

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

	June 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 52,687	\$ 50,991
Restricted cash, current	426	552
Short-term investments	131,557	139,158
Accounts receivable, net	14,343	14,577
Inventory	19,453	23,232
Prepaid expenses and other current assets	33,530	34,647
Total current assets	251,996	263,157
Property and equipment, net	9,445	10,228
Operating lease, right-of-use assets	16,822	18,561
Unbilled receivable, non-current portion	7,127	10,567
Intangible assets, net	20,930	24,436
Restricted cash, non-current	1,092	1,091
Other non-current assets	2,463	2,703
Total assets	\$ 309,875	\$ 330,743
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 4,490	\$ 3,545
Accrued and other current liabilities	48,506	58,166
Contract liabilities, current	13,812	12,885
Operating lease liability, current portion	7,263	7,096
Total current liabilities	74,071	81,692
Operating lease liability, non-current portion	16,239	18,827
Debt	43,973	43,975
Contract liabilities, non-current portion	3,487	4,967
Other non-current liabilities	1,495	1,610
Total liabilities	139,265	151,071
Commitments and contingencies		
Stockholders' equity:		
Common stock	44	42
Additional paid-in capital	1,035,087	995,464
Accumulated deficit	(863,744)	(816,026)
Accumulated other comprehensive (loss) income	(777)	192
Total stockholders' equity	170,610	179,672
Total liabilities and stockholders' equity	\$ 309,875	\$ 330,743

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

	Three Months Ended June 30,		Three Months Ended March 31,	Six Months Ended June 30,	
	2024	2023	2024	2024	2023
Revenue	\$ 26,990	\$ 19,396	\$ 25,944	\$ 52,934	\$ 36,626
Cost of revenue	17,892	19,210	18,519	36,411	36,816
Gross profit (loss)	9,098	186	7,425	16,523	(190)
Operating expenses:					
Research and development	14,432	26,447	13,806	28,238	58,906
Sales and marketing	6,750	11,666	6,860	13,610	25,199
General and administrative	13,166	17,842	12,580	25,746	49,167
Goodwill impairment charges	—	67,266	—	—	166,675
Total operating expenses	34,348	123,221	33,246	67,594	299,947
Loss from operations	(25,250)	(123,035)	(25,821)	(51,071)	(300,137)
Other income (expense):					
Interest income	2,251	2,245	2,651	4,902	3,964
Interest expense	(740)	(1,728)	(741)	(1,481)	(3,397)
Other income (expense), net	(7)	(165)	193	186	(111)
Total other income, net	1,504	352	2,103	3,607	456
Loss before income taxes	(23,746)	(122,683)	(23,718)	(47,464)	(299,681)
Provision for income tax expense	123	50	131	254	332
Net loss	<u>\$ (23,869)</u>	<u>\$ (122,733)</u>	<u>\$ (23,849)</u>	<u>\$ (47,718)</u>	<u>\$ (300,013)</u>
Other comprehensive loss					
Changes in unrealized (loss) gain on available for sale securities	\$ (45)	\$ (74)	\$ (459)	\$ (504)	\$ (24)
Foreign currency translation adjustments	(293)	23	(172)	(465)	(57)
Total comprehensive loss	<u>\$ (24,207)</u>	<u>\$ (122,784)</u>	<u>\$ (24,480)</u>	<u>\$ (48,687)</u>	<u>\$ (300,094)</u>
Net loss per common share, basic and diluted	<u>\$ (0.53)</u>	<u>\$ (3.19)</u>	<u>\$ (0.55)</u>	<u>\$ (1.08)</u>	<u>\$ (8.84)</u>
Weighted-average shares used to compute basic and diluted net loss per share	44,737,769	38,448,241	43,454,127	44,077,383	33,937,505

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

	Six Months Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (47,718)	\$ (300,013)
Adjustments to reconcile net loss to net cash used in operating activities:		
Goodwill impairment charges	—	166,675
Depreciation and amortization	5,397	10,605
Loss on write-off of construction in progress and right-of-use asset impairment	214	1,423
Stock-based compensation	20,099	38,246
Reduction of revenue related to stock warrant issued to customer	488	61
Amortization of right-of-use asset	2,391	2,012
Interest expense	—	889
Amortization of debt issuance costs and debt discount	—	125
Accretion or amortization on short-term investments	(2,933)	(2,097)
Change in fair value of warrant liabilities	27	(126)
Inventory write down	742	5,065
Provision (recovery of) for doubtful accounts	(241)	541
Gain from disposal of property and equipment	(114)	(248)
Realized gain on available for sale securities	(275)	—
Changes in operating assets and liabilities:		
Accounts receivable	3,915	3,420
Inventory	3,037	(3,644)
Prepaid expenses and other assets	101	(1,126)
Accounts payable	958	(1,741)
Accrued and other liabilities	(9,830)	(4,779)
Contract liabilities	(553)	759
Operating lease liability	(3,071)	(2,525)
Net cash used in operating activities	(27,366)	(86,478)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	502	560
Purchases of property and equipment	(1,741)	(1,973)
Purchase of short-term investments	(49,720)	(48,554)
Proceeds from sales of short-term investments	60,028	72,481
Cash and cash equivalents acquired in the Velodyne Merger	—	32,137
Net cash provided by investing activities	9,069	54,651
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from ESPP purchase	781	310
Proceeds from exercise of stock options	151	150
Proceeds from the issuance of common stock under at-the-market offering, net of commissions and fees	19,498	—
At-the-market offering costs for the issuance of common stock	(95)	—
Net cash provided by financing activities	20,335	460
Effect of exchange rates on cash and cash equivalents	(467)	(56)
Net decrease in cash, cash equivalents and restricted cash	1,571	(31,423)
Cash, cash equivalents and restricted cash at beginning of period	52,634	124,278
Cash, cash equivalents and restricted cash at end of period	\$ 54,205	\$ 92,855

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

	Three Months Ended June 30,		Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
GAAP net loss	\$ (23,869)	\$ (122,733)	\$ (23,849)	\$ (177,280)	\$ (47,718)	\$ (300,013)
Interest expense (income), net	(1,511)	(517)	(1,910)	(50)	(3,421)	(567)
Other expense (income), net	7	165	(193)	(54)	(186)	111
Stock-based compensation ⁽¹⁾	10,695	16,466	9,404	21,780	20,099	38,246
Provision for income tax expense	123	50	131	282	254	332
Goodwill impairment charge	—	67,266	—	99,409	—	166,675
Restructuring costs, excluding stock-based compensation expense	—	3,342	—	12,635	—	15,977
Excess and obsolete expenses and loss on firm purchase commitments	—	3,750	572	3,630	572	7,380
Amortization of acquired intangibles ⁽²⁾	1,661	1,702	1,754	1,511	3,415	3,213
Depreciation expense ⁽²⁾	839	2,744	1,053	4,648	1,892	7,392
Litigation expenses ⁽³⁾	1,636	3,364	1,296	537	2,932	3,901
Merger and acquisition related expenses ⁽⁴⁾	—	—	—	6,058	—	6,058
Other items	(114)	—	—	—	(114)	—
Adjusted EBITDA	<u>\$ (10,533)</u>	<u>\$ (24,401)</u>	<u>\$ (11,743)</u>	<u>\$ (26,893)</u>	<u>\$ (22,276)</u>	<u>\$ (51,294)</u>

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

	Three Months Ended June 30,		Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Cost of revenue	\$ 1,210	\$ 654	\$ 913	\$ 774	\$ 2,123	\$ 1,428
Research and development	4,650	8,204	4,188	7,505	8,838	15,709
Sales and marketing	1,492	3,500	1,400	2,881	2,892	6,381
General and administrative	3,343	4,108	2,903	10,620	6,246	14,728
Total stock-based compensation	<u>\$ 10,695</u>	<u>\$ 16,466</u>	<u>\$ 9,404</u>	<u>\$ 21,780</u>	<u>\$ 20,099</u>	<u>\$ 38,246</u>

⁽²⁾Includes depreciation and amortization expense as follows:

	Three Months Ended June 30,		Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Cost of revenue	\$ 999	\$ 1,772	\$ 1,100	\$ 1,750	\$ 2,099	\$ 3,522
Research and development	670	892	712	2,964	1,382	3,856
Sales and marketing	249	258	248	181	497	440
General and administrative	582	1,524	747	1,264	1,329	2,787
Total depreciation and amortization expense	<u>\$ 2,500</u>	<u>\$ 4,446</u>	<u>\$ 2,807</u>	<u>\$ 6,159</u>	<u>\$ 5,307</u>	<u>\$ 10,605</u>

⁽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 June 30,		Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Gross profit (loss) on GAAP basis	\$ 9,098	\$ 186	\$ 7,425	\$ (376)	\$ 16,523	\$ (190)
Stock-based compensation	1,210	654	913	774	2,123	1,428
Amortization of acquired intangible assets	371	412	464	249	835	661
Excess and obsolete expenses and loss on firm purchase commitments	—	3,750	572	3,630	572	7,380
Gross profit on non-GAAP basis	<u>\$ 10,679</u>	<u>\$ 5,002</u>	<u>\$ 9,374</u>	<u>\$ 4,277</u>	<u>\$ 20,053</u>	<u>\$ 9,279</u>
Gross margin on GAAP basis	34 %	1 %	29 %	(2)%	31 %	(1)%
Gross margin on non-GAAP basis	40 %	26 %	36 %	25 %	38 %	25 %

###