

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

	September 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 44,388	\$ 50,991
Restricted cash, current	439	552
Short-term investments	107,045	139,158
Accounts receivable, net	18,412	14,577
Inventory	18,625	23,232
Prepaid expenses and other current assets	11,252	34,647
Total current assets	200,161	263,157
Property and equipment, net	8,836	10,228
Operating lease, right-of-use assets	15,607	18,561
Unbilled receivable, non-current portion	7,214	10,567
Intangible assets, net	19,172	24,436
Restricted cash, non-current	1,892	1,091
Other non-current assets	2,344	2,703
Total assets	\$ 255,226	\$ 330,743
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 5,862	\$ 3,545
Accrued and other current liabilities	28,907	58,166
Contract liabilities, current	22,121	12,885
Operating lease liability, current portion	7,244	7,096
Total current liabilities	64,134	81,692
Operating lease liability, non-current portion	14,693	18,827
Debt	—	43,975
Contract liabilities, non-current portion	3,356	4,967
Other non-current liabilities	1,294	1,610
Total liabilities	83,477	151,071
Commitments and contingencies		
Stockholders' equity:		
Common stock	47	42
Additional paid-in capital	1,061,180	995,464
Accumulated deficit	(889,334)	(816,026)
Accumulated other comprehensive (loss) income	(144)	192
Total stockholders' equity	171,749	179,672
Total liabilities and stockholders' equity	\$ 255,226	\$ 330,743

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

	Three Months Ended September 30,		Three Months Ended June 30,	Nine Months Ended September 30,	
	2024	2023	2024	2024	2023
Revenue	\$ 28,075	\$ 22,209	\$ 26,990	\$ 81,009	\$ 58,835
Cost of revenue	17,321	19,116	17,892	53,732	55,932
Gross profit	10,754	3,093	9,098	27,277	2,903
Operating expenses:					
Research and development	15,127	16,678	14,432	43,365	75,584
Sales and marketing	7,197	7,887	6,750	20,807	33,086
General and administrative	15,938	14,270	13,166	41,684	63,437
Goodwill impairment charges	—	—	—	—	166,675
Total operating expenses	38,262	38,835	34,348	105,856	338,782
Loss from operations	(27,508)	(35,742)	(25,250)	(78,579)	(335,879)
Other income (expense):					
Interest income	2,149	2,495	2,251	7,051	6,459
Interest expense	(342)	(1,825)	(740)	(1,823)	(5,222)
Other income (expense), net	74	(13)	(7)	260	(124)
Total other income, net	1,881	657	1,504	5,488	1,113
Loss before income taxes	(25,627)	(35,085)	(23,746)	(73,091)	(334,766)
Provision for income tax expense (benefit)	(37)	17	123	217	349
Net loss	\$ (25,590)	\$ (35,102)	\$ (23,869)	\$ (73,308)	\$ (335,115)
Other comprehensive income (loss)					
Changes in unrealized gain (loss) on available for sale securities	\$ 298	\$ 63	\$ (45)	\$ (206)	\$ 40
Foreign currency translation adjustments	335	(213)	(293)	(130)	(271)
Total comprehensive loss	\$ (24,957)	\$ (35,252)	\$ (24,207)	\$ (73,644)	\$ (335,346)
Net loss per common share, basic and diluted	\$ (0.54)	\$ (0.89)	\$ (0.53)	\$ (1.62)	\$ (9.39)
Weighted-average shares used to compute basic and diluted net loss per share	47,684,363	39,228,118	44,737,769	45,287,763	35,670,408

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

	Nine Months Ended September 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (73,308)	\$ (335,115)
Adjustments to reconcile net loss to net cash used in operating activities:		
Goodwill impairment charges	—	166,675
Depreciation and amortization	7,843	14,290
Loss on write-off and disposal of property and equipment and right-of-use asset impairment	468	1,175
Gain on lease termination	—	(807)
Stock-based compensation	31,618	46,618
Reduction of revenue related to stock warrant issued to customer	861	288
Amortization of right-of-use asset	3,606	3,268
Interest expense	—	1,112
Amortization of debt issuance costs and debt discount	—	190
Accretion or amortization on short-term investments	(4,239)	(3,303)
Change in fair value of warrant liabilities	(191)	(67)
Inventory write down	756	8,223
Provision (recovery of) for doubtful accounts	(894)	1,015
Realized gain on available for sale securities	(275)	—
Changes in operating assets and liabilities:		
Accounts receivable	412	4,498
Inventory	3,851	(4,474)
Prepaid expenses and other assets	22,499	676
Accounts payable	2,338	(4,112)
Accrued and other liabilities	(29,466)	(10,229)
Contract liabilities	7,625	410
Operating lease liability	(4,637)	(4,034)
Net cash used in operating activities	(31,133)	(113,703)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	668	560
Purchases of property and equipment	(2,307)	(2,633)
Purchase of short-term investments	(85,585)	(82,021)
Proceeds from sales of short-term investments	122,082	115,481
Cash and cash equivalents acquired in the Velodyne Merger	—	32,137
Net cash provided by investing activities	34,858	63,524
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from ESPP purchase	781	310
Proceeds from exercise of stock options	170	243
Repayment of borrowings	(43,975)	—
Proceeds from the issuance of common stock under at-the-market offering, net of commissions and fees	33,792	2,936
At-the-market offering costs for the issuance of common stock	(202)	(104)
Net cash (used) provided by financing activities	(9,434)	3,385
Effect of exchange rates on cash and cash equivalents	(206)	(269)
Net decrease in cash, cash equivalents and restricted cash	(5,915)	(47,063)
Cash, cash equivalents and restricted cash at beginning of period	52,634	124,278
Cash, cash equivalents and restricted cash at end of period	\$ 46,719	\$ 77,215

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

	Three Months Ended September 30,		Three Months	Nine Months Ended September 30,	
	2024	2023	Ended June 30,	2024	2023
GAAP net loss	\$ (25,590)	\$ (35,102)	\$ (23,869)	\$ (73,308)	\$ (335,115)
Interest income, net	(1,807)	(670)	(1,511)	(5,228)	(1,237)
Other expense (income), net	(74)	13	7	(260)	124
Stock-based compensation ⁽¹⁾	11,519	8,372	10,695	31,618	46,618
Provision for income tax (benefit) expense	(37)	17	123	217	349
Goodwill impairment charge	—	—	—	—	166,675
Restructuring costs, excluding stock-based compensation expense	—	—	—	—	15,977
Excess and obsolete expenses and loss on firm purchase commitments	—	3,187	—	572	10,567
Amortization of acquired intangibles ⁽²⁾	1,759	1,759	1,661	5,174	4,972
Depreciation expense ⁽²⁾	687	1,739	839	2,579	9,131
Litigation expenses ⁽³⁾	4,221	3,536	1,636	7,153	7,437
Merger and acquisition related expenses ⁽⁴⁾	—	—	—	—	6,058
Other items	(513)	(1,256)	(114)	(627)	(1,256)
Adjusted EBITDA	\$ (9,835)	\$ (18,405)	\$ (10,533)	\$ (32,111)	\$ (69,699)

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

	Three Months Ended September 30,		Three Months	Nine Months Ended September 30,	
	2024	2023	Ended June 30,	2024	2023
Cost of revenue	\$ 1,345	\$ 570	\$ 1,210	\$ 3,468	\$ 1,998
Research and development	5,241	4,056	4,650	14,079	19,765
Sales and marketing	1,308	1,345	1,492	4,200	7,726
General and administrative	3,625	2,401	3,343	9,871	17,129
Total stock-based compensation	<u>\$ 11,519</u>	<u>\$ 8,372</u>	<u>\$ 10,695</u>	<u>\$ 31,618</u>	<u>\$ 46,618</u>

⁽²⁾Includes depreciation and amortization expense as follows:

	Three Months Ended September 30,		Three Months	Nine Months Ended September 30,	
	2024	2023	Ended June 30,	2024	2023
Cost of revenue	\$ 971	\$ 1,156	\$ 999	\$ 3,070	\$ 4,678
Research and development	634	740	670	2,016	4,596
Sales and marketing	250	250	249	747	690
General and administrative	591	1,352	582	1,920	4,139
Total depreciation and amortization expense	<u>\$ 2,446</u>	<u>\$ 3,498</u>	<u>\$ 2,500</u>	<u>\$ 7,753</u>	<u>\$ 14,103</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 September 30,		Three Months	Nine Months Ended September 30,	
	2024	2023	Ended June 30,	2024	2023
Gross profit on GAAP basis	\$ 10,754	\$ 3,093	\$ 9,098	\$ 27,277	\$ 2,903
Stock-based compensation	1,345	570	1,210	3,468	1,998
Amortization of acquired intangible assets	467	467	371	1,302	1,127
Excess and obsolete expenses and loss on firm purchase commitments	—	3,187	—	572	10,567
Gross profit on non-GAAP basis	\$ 12,566	\$ 7,317	\$ 10,679	\$ 32,619	\$ 16,595
Gross margin on GAAP basis	38 %	14 %	34 %	34 %	5 %
Gross margin on non-GAAP basis	45 %	33 %	40 %	40 %	28 %