger and acquisition related expenses ⁽⁴⁾	—	6,950	—	—	6,058	6,950
Gain on lease termination and other items	—	—	(1,256)	—	(1,256)	—
Adjusted EBITDA	\$ (14,095)	\$ (23,184)	\$ (18,405)	\$ (24,135)	\$ (83,795)	\$ (92,496)

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

	Three Months Ended December 31,		Three Months Ended September 30,		Year Ended December 31,	
	2023	2022	2023	2022	2023	2022
Cost of revenue	\$ 856	\$ 213	\$ 570	\$ 207	\$ 2,854	\$ 783
Research and development	4,786	3,363	4,056	3,681	24,551	14,611
Sales and marketing	2,240	1,789	1,345	1,913	9,966	7,065
General and administrative	3,225	2,632	2,401	2,654	20,354	10,862
Total stock-based compensation	\$ 11,107	\$ 7,997	\$ 8,372	\$ 8,455	\$ 57,725	\$ 33,321

⁽²⁾Includes depreciation and amortization expense as follows:

	Three Months Ended December 31,		Three Months Ended September 30,		Year Ended December 31,	
	2023	2022	2023	2022	2023	2022
Cost of revenue	\$ 1,180	\$ 322	\$ 1,155	\$ 227	\$ 5,858	\$ 1,142
Research and development	747	867	741	889	5,343	3,466
Sales and marketing	250	78	250	75	940	303
General and administrative	819	1,119	1,352	1,140	4,958	4,545
Total depreciation and amortization expense	\$ 2,996	\$ 2,386	\$ 3,498	\$ 2,331	\$ 17,099	\$ 9,456

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

⁽⁴⁾Non-recurring acquisition expense represents transaction costs for the Velodyne Lidar, Inc. and Sense Photonics, Inc. mergers which include legal and accounting professional service fees.

	Three Months Ended December 31,		Three Months Ended September 30,		Year Ended December 31,	
	2023	2022	2023	2022	2023	2022
Gross profit (loss) on GAAP basis	\$ 5,411	\$ 1,841	\$ 3,093	\$ 3,716	\$ 8,314	\$ 10,930
Stock-based compensation	856	213	570	207	2,854	783
Amortization of acquired intangible assets	517	—	467	—	1,644	—
Excess and obsolete expenses and loss on firm purchase commitments	1,732	—	3,187	—	12,299	—
Gross profit on non-GAAP basis	\$ 8,516	\$ 2,054	\$ 7,316	\$ 3,923	\$ 25,111	\$ 11,713
Gross margin on GAAP basis	22 %	17 %	14 %	33 %	10 %	27 %
Gross margin on non-GAAP basis	35 %	19 %	33 %	35 %	30 %	29 %

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