UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____ to ____

Commission File Number: 001-39516

OWLET, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**85-1615012**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2940 West Maple Loop Drive, Suite 203 Lehi, Utah	**84048**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (844) 334-5330

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.0001 par value per share	OWLT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 5, 2025, the registrant had 17,044,460 shares of common stock, $0.0001 par value per share, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Report") contains certain statements that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). All statements other than statements of historical facts contained in this Report, including statements concerning possible or assumed future actions, business strategies, events or results of operations, and any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as "may," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this Report are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this Report and are subject to a number of risks, uncertainties and assumptions described in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Report, our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (the "Form 10-K") and Amendment No. 1 to our Annual Report on Form 10-K/A for the fiscal year ended December 31, 2024 (the "Form 10-K/A"). These forward-looking statements are subject to numerous risks, including, without limitation, the following:

- We have a limited operating history.
- We have not been profitable to date, and operating losses could continue, which could materially and adversely affect our business, financial condition and results of operations, including our ability to continue as a going concern.
- We have experienced fluctuations in the growth of our business and anticipate this will continue. If we fail to manage our growth effectively, our business could be materially and adversely affected.
- If any governmental authority or notified body were to require marketing authorization or similar certification for any product that we sell for which we have not obtained such marketing authorization or certification, we could be subject to regulatory enforcement actions and/or be required to cease selling or recall the product pending receipt of marketing authorization or similar certification from such other governmental authority or notified body, which can be a lengthy and time-consuming process, harm financial results and have long-term negative effects on our operations.
- Our products rely on mobile applications to function, and we rely on Apple's App Store and the Google Play Store for distribution of our mobile applications.
- A substantial portion of our sales comes from a limited number of retailers.
- We are required to obtain and maintain marketing authorizations or certifications from the FDA, foreign regulatory authorities or notified bodies for medical device products in the U.S. or in foreign jurisdictions, which can be a lengthy and time-consuming process, and a failure to do so on a timely basis, or at all, could severely harm our business.
- We currently rely on a single manufacturer for the assembly of our Dream Sock, Smart Sock, and BabySat products and a single manufacturer for the assembly of our Owlet Cam. We will likely rely on single manufacturers for future products we may develop. If we encounter manufacturing problems, delays, or increased costs, we may be unable to promptly transition to alternative manufacturers and our ability to generate revenue may be limited.
- Our success depends in part on our proprietary technology, and if we are unable to obtain, maintain or successfully enforce our intellectual property rights, the commercial value of our products and services will be adversely affected, our competitive position may be harmed and we may be unable to operate our business profitably.
- Our business and operations may suffer in the event of IT system failures, cyberattacks or deficiencies in our cybersecurity.
- Development, maintenance, and use of artificial intelligence technologies may not be beneficial to our business, and may result in the poor performance of our products, services and business, as well as damage our reputation and the reputations of our customers, or cause us to incur liability resulting from the violation of laws or contracts to which we are a party.
- Increases in tariffs, trade restrictions or taxes on our products could have an adverse impact on our operations.
- We are involved, and may become involved in the future, in disputes and other legal or regulatory proceedings that, if adversely decided or settled, could materially and adversely affect our business, financial condition and results of operations.
- We face the risk of product liability claims and the amount of insurance coverage we hold now or in the future may not be adequate to cover all liabilities we might incur.
- Operations in international markets will expose us to additional business, political, regulatory, operational, financial and economic risks.
- Our success depends substantially on our reputation and brand.

- Some of our products and services are in development or have been recently introduced into the market and may not achieve market acceptance, which could limit our growth and adversely affect our business, financial condition and results of operations.
- We have identified material weaknesses in our internal control over financial reporting and we may identify additional material weaknesses in the future or otherwise fail to maintain effective internal control over financial reporting, which may result in material misstatements of our consolidated financial statements, cause us to fail to meet our periodic reporting obligations or cause our access to the capital markets to be impaired.
- We will likely need to raise additional capital in the future in order to execute our strategic plan, which may not be available on terms acceptable to us, or at all.

These risks and other important factors, including those discussed in this Report, may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Moreover, we operate in an evolving environment. Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included elsewhere in this Report are not guarantees of future performance and our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate, may differ materially from the forward-looking statements included elsewhere in this Report. In addition, even if our results of operations, financial condition and liquidity, and events in the industry in which we operate, are consistent with the forward-looking statements included elsewhere in this Report, they may not be predictive of results or developments in future periods.

Any forward-looking statement that we make in this Report speaks only as of the date of such statement. Except as required by law, we do not undertake any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this Report. For all of our forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Reform Act.

As used in this Report, unless otherwise stated or the context otherwise requires, “we,” “us,” “our,” “Owlet,” the “Company,” and similar references refer to Owlet, Inc. and its subsidiaries. “Common stock” refers to the Class A common stock of Owlet, Inc.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Owlet, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)
(unaudited)

	June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 21,827	$ 20,245
Restricted cash	300	386
Accounts receivable, net of allowance for credit losses of $953 and $653, respectively	24,372	12,136
Inventory	11,378	10,523
Prepaid expenses and other current assets	2,866	2,823
Total current assets	60,743	46,113
Property and equipment, net	186	102
Right of use assets, net	96	138
Intangible assets, net	976	975
Other assets	1,542	2,187
Total assets	$ 63,543	$ 49,515
Liabilities, Mezzanine Equity, and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 12,903	$ 11,281
Accrued and other expenses	20,979	16,378
Current portion of deferred revenues	1,751	1,404
Line of credit	14,876	6,263
Current portion of long-term and other debt	2,289	1,103
Total current liabilities	52,798	36,429
Long-term debt, net	3,380	4,331
Common stock warrant liabilities	51,652	25,343
Other long-term liabilities	194	226
Total liabilities	108,024	66,329
Commitments and contingencies (Note 5)		
Mezzanine equity:		
Series A convertible preferred stock, $0.0001 par value, 11,479 and 11,479 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	6,151	5,151
Series B convertible preferred stock, $0.0001 par value; 9,250 and 9,250 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	4,148	3,452
Redeemable common stock, 687,500 and 750,000 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	4,376	4,334
Total mezzanine equity	14,675	12,937
Stockholders' deficit:		
Common stock, $0.0001 par value, 107,142,857 shares authorized as of June 30, 2025 and December 31, 2024; 16,258,155 and 15,725,783 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	2	2
Additional paid-in capital	243,659	238,442
Accumulated deficit	(302,817)	(268,195)
Total stockholders' deficit	(59,156)	(29,751)
Total liabilities, mezzanine equity, and stockholders' deficit	$ 63,543	$ 49,515

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Owlet, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 26,063	$ 20,699	$ 47,167	$ 35,449
Cost of revenues	12,683	10,447	22,461	18,650
Gross profit	13,380	10,252	24,706	16,799
Operating expenses:				
General and administrative	7,228	6,290	14,320	12,340
Sales and marketing	4,318	3,852	8,320	7,748
Research and development	3,753	2,354	6,656	4,701
Total operating expenses	15,299	12,496	29,296	24,789
Operating loss	(1,919)	(2,244)	(4,590)	(7,990)
Other income (expense):				
Interest income (expense), net	(979)	20	(1,970)	(141)
Common stock warrant liability adjustment	(34,753)	1,028	(28,066)	10,207
Other income (expense), net	37	71	49	73
Total other income (expense), net	(35,695)	1,119	(29,987)	10,139
Income (loss) before income tax provision	(37,614)	(1,125)	(34,577)	2,149
Income tax provision	(33)	(22)	(45)	(22)
Net income (loss) and comprehensive income (loss)	$ (37,647)	$ (1,147)	$ (34,622)	$ 2,127
Accretion on convertible preferred stock	(849)	(1,535)	(1,696)	(2,863)
Accretion on redeemable common stock	(21)	—	(42)	—
Allocation of net loss attributable to redeemable common stockholders	1,330	—	1,268	—
Net loss attributable to redeemable common stockholders	(1,309)	—	(1,226)	—
Net loss attributable to common stockholders	$ (37,187)	$ (2,682)	$ (35,092)	$ (736)
Net loss per share attributable to common stockholders, basic and diluted	$ (2.37)	$ (0.30)	$ (2.26)	$ (0.08)
Weighted-average number of shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted	15,716,376	8,867,399	15,550,751	8,803,729
Net loss per share attributable to redeemable common stockholders, basic and diluted	$ (2.33)	$ —	$ (2.18)	$ —
Weighted-average number of shares outstanding used to compute net loss per share attributable to redeemable common stockholders, basic and diluted	562,500	—	562,500	—

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Owlet, Inc.
Condensed Consolidated Statements of Changes in Mezzanine Equity and Stockholders' Deficit
(in thousands, except share and per share amounts)
(unaudited)

	Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance as of December 31, 2023	28,628	$ 7,855	—	$ —	8,797,456	$ 1	$ 218,127	$ (255,659)	$ (37,531)
Issuance of convertible preferred stock	—	—	9,250	2,394	—	—	—	—	—
Preferred stock issuance costs	—	—	—	(102)	—	—	—	—	—
Accretion on convertible preferred stock	—	1,212	—	116	—	—	(1,328)	—	(1,328)
Conversion of preferred stock	(1,178)	(332)	—	—	171,719	—	332	—	332
Issuance of common stock for restricted stock units vesting	—	—	—	—	22,437	—	—	—	—
Issuance of common stock for employee stock purchase plan	—	—	—	—	22,791	—	92	—	92
Stock-based compensation	—	—	—	—	—	—	2,227	—	2,227
Net income	—	—	—	—	—	—	—	3,274	3,274
Balance as of March 31, 2024	27,450	$ 8,735	9,250	$ 2,408	9,014,403	$ 1	$ 219,450	$ (252,385)	$ (32,934)
Accretion on convertible preferred stock	—	1,187	—	348	—	—	(1,535)	—	(1,535)
Conversion of preferred stock	(250)	(83)	—	—	36,443	—	83	—	83
Issuance of common stock for restricted stock units vesting	—	—	—	—	48,693	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	2,104	—	2,104
Net loss	—	—	—	—	—	—	—	(1,147)	(1,147)
Balance as of June 30, 2024	27,200	$ 9,839	9,250	$ 2,756	9,099,539	$ 1	$ 220,102	$ (253,532)	$ (33,429)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Owlet, Inc.
Condensed Consolidated Statements of Changes in Mezzanine Equity and Stockholders' Deficit (continued)
(in thousands, except share and per share amounts)
(unaudited)

	Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Redeemable Common Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance as of December 31, 2024	11,479	$ 5,151	9,250	$ 3,452	750,000	$ 4,334	15,725,783	$ 2	$ 238,442	$ (268,195)	$ (29,751)
Accretion on convertible preferred stock	—	500	—	348	—	—	—	—	(848)	—	(848)
Accretion on redeemable common stock	—	—	—	—	—	21	—	—	(21)	—	(21)
Common stock issuance costs	—	—	—	—	—	—	—	—	7	—	7
Forfeiture of redeemable common stock	—	—	—	—	(62,500)	—	—	—	—	—	—
Issuance of common stock for restricted stock units vesting	—	—	—	—	—	—	56,149	—	—	—	—
Issuance of common stock for employee stock purchase plan	—	—	—	—	—	—	26,917	—	97	—	97
Stock-based compensation	—	—	—	—	—	—	—	—	1,684	—	1,684
Net income	—	—	—	—	—	—	—	—	—	3,025	3,025
Balance as of March 31, 2025	11,479	$ 5,651	9,250	$ 3,800	687,500	$ 4,355	15,808,849	$ 2	$ 239,361	$ (265,170)	$ (25,807)
Accretion on convertible preferred stock	—	500	—	348	—	—	—	—	(848)	—	(848)
Accretion on redeemable common stock	—	—	—	—	—	21	—	—	(21)	—	(21)
Issuance of common stock for restricted stock units vesting	—	—	—	—	—	—	58,928	—	—	—	—
Exercise of common stock warrants	—	—	—	—	—	—	390,378	—	3,579	—	3,579
Stock-based compensation	—	—	—	—	—	—	—	—	1,588	—	1,588
Net loss	—	—	—	—	—	—	—	—	—	(37,647)	(37,647)
Balance as of June 30, 2025	11,479	$ 6,151	9,250	$ 4,148	687,500	$ 4,376	16,258,155	$ 2	$ 243,659	$ (302,817)	$ (59,156)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Owlet, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Six Months Ended June 30,	
	2025	**2024**
Cash flows from operating activities		
Net income (loss)	$ (34,622)	$ 2,127
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	228	213
Stock-based compensation	3,245	4,331
Provision for credit losses	(24)	(384)
Common stock warrant liability adjustment	28,066	(10,207)
Impairment of intangible and other assets	20	12
Amortization of right of use assets	42	721
Amortization of debt financing costs	1,260	—
Write-off of prepaid deposit	347	—
Other adjustments, net	221	25
Changes in assets and liabilities:		
Accounts receivable	(12,220)	(2,538)
Prepaid expenses and other assets	(524)	674
Inventory	(973)	(1,608)
Accounts payable and accrued and other expenses	6,483	1,196
Lease liabilities	(65)	(955)
Other liabilities	—	(421)
Deferred revenue	346	88
Other, net	—	5
Net cash used in operating activities	(8,170)	(6,721)
Cash flows from investing activities		
Purchase of property and equipment	(65)	(3)
Purchase of intangible assets	(28)	(71)
Capitalized internal-use software development costs	(106)	—
Net cash used in investing activities	(199)	(74)
Cash flows from financing activities		
Proceeds from issuance of preferred stock, net of $0 and $158 of paid transaction costs, respectively	—	8,856
Proceeds from short-term borrowings	32,998	17,436
Payments of short-term borrowings	(24,725)	(17,783)
Payments of long-term borrowings	—	(3,000)
Employee taxes paid related to the net share settlement of stock-based awards	(619)	(95)
Proceeds related to the issuance of common stock under stock plans	627	95
Debt financing costs paid	(75)	—
Issuance costs paid related to 2024 common stock and warrants	(260)	—
Proceeds from exercise of common stock warrants	1,822	—
Other, net	97	92
Net cash provided by financing activities	9,865	5,601
Net change in cash, cash equivalents, and restricted cash	1,496	(1,194)
Cash, cash equivalents, and restricted cash at beginning of period	20,631	16,557
Cash, cash equivalents, and restricted cash at end of period	$ 22,127	$ 15,363

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Owlet, Inc.
Condensed Consolidated Statements of Cash Flows (continued)
(in thousands)
(unaudited)

	Six Months Ended June 30,	
	2025	**2024**
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 45	$ 30
Cash paid for interest	771	784
Supplemental disclosure of non-cash investing and financing activities:		
Purchases of property and equipment included in accounts payable	$ 73	$ —
Purchases of intangible assets included in accounts payable	34	13
Conversion of preferred stock	—	415
Accretion on preferred stock and redeemable common stock	1,738	2,863
Stock-based compensation for software development	27	—

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Note 1. Basis of Presentation

As used in these financial statements, unless otherwise stated or the context otherwise requires: “we,” “us,” “our,” “Owlet,” the “Company,” and similar references refer to Owlet, Inc. and its subsidiaries. “Common stock” refers to the Class A common stock of Owlet, Inc.

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP” or "GAAP") for interim financial information and applicable rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”) regarding interim financial reporting. The condensed consolidated balance sheet as of December 31, 2024, included herein, was derived from the audited consolidated financial statements as of that date, but does not include all disclosures including certain notes required by U.S. GAAP on an annual reporting basis. All intercompany transactions and balances have been eliminated in consolidation. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all normal recurring adjustments necessary for the fair statement of the Company’s financial position, results of operations, and cash flows for the interim periods presented. All dollar amounts, except per share amounts, in the notes are presented in thousands, unless otherwise specified.

Certain prior year amounts have been reclassified to conform to the current period presentation.

Risks and Uncertainties

In accordance with ASU No. 2014-15, Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern (Subtopic 205-40), the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the unaudited condensed consolidated financial statements included in this quarterly report on Form 10-Q are issued.

Since inception, the Company has experienced recurring operating losses and generated negative cash flows from operations, resulting in an accumulated deficit of $302,817 as of June 30, 2025. During the six months ended June 30, 2025 and 2024, the Company had negative cash flows from operations of $8,170 and $6,721, respectively. As of June 30, 2025, the Company had $21,827 of cash on hand.

As the Company continues to address these financial conditions, management has undertaken the following actions:

- As described further in Note 7, *Common Stock Issuance, Redeemable Common Stock, Common Stock Warrants, and Convertible Preferred Stock*, in September 2024, the Company issued 3,135,136 shares of its common stock and received net proceeds of $10,590 and in February 2024, the Company consummated a sale of preferred stock and warrants to purchase its common stock for a gross purchase price of $9,250.

- As described in Note 4, *Debt and Other Financing Arrangements*, in September 2024, the Company entered into a loan facility agreement with WTI Fund X, Inc. and WTI Fund XI, Inc. (collectively “WTI” or “Lenders”) for a term loan facility of up to $15,000 (the “WTI Loan Facility”). In July 2025, WTI granted a 90-day extension, making the Second Tranche Commitment available through November 13, 2025, which was previously available through August 15, 2025. On September 11, 2024, the Company entered into a credit and security agreement (the “Credit Agreement”) for an asset-based revolving credit facility (the “ABL Line of Credit”) with the financial institutions party thereto from time to time as lenders (collectively, the “Lenders”) and ABL OPCO LLC, a Delaware limited liability company, in its capacity as administrative agent for the Lenders (in such capacity, the “Administrative Agent”), with a maximum revolving commitment amount of up to $15,000, with an additional $5,000 revolving commitment available on September 11, 2025. On June 11, 2025, the Company entered into a First Amendment to the Credit Agreement (the “First Amendment”) to, among other things, (i) modify certain financial covenants required to be maintained by the Company's wholly-owned subsidiary, Owlet Baby Care, Inc., a Delaware corporation (“OBCI”), (ii) increase the amount of capital expenditures that may be incurred by OBCI during certain fiscal years, and (iii) expand the eligibility of certain accounts receivable that OBCI can borrow against. As of June 30, 2025, the Company has borrowings of $7,500 under the WTI Loan Facility and $14,876 under the ABL Line of Credit.

Notwithstanding the above actions, the Company has experienced recurring operating losses, negative cash flows from operations since inception, and a low cash balance relative to current obligations that raise substantial doubt about the Company’s ability to

continue as a going concern within one year after the date that the accompanying unaudited condensed consolidated financial statements are issued. The accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis and accordingly, do not include any adjustments relating to the recoverability and classification of asset carrying amounts, or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

The Company has not generated sufficient cash flows from operations to satisfy its capital requirements. There can be no assurance that the Company will generate sufficient future cash flows from operations due to potential factors, including but not limited to inflation, recession, or reduced demand for the Company's products. If revenues decrease from current levels, the Company may be unable to further reduce costs, or such reductions may limit its ability to pursue strategic initiatives and grow revenues in the future.

There can be no assurance that the Company will be able to obtain additional financing on terms acceptable to it, if at all. Failure to secure additional funding may require the Company to modify, delay or abandon some of its planned future development, or to otherwise enact further operating cost reductions, which could have a material adverse effect on its business, operating results, financial condition and ability to achieve its intended business objectives.

If the Company raises additional funds through further issuances of equity or convertible debt securities, its existing stockholders could suffer significant dilution, and any new equity securities the Company issues could have rights, preferences, and privileges superior to those of holders of its common stock. If the Company is unable to obtain adequate financing or financing on terms satisfactory to the Company when it requires it, its ability to continue to pursue its business objectives and to respond to business opportunities, challenges, or unforeseen circumstances could be significantly limited, and its business, financial condition, and results of operations could be materially adversely affected. The Company also could be required to seek funds through arrangements with partners or others that may require the Company to relinquish rights or jointly own some aspects of its technologies, products, or services that the Company would otherwise pursue on its own.

The Company maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. As of June 30, 2025, substantially all of the Company's cash was held with Silicon Valley Bank and Citibank, and exceeded federally insured limits.

Although the Company's sales and accounts receivable are derived from sales contracts with a large number of customers, its top several customers account for a significant amount of its total sales and make up a correspondingly large portion of its accounts receivable. During the three and six months ended June 30, 2025, one customer accounted for 64% and 52% of net revenues respectively, with no other customers exceeding 10% of revenues during those periods. This same customer accounted for 68% of the accounts receivable, net balance as of June 30, 2025. During the three months ended June 30, 2024, there were three customers who individually represented 10% or more of net revenues, accounting for 42%, 10% and 10% of total net revenues. During the six months ended June 30, 2024, there were two customers who individually represented 10% or more of net revenues, accounting for 35% and 14% of total net revenues.

The Company's largest customers by total net accounts receivable consisted of the following:

	June 30, 2025	December 31, 2024
Three largest customers by total net accounts receivable	83 %	63 %

Revisions to Previously Issued Condensed Consolidated Financial Statements and Financial Information

In connection with the preparation of its 2024 financial statements, the Company identified errors in the unaudited condensed consolidated statements of cash flows for the interim period ended June 30, 2024. Specifically, the Company's historical proceeds from short-term borrowings and payments of short-term borrowings were overstated by the same amount with no net impact to total cash flows from financing activities in its unaudited condensed consolidated statements of cash flows for the interim period ended June 30, 2024. Additionally, the Company also identified and corrected for immaterial classification errors between cash flows from operating activities and investing activities for the interim period ended June 30, 2024.

The Company assessed the effect of the errors on prior periods under the guidance of Securities and Exchange Commission ("SEC") Staff Accounting Bulletin No. 99, "Materiality," codified in ASC 250, Accounting Changes and Error Corrections ("ASC 250"). Based on its assessment, the Company determined that the errors were not material to any previously issued financial statements; however, the Company has elected to revise the Company's unaudited condensed consolidated statements of cash flows. These corrections have no impact on the Company's previously reported consolidated net income (loss), financial position, net change in cash, cash equivalents, and restricted cash, or total cash, cash equivalents, and restricted cash as previously reported on the Company's unaudited condensed consolidated statements of cash flows. The Company's unaudited condensed consolidated statements of cash flows for the interim period ended June 30, 2024, have been revised and disclosed in Note 11, Revision of Previously Issued Quarterly Information (Unaudited) below.

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which expands annual and interim disclosure requirements for reportable segments,

primarily through enhanced disclosures about significant segment expenses. The Company adopted ASU 2023-07 as of January 1, 2024 on a retrospective basis. While the adoption of this standard did not have a material impact on the Company's unaudited condensed consolidated financial statements, additional disclosures are included in Note 10.

Recently Issued Accounting Guidance

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires, among other things, additional disclosures primarily related to the income tax rate reconciliation and income taxes paid. The expanded annual disclosures are effective for our year ending December 31, 2025. The Company is currently evaluating the impact that ASU 2023-09 will have on its consolidated financial statements and whether the Company will apply the standard prospectively or retrospectively.

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses. The standard is intended to require more detailed disclosures about specified categories of expenses (including employee compensation, depreciation, and amortization) included in certain expense captions presented on the face of the income statement. This ASU is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to all prior periods presented in the financial statements. The Company is currently assessing the impact this standard will have on its consolidated financial statements.

Recent Tax Legislation

The One Big Beautiful Bill Act of 2025 (the “OBBBA”) was signed into law on July 4, 2025. The OBBBA makes changes to the U.S. corporate income tax, including reinstating the option to claim 100% accelerated depreciation deductions on qualified property, with retroactive application beginning January 20, 2025, and immediate expensing of domestic research and development costs, with retroactive application beginning January 1, 2025. The Company is evaluating its impacts, including any potential impact in the period of enactment.

Note 2. Certain Balance Sheet Accounts

Restricted Cash

The Company's restricted cash consists of cash collateral that is held by the Company's financial institutions to secure its financing arrangements. Specifically, restricted cash that is classified within current assets in the unaudited condensed consolidated balance sheets consists of cash collateral to secure its current credit card borrowings. Cash as reported on the unaudited condensed consolidated statements of cash flows includes the aggregate amounts of cash, cash equivalents, and restricted cash as shown on the unaudited condensed consolidated balance sheets and consists of the following (in thousands):

	June 30,	
	2025	2024
Reconciliation of cash, cash equivalents, and restricted cash reported in the condensed consolidated balance sheets:		
Cash and cash equivalents	$ 21,827	$ 15,363
Restricted cash	300	—
Total cash, cash equivalents, and restricted cash	$ 22,127	$ 15,363

Allowance for Credit and Other Losses

The Company records its accounts receivable at sales value and maintains an allowance for its current estimate of expected credit losses from customers. Provisions for expected credit losses are estimated based on historical experience, assessment of specific risk, review of outstanding invoices, and forecasts about the future. The Company establishes specific reserves for customers in an adverse financial condition and adjusts for its expectations of changes in conditions that may impact the collectability of outstanding receivables.

Changes in the Company's allowance for credit and other losses were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Beginning balance	$ 811	$ 500	$ 653	$ 3,322
Charges to expense	(88)	4	7	(384)
Charges to revenue	239	38	302	94
Write-offs	(9)	—	(9)	(2,490)
Ending balance	$ 953	$ 542	$ 953	$ 542

Write-offs for the six months ended June 30, 2024 related to a settlement agreement with a former retailer for past due receivables which had previously been charged to the provision for credit losses in a prior period. A benefit was recognized to charges to expense during the six months ended June 30, 2024, which represented a partial recovery of the past due receivables in connection with the settlement.

Inventory

Details of inventory were as follows (in thousands):

	June 30, 2025	December 31, 2024
Raw materials	$ 132	$ 100
Finished goods	11,246	10,423
Total inventory	$ 11,378	$ 10,523

Prepaid expenses and other current assets

For the three and six months ended June 30, 2025, a write-off of $347 related to a prepaid deposit for materials determined to have no alternative future use in our research and development efforts was recorded within research and development expenses.

Property and Equipment, net

Property and equipment consisted of the following (in thousands):

	June 30, 2025	December 31, 2024
Tooling and manufacturing equipment	$ 2,164	$ 2,618
Computer equipment	380	322
Furniture and fixtures	212	289
Software	106	106
Leasehold improvements	3	35
Total property and equipment	2,865	3,370
Less: accumulated depreciation and amortization	(2,679)	(3,268)
Property and equipment, net	$ 186	$ 102

Depreciation and amortization expense on property and equipment was $21 and $90 for the three months ended June 30, 2025 and June 30, 2024, respectively. For the three months ended June 30, 2025 and June 30, 2024, the Company allocated $15 and $84, respectively, of depreciation and amortization expense related to tooling and manufacturing equipment within cost of revenues on the unaudited condensed consolidated statements of operations and comprehensive income (loss). The remaining depreciation and amortization expense related to property and equipment was recorded within general and administrative expenses.

Depreciation and amortization expense on property and equipment was $54 and $184 for the six months ended June 30, 2025 and June 30, 2024, respectively. For the six months ended June 30, 2025 and June 30, 2024, the Company allocated $44 and $169, respectively, of depreciation and amortization expense related to tooling and manufacturing equipment within cost of revenues on the unaudited condensed consolidated statements of operations and comprehensive income (loss). The remaining depreciation and amortization expense related to property and equipment was recorded within general and administrative expenses.

Intangible Assets, net

The carrying amounts of intangible assets consisted of the following (in thousands):

	June 30, 2025		
	Gross carrying amount	Accumulated amortization	Net carrying amount
Trademarks and patents	$ 720	$ (384)	$ 336
Internally developed software	857	(217)	640
Total intangible assets	$ 1,577	$ (601)	$ 976

	December 31, 2024		
	Gross carrying amount	Accumulated amortization	Net carrying amount
Trademarks and patents	$ 677	$ (346)	$ 331
Internally developed software	725	(81)	644
Total intangible assets	$ 1,402	$ (427)	$ 975

Amortization expense of intangible assets was $88 and $14 for the three months ended June 30, 2025 and 2024, respectively. For the three months ended June 30, 2025 and 2024, the Company recorded $71 and $0, respectively, of amortization expense related to internally developed software within cost of revenues on the unaudited condensed consolidated statements of operations and comprehensive income (loss). The remaining amortization expense related to trademarks and patents was recorded within general and administrative expenses.

Amortization expense of intangible assets was $174 and $30 for the six months ended June 30, 2025 and 2024, respectively. For the six months ended June 30, 2025 and 2024, the Company recorded $136 and $0, respectively, of amortization expense related to

internally developed software within cost of revenues on the unaudited condensed consolidated statements of operations and comprehensive income (loss). The remaining amortization expense related to trademarks and patents was recorded within general and administrative expenses.

As of June 30, 2025, the estimated future amortization expenses and reconciliation to total intangible assets consisted of the following (in thousands):

For the years ended December 31,	Amount
Remaining six months of 2025	$ 175
2026	348
2027	256
2028	49
2029	28
Thereafter	55
Total future amortization expenses	$ 911
Trademarks and patents not yet subject to amortization	65
Total intangible assets	$ 976

Accrued and Other Expenses

Accrued and other expenses consisted of the following (in thousands):

	June 30, 2025	December 31, 2024
Accrued payroll	$ 3,300	$ 3,639
Accrued sales discounts	5,764	1,773
Accrued sales returns	1,246	902
Accrued legal settlements	5,925	5,343
Other	4,744	4,721
Total accrued and other expenses	$ 20,979	$ 16,378

Changes in accrued warranty were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Accrued warranty, beginning of period	$ 305	$ 768	$ 291	$ 782
Settlements of warranty claims during the period	(182)	(185)	(369)	(376)
Provision for warranties issued during the period	183	434	307	754
Changes in provision for pre-existing warranties	46	(174)	123	(317)
Accrued warranty, end of period	$ 352	$ 843	$ 352	$ 843

Note 3. Deferred Revenues

Deferred revenues relate to performance obligations for which payments are received from customers prior to the satisfaction of the Company's obligations to its customers. Deferred revenues primarily consist of amounts allocated to the mobile application, unspecified upgrade rights, added features, bug fixes, and content, subscription services, and are recognized over the service period of the performance obligations, which range from 1 to 27 months.

Changes in the total deferred revenues balance were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Beginning balance	$ 1,585	$ 1,280	$ 1,544	$ 1,302
Deferral of revenues	1,202	716	1,945	1,237
Recognition of deferred revenues	(898)	(606)	(1,600)	(1,149)
Ending balance	$ 1,889	$ 1,390	$ 1,889	$ 1,390

The Company recognized $570 and $491 of revenue during the three months ended June 30, 2025 and 2024, respectively, that was included in the deferred revenue balance at the beginning of the respective period.

The Company recognized $932 and $802 of revenue during the six months ended June 30, 2025 and 2024, respectively, that was included in the deferred revenue balance at the beginning of the respective period. Revenue for the six months ended June 30, 2025 included a reduction of revenue of $451 relating to the correction of immaterial misstatements from previous periods. Revenue for the six months ended June 30, 2024 included $330 relating to the correction of immaterial misstatements from previous periods.

Note 4. Debt and Other Financing Arrangements

The Company’s indebtedness consisted of the following (in thousands):

	June 30, 2025	December 31, 2024
Term loan facility payable to WTI, net	$ 5,394	$ 4,819
Line of credit	14,876	6,263
Financed insurance premium	275	615
Total debt	20,545	11,697
Less: current portion	(17,165)	(7,366)
Total long-term debt, net	$ 3,380	$ 4,331

The carrying value of the Company’s long-term debt, net approximate its fair value.

WTI Loan Facility

On September 11, 2024, (the "Effective Date"), OBCI, as the borrower, entered into a Loan Facility Agreement (the “Loan Facility Agreement”) with WTI Fund X, Inc. and WTI Fund XI, Inc. (collectively, “WTI” for a term loan facility of up to $15,000 (the “WTI Loan Facility”).

The WTI Loan Facility consists of two tranches. The first tranche of $10,000 was available at closing and through September 30, 2024, with $2,500 of the first tranche availability extendable until December 31, 2024 (the “First Tranche Commitment”). The second tranche of $5,000 (the “Second Tranche Commitment,” or together with the First Tranche Commitment, the “Loan Commitments”) per the initial Loan Facility Agreement would be available through August 15, 2025 and upon achievement of (a) at least $48,600 in revenue for the period that commenced October 1, 2024 and ending June 30, 2025 (the “Second Tranche Condition Period”), (b) total cash burn during the Second Tranche Condition Period not to exceed $600 for such period, (c) receipt by the Company of at least $6,000 of net proceeds from an equity financing during a period commencing on the closing date and ending on the second tranche borrowing date, and (d) receipt by WTI of the Company’s then-current, board-approved operating and financing plan to WTI's satisfaction, as well as compliance with certain reporting conditions. In July 2025, WTI granted a 90-day extension, making the Second Tranche Commitment available through November 13, 2025. The terms of the Loan Facility Agreement were otherwise not modified in tandem with the extension. As of June 30, 2025, the Company was in compliance with all covenants under the WTI Loan Facility.

The Company initiated its first drawdown under the WTI Loan Facility of $7,500 (the “Initial Loan”) shortly after finalizing the Loan Facility Agreement in September 2024. WTI and the Company agreed to extend the remaining $2,500 of the First Tranche Commitment until March 31, 2025. The Company ultimately elected not to draw on the remainder of the first tranche and, as a result, 62,500 unvested shares of redeemable common stock were forfeited on March 31, 2025. Once repaid, the Company cannot reborrow from the WTI Loan Facility.

The interest rate on the outstanding principal amounts of any borrowing under the WTI Loan Facility for the six months ended June 30, 2025 was 12%. Accrued coupon interest and accrued payment-in-kind interest (“PIK interest”) are recorded within accrued

and other expenses and within long-term debt, net, respectively on the unaudited condensed consolidated balance sheets. Accrued PIK interest was $152 as of June 30, 2025.

As partial consideration for the availability and funding of the WTI Loan Facility, the Company and WTI Fund X, LLC ("Fund X") and WTI Fund XI, LLC ("Fund XI", and together with Fund X, the "WTI Funds") entered into a Stock Issuance Agreement (the "WTI Stock Issuance Agreement"), dated as of the Effective Date. Pursuant to the WTI Stock Issuance Agreement, the Company issued to the WTI Funds an aggregate of 750,000 shares of redeemable common stock on the Effective Date, of which 62,500 shares of the redeemable common stock have been forfeited and the remaining 125,000 of unvested redeemable common stock are subject to forfeiture in the event that the Company does not draw on the remaining portion of the outstanding Loan Commitment. To the extent the Company does exercise its option under the Loan Commitments to issue additional debt, a number of forfeitable shares will 'vest' and no longer be subject to forfeiture based on the pro rata portion of the outstanding Loan Commitments drawn against.

The shares issued to WTI pursuant to the WTI Stock Issuance Agreement contain an embedded redemption option (the "Redemption Option") such that WTI may elect to force the Company to redeem the shares that are no longer subject to forfeiture for a price of $8.40 per share. The Redemption Option may be exercised in whole or in part, at any time, from time to time, during the period commencing on the first trading day following the fifth anniversary of the Effective Date and continuing through the date which is 10 years after the Effective Date, subject to certain acceleration provisions set forth in the WTI Stock Issuance Agreement. Because the shares are redeemable at the option of the WTI Funds, the shares are recorded in mezzanine equity on the unaudited condensed consolidated balance sheets. The redeemable common shares were initially recorded at their fair value of $7.66 per share, which was an aggregate value of $4,308. The value of the redeemable common shares was determined using a combination of the value of the Company's stock on the date of issuance and the theoretical value of a stand-alone put option valued using a Black-Scholes put option model discounted by a present value factor that considers the credit spread between an estimated Company specific discount rate and the risk-free rate of return. Because the shares are required to be redeemed at the option of WTI, based solely on the passage of time, and provided WTI did not elect to otherwise sell or transfer the shares beforehand, the carrying value of the shares will accrete to their redemption value of $8.40 per share from the issuance date through September 11, 2029, the date the Redemption Option first becomes exercisable.

The Company allocated the lender fees (including the fair value of the vested shares) and third-party debt financing costs between the Initial Loan and the remaining, undrawn Loan Commitments. The costs allocated to the Initial Loan are accounted for as a discount and will be amortized across the term of the Initial Loan using the effective interest method. The costs allocated to the remaining, undrawn Loan Commitments are accounted for as loan commitment assets, which are being amortized to interest expense using the straight-line method over the commitment periods, due to uncertainty about the Company's intent to access the Loan Commitment. The unamortized portion of the loan commitment assets was $142 as of June 30, 2025 and is recorded within other assets on the unaudited condensed consolidated balance sheets.

As of June 30, 2025, details of the WTI Loan Facility were as follows (in thousands):

	Amount
Principal outstanding	$ 7,500
Unamortized debt financing costs	(2,258)
Accrued PIK Interest	152
Net carrying value	$ 5,394

The Company recognized $258 of interest expense related to the amortization of debt financing costs of the WTI Loan Facility and $282 of interest expense related to the amortization of the loan commitment assets during the three months ended June 30, 2025.

The Company recognized $480 of interest expense related to the amortization of debt financing costs of the WTI Loan Facility and $667 of interest expense related to the amortization of the loan commitment assets during the six months ended June 30, 2025.

ABL Line of Credit

On September 11, 2024, OBCI, as borrower, entered into the Credit Agreement with the financial institutions party thereto from time to time as lenders (collectively the "Lenders") and ABL OPCO LLC, a Delaware limited liability company, in its capacity as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

The Credit Agreement provides for an ABL Line of Credit in a maximum principal amount of up to $15,000, which amount shall increase to $20,000 on September 11, 2025 (the "Revolving Commitment"). The ABL Line of Credit is collateralized by substantially all of the Company's assets.

The ABL Line of Credit matures on September 10, 2027 (the "Maturity Date"). The Credit Agreement contains representations, warranties, covenants, and events of default customary for agreements of this type. As of June 30, 2025, the Company was in compliance with all covenants under the Credit Agreement.

The unamortized portion of debt financing costs related to the Credit Agreement as of June 30, 2025 was $597 and is recorded as a loan commitment asset within other assets on the unaudited condensed consolidated balance sheets. Issuance costs are amortized straight-line over the term of the Credit Agreement and recorded within interest income (expense), net on the unaudited condensed consolidated statement of operations and comprehensive income (loss).

On June 30, 2025, there was $14,876 of outstanding borrowings, which is recorded as a current liability on the unaudited condensed consolidated balance sheet based on the Company's intent and ability to repay the outstanding borrowings in the near term. The remaining borrowing base availability under the Credit Agreement was $124 as of June 30, 2025.

On June 11, 2025, the Company and OBCI, entered into a First Amendment to the Credit Agreement (the "First Amendment") with the Lenders and the Administrative Agent. The First Amendment amends the Credit Agreement to (among other things) (i) modify certain financial covenants, including EBITDA covenants, required to be maintained by OBCI, (ii) increase the amount of capital expenditures that may be incurred by OBCI during certain fiscal years, and (iii) expand the eligibility of certain accounts receivable that OBCI can borrow against. Apart from the aforementioned changes, no modifications were made to other covenants, including the liquidity covenant as fully described in Part II, Item 8 "Financial Statements and Supplementary Data - Note 6 to the Consolidated Financial Statements - Debt and Other Financing Arrangements" in its 2024 Annual Report on Form 10-K and Form 10-K/A for the fiscal year ended December 31, 2024.

Financed Insurance Premiums

In 2024 and 2025, the Company financed a number of its insurance policies through short-term commercial premium finance agreements with First Insurance Funding totaling $494 to be paid within one year, accruing interest at a weighted average rate of 9.4%. As of June 30, 2025, the remaining principal balance on the combined financed insurance premiums was $275.

Future Aggregate Maturities

As of June 30, 2025, future aggregate maturities of the WTI Loan Facility and Financed Insurance Premium payables were as follows (in thousands):

For the years ended December 31,	Amount
Remaining six months of 2025	$ 717
2026	3,192
2027	3,550
2028	468
Total	$ 7,927

Note 5. Commitments and Contingencies

Purchase and Other Obligations

The Company entered into a services and license agreement for cloud platform services in June 2024. The Company has a purchase obligation of $6,739 to be paid over a 48-month period beginning in June 2024 and $4,669 remains to be paid at June 30, 2025.

Litigation

The Company is involved in legal proceedings from time to time arising in the normal course of business. While any outcome related to such legal proceedings cannot be predicted with certainty, other than the matters discussed below, the Company believes that the outcome of these proceedings will not have a material impact on the Company's financial position, results of operations, or liquidity.

In November 2021, two putative class action complaints were filed against the Company in the U.S. District Court for the Central District of California, the first captioned *Butala v. Owlet, Inc*., Case No. 2:21-cv-09016, and the second captioned *Cherian v. Owlet, Inc*., Case No. 2:21-cv-09293. Both complaints alleged violations of the Securities Exchange Act of 1934 ("Exchange Act") against the Company and certain of its officers and directors on behalf of a putative class of investors who: (a) purchased the Company's common stock between March 31, 2021 and October 4, 2021 ("Section 10(b) Claims"); or (b) held common stock in Sandbridge Acquisition Corporation ("SBG") as of June 1, 2021, and were eligible to vote at SBG's special meeting held on July 14, 2021 ("Section 14(a) Claims"). Both complaints allege, among other things, that the Company and certain of its officers and directors made

false and/or misleading statements and failed to disclose certain information regarding the FDA's likely classification of Smart Sock as a medical device requiring marketing authorization.

On September 8, 2023, the Court ruled that while the *Butala* and *Cherian* cases were consolidated, there would be two distinct and separate classes to represent the Section 10(b) Claims and Section 14(a) Claims, respectively, and appointed lead plaintiffs and lead counsel for each class. Amended complaints were filed for each class on November 21, 2023, and then further amended in consolidated filings on December 22, 2023. The Company filed motions to dismiss the complaints on February 9, 2024 on behalf of itself and the named officers and directors. The plaintiffs filed oppositions to the motions to dismiss on March 24, 2024, and the Company filed replies in support of the motions to dismiss on May 10, 2024. On August 5, 2024, the Court denied Owlet's and its officers' motions to dismiss the Section 10(b) Claims and the Section 14(a) Claims. On September 24, 2024, the Court entered a scheduling order in the case, setting trial to begin on February 17, 2026. On September 26, 2024, the Court granted Owlet's and its officers' motion for reconsideration regarding the Section 10(b) Claims and dismissed all claims arising out of statements made prior to the merger.

Following mediation, the parties to the *Butala* action reached agreements in principle to settle both the Section 10(b) Claims and the Section 14(a) Claims. The Section 10(b) Claims would be resolved for $3,500 and the Section 14(a) Claims would be resolved for $1,750. On January 31, 2025, the plaintiffs filed motions seeking preliminary approval of the settlements of the Section 10(b) Claims and Section 14(a) Claims. Those motions remain pending. In accordance with ASC 450, as these amounts have become probable and estimable, the Company recognized $5,250 of general and administrative expense in the consolidated statement of operations and comprehensive income (loss) for the year ended December 31, 2024. The related liability is recorded in accrued and other expenses on the unaudited condensed consolidated balance sheet as of June 30, 2025.

Further, on August 26, 2024 and October 3, 2024, investors filed in the U.S. District Court for the Central District of California, derivatively on behalf of the Company, complaints asserting claims for violations of Section 14(a) of the Exchange Act, as well as state law claims, including breach of fiduciary duty, unjust enrichment and waste of corporate assets. One complaint (captioned *Janet Vargas, Derivatively on Behalf of Nominal Defendant Owlet, Inc.*, Case No. 2:24 cv-07258-FLA-PVC) asserts claims against twelve of the Company's current or former directors and officers and six current or former directors and officers of Sandbridge Acquisition Corporation. The other (captioned *Nathan Capleton, Derivatively on Behalf of Nominal Defendant Owlet, Inc.*, Case No. 2:24 cv-08536-JAK-MAA) asserts claims against eleven of the Company's current or former directors. Both complaints leverage the allegations made in one of the securities class action complaints. Neither complaint specifies the damages claimed in the action.

On December 13, 2024, these two complaints were consolidated into a single action captioned *Vargas v. Workman, et al.*, No. 2:24-cv-07258-FLA (C.D. Cal.) On February 7, 2025, the plaintiffs filed an amended consolidated complaint asserting the claims previously made in the two derivative complaints. The parties in the Vargas action reached agreements in principle to settle, and plaintiffs filed a joint Notice of Settlement with the Court on March 3, 2025. On March 6, 2025, the Court vacated deadlines in the Vargas action in light of the plaintiffs' settlement notice, and set April 2, 2025 as the deadline for plaintiffs to file a motion for preliminary approval of the settlement. On March 31, 2025, the plaintiffs filed a joint stipulation with the Court to extend that deadline to April 9, 2025. The Court so ordered the stipulation on April 2, 2025, and the plaintiffs filed the motion for preliminary approval of the settlement on April 9, 2025.

In accordance with ASC 450, as these amounts have become probable and estimable, the Company recorded $675 of general and administrative expense in the unaudited condensed consolidated statements of operations and comprehensive income (loss) for the three months ended March 31, 2025. The related liability is recorded in accrued and other expenses on the unaudited condensed consolidated balance sheet as of June 30, 2025.

Indemnification

In the ordinary course of business, the Company enters into agreements that may include indemnification provisions. Pursuant to such agreements, the Company may indemnify, hold harmless, and defend an indemnified party for losses suffered or incurred by the indemnified party. Some of the provisions will limit losses to those arising from third party actions. In some cases, the indemnification will continue after the termination of the agreement. The maximum potential amount of future payments the Company could be required to make under these provisions is not determinable. The Company has never incurred material costs to defend lawsuits or settle claims related to these indemnification provisions. The Company has entered into indemnification agreements with its directors and officers that may require the Company to indemnify its directors and officers against liabilities that may arise by reason of their status or service as directors or officers to the fullest extent permitted by Delaware corporate law. The Company currently has directors' and officers' insurance coverage that may reduce its exposure and enables the Company to recover a portion of any future amounts paid.

Note 6. Stock-based Compensation

The Company has various stock compensation plans, which are more fully described in Part II, Item 8 “Financial Statements and Supplementary Data - Note 8 to the Consolidated Financial Statements - Stock-based Compensation” in its 2024 Annual Report on Form 10-K and Form 10-K/A for the fiscal year ended December 31, 2024.

Under the 2021 Incentive Award Plan, the Company has the ability to grant options, stock appreciation rights, restricted stock awards (“RSAs”), restricted stock units (“RSUs”), performance stock units (“PSUs”), dividend equivalents, or other stock or cash-based awards to employees, directors, or consultants. Option awards are generally granted with an exercise price equal to the fair value of the Company’s common stock at the date of grant. Options and PSU awards generally vest over a period of four years. RSUs are subject to a four year vesting term with 25% vesting after one year and quarterly thereafter, or on a 2 year vesting term with 50% after one year and the remaining after the second year, or a 1 year vesting term with 100% after one year, depending on grant reason. RSAs generally vest over less than one year. Grants to directors typically vest after one year and, in certain circumstances, vest immediately.

Stock-based Compensation Expense

Total stock-based compensation was recognized as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
General and administrative	$ 884	$ 1,234	$ 1,662	$ 2,517
Sales and marketing	276	367	731	711
Research and development	428	503	852	1,103
Total stock-based compensation	$ 1,588	$ 2,104	$ 3,245	$ 4,331

During 2024, the Company modified certain RSU awards for 11 employees and exchanged the RSUs previously granted for RSAs that would vest within six months of the date of modification. The RSAs are valued at the market value on the date of grant. As a result of the modification, the Company recognized $2 of incremental stock-based compensation expense during the three months ended June 30, 2025. As of June 30, 2025, all RSAs are fully vested.

As of June 30, 2025, the Company had $4,231 of unrecognized stock-based compensation costs related to unvested RSUs that will be recognized over a weighted-average period of 1.0 years; and $68 of unrecognized stock-based compensation costs related to unvested PSUs that will be recognized over a weighted-average period of 0.5 years.

Note 7. Common Stock Issuance, Redeemable Common Stock, Common Stock Warrants, and Convertible Preferred Stock

September 2024 Offering

On September 11, 2024, the Company entered into an underwriting agreement and issued 3,135,136 shares of its common stock at a price to the public of $3.70 per share, less underwriting discounts and commissions. The net proceeds received by the Company were $10,590. The shares were issued pursuant to the Company's registration statement on Form S-3 (File No. 333-281556), filed by the Company with the SEC on August 14, 2024, which was declared effective on August 23, 2024. The Company provided the underwriter a discount of 7% off the offering price.

In addition to the underwriter discount, the offering expenses with third parties were $863, of which $0 in issuance costs that were unpaid as of June 30, 2025. The Company also reimbursed the underwriters for $198 in fees and expenses, including legal expenses, out-of-pocket expenses, and clearing expenses. The issuance costs associated with the September 2024 Offering were recorded as a reduction to additional paid-in capital on the unaudited condensed consolidated balance sheets.

Pursuant to the underwriting agreement, the Company also issued, as a portion of the underwriting compensation payable to the underwriter, a warrant to purchase up to 125,405 shares of common stock (which was subsequently transferred to certain affiliates of the underwriter, the "Titan Warrants").

The Titan Warrants are initially exercisable on March 13, 2025 at an exercise price of $4.63 and have a term of five years from such initial exercise date. None of the Titan Warrants have been exercised as of June 30, 2025.

Redeemable Common Stock

As discussed in Note 4, in September 2024 as partial consideration for the availability and funding of the WTI Loan Facility, the Company issued to the WTI Funds an aggregate of 750,000 shares of common stock. The Company also granted the WTI Funds the Redeemable Option discussed in Note 4. The vested shares are recorded in mezzanine equity on the unaudited condensed consolidated balance sheets and are being accreted to the redemption value at the date the redemption feature first becomes exercisable. As discussed in Note 4, 62,500 unvested shares of redeemable common stock were forfeited on March 31, 2025.

The Company initiated its first drawdown under the WTI Loan Facility of $7,500 (the "Initial Loan") shortly after finalizing the Loan Facility Agreement in September 2024. WTI and the Company agreed to extend the remaining $2,500 of the First Tranche Commitment until March 31, 2025. The Company ultimately elected not to draw on the remainder of the first tranche and, as a result, 62,500 unvested shares of redeemable common stock were forfeited on March 31, 2025. Once repaid, the Company cannot reborrow from the WTI Loan Facility.

August 2024 Exchange

On August 20, 2024, holders of the Series A convertible preferred stock ("Series A Preferred Stock") of the Company elected to convert an aggregate of 15,721 shares of Series A Preferred Stock in exchange for an aggregate of 2,291,686 shares of the Company's common stock, all as in accordance with the terms of the Certificate of Designation relating to the Series A Preferred Stock. As of June 30, 2025, the redemption value for the remaining Series A convertible preferred stock is $11,479.

February 2024 Offering

On February 25, 2024, the Company entered into a private placement investment agreement with certain investors, pursuant to which the Company issued and sold to the investors (i) an aggregate of 9,250 shares of the Company's Series B convertible preferred stock, par value $0.0001 per share and (ii) warrants to purchase an aggregate of 1,799,021 shares of the Company's common stock, par value $0.0001 per share (the "Series B Warrants"), for an aggregate gross purchase price of $9,250.

As of June 30, 2025, the redemption value for Series B convertible preferred stock is $9,250. The Series B convertible stock will accrete to its redemption value, starting from the issuance date to the date at which the shares become redeemable on March 1, 2029. None of the Series B convertible preferred stock had been converted as of June 30, 2025. None of the Series B Warrants have been exercised as of June 30, 2025.

February 2023 Offering

On February 17, 2023 the Company entered into private placement investment agreements with certain investors, pursuant to which the Company issued and sold to the investors (i) an aggregate of 30,000 shares of the Company's Series A convertible preferred stock, par value $0.0001 per share and (ii) warrants to purchase an aggregate of 7,871,712 shares of the Company's common stock, par value $0.0001 per share, ("Series A Warrants") for an aggregate purchase price of $30,000.

The Series A convertible stock is accreting to its redemption value, starting from the issuance date to the date at which the shares become redeemable on February 17, 2028. Accretion will be recorded as a deemed dividend. Each of the Series A Warrants sold in the

private placement offering is exercisable for one share of common stock at an exercise price of $4.66 per share, is immediately exercisable, and will expire on February 17, 2028. As of June 30, 2025, 390,378 of the Series A Warrants have been exercised. The Series A Warrants that were exercised were marked to market based on the liability classification of the warrants, and the Company subsequently received $1,822 of cash proceeds during the three months ended June 30, 2025 from the exercise of the Series A Warrants.

SBG Common Stock Warrants

As a result of the merger completed with SBG on July 15, 2021 (the "Merger"), the Company continues to record liabilities for warrants issued by SBG prior to the Merger.

Pursuant to the SBG initial public offering, SBG sold warrants to purchase an aggregate of 821,428 shares of the Company's common stock at a price of $161.00 per share ("SBG Public Warrants"). Following the closing of the Initial Public Offering on September 17, 2020, the Company completed the sale of warrants to purchase an aggregate of 471,428 shares of the Company's common stock at a price of $161.00 per share in a private placement to Sandbridge Acquisition Holdings LLC (the "SBG Private Placement Warrants"). Together, the SBG Public Warrants and SBG Private Placement Warrants are referred to as the "SBG Common Stock Warrants." The SBG Public Warrants became exercisable 12 months from the closing of the Initial Public Offering. The SBG Common Stock Warrants will expire five years after the completion of the Merger or earlier upon redemption or liquidation. None of the SBG Common Stock Warrants have been exercised as of June 30, 2025.

SVB Warrants

In March 2023, the Company granted Silicon Valley Bank, now a division of First Citizens Bank and Trust Company ("SVB") a warrant to purchase 10,714 shares of the Company's common stock at a price of $5.32 per share, expiring on March 27, 2035 (the "SVB Warrants") in connection with the first amendment to the Third Amended and Restated Loan and Security Agreement (as amended) between the Company and SVB (as amended, the "LSA"). On September 11, 2024, the LSA was terminated with no obligations outstanding thereunder. The SVB Warrants, which were valued at $43, are classified as equity and included within additional paid-in capital on the unaudited condensed consolidated balance sheets. None of the SVB Warrants have been exercised as of June 30, 2025.

Common Stock Warrants

The following table summarizes issuable shares of the Company's common stock based on warrant activity for the six months ended June 30, 2025:

	December 31, 2024	Shares Issuable by New Warrants	Shares Purchased by Exercise	June 30, 2025
SBG Public Warrants	821,428	—	—	821,428
SBG Private Placement Warrants	471,428	—	—	471,428
Series A Warrants	7,871,712	—	(390,378)	7,481,334
Series B Warrants	1,799,021	—	—	1,799,021
SVB Warrants	10,714	—	—	10,714
Titan Warrants	125,405	—	—	125,405
Total	11,099,708	—	(390,378)	10,709,330

Note 8. Fair Value Measurements

The Company's assets and liabilities measured and reported in the financial statements at fair value on a recurring basis were as follows (in thousands):

	June 30, 2025			
	Level 1	Level 2	Level 3	Balance
Assets:				
Money market funds	$ 9,707	$ —	$ —	$ 9,707
Total assets	$ 9,707	$ —	$ —	$ 9,707
Liabilities:				
SBG Public Warrants	$ —	$ —	$ —	$ —
SBG Private Placement Warrants	—	—	—	—
Series A Warrants	—	—	41,626	41,626
Series B Warrants	—	—	10,026	10,026
Total liabilities	$ —	$ —	$ 51,652	$ 51,652

	December 31, 2024			
	Level 1	Level 2	Level 3	Balance
Assets:				
Money market funds	$ 8,223	$ —	$ —	$ 8,223
Total assets	$ 8,223	$ —	$ —	$ 8,223
Liabilities:				
SBG Public Warrants	$ —	$ —	$ 5	$ 5
SBG Private Placement Warrants	—	—	2	2
Series A Warrants	—	—	20,750	20,750
Series B Warrants	—	—	4,586	4,586
Total liabilities	$ —	$ —	$ 25,343	$ 25,343

Money market funds are included within Level 1 of the fair value hierarchy because they are valued using quoted market prices.

The SBG Public Warrants and SBG Private Placement Warrants as of June 30, 2025 and December 31, 2024 are presented as Level 3 measurements, relying on unobservable inputs reflecting the Company's own assumptions. Level 3 measurements, which are not based on quoted prices in active markets, introduce a higher degree of subjectivity and may be more sensitive to fluctuations in stock price, volatility rates, and U.S. Treasury Bond rates.

In June 2023, NYSE Regulation had determined to commence proceedings to delist the SBG Public Warrants and that such warrants were no longer suitable for listing based on "abnormally low" price levels. As such, these instruments are no longer valued using quoted market prices and, correspondingly, the SBG Private Placement Warrants can no longer be valued based on a quoted market price of the SBG Public Warrants.

The Company measured the fair value of both the SBG Public Warrants and the SBG Private Placement Warrants as of June 30, 2025 and December 31, 2024 using the Black-Scholes option pricing model with the following assumptions:

SBG Common Stock Warrants - Black-Scholes Inputs	June 30, 2025	December 31, 2024
OWLT stock price	$ 8.40	$ 4.45
Exercise price of warrants	$ 161.00	$ 161.00
Term in years	1.04	1.54
Risk-free interest rate	3.95 %	4.21 %
Volatility	69.00 %	90.00 %

The Series A Warrants are presented as Level 3 measurements, relying on unobservable inputs reflecting the Company's own assumptions.

The Company measured the fair value of the Series A Warrants as of June 30, 2025 and December 31, 2024, using the Black-Scholes option pricing model with the following assumptions:

Series A Warrants - Black-Scholes Inputs	June 30, 2025	December 31, 2024
OWLT stock price	$ 8.40	$ 4.45
Exercise price of warrants	$ 4.66	$ 4.66
Term in years	2.63	3.13
Risk-free interest rate	3.69 %	4.28 %
Volatility	83.00 %	90.00 %

The Series B Warrants are presented as Level 3 measurements, relying on unobservable inputs reflecting the Company's own assumptions.

The Company measured the fair value of the Series B Warrants as of June 30, 2025 and December 31, 2024, using the Black-Scholes option pricing model with the following assumptions:

Series B Warrants - Black-Scholes Inputs	June 30, 2025	December 31, 2024
OWLT stock price	$ 8.40	$ 4.45
Exercise price of warrants	$ 7.71	$ 7.71
Term in years	3.66	4.16
Risk-free interest rate	3.90 %	4.33 %
Volatility	92.00 %	90.00 %

The following table presents a reconciliation of the Company's SBG Public Warrants, SBG Private Placement Warrants, Series A Warrants, and Series B Warrants (together, the "Level 3 Warrants") measured at fair value on a recurring basis as of June 30, 2025 (in thousands):

	Level 3 Warrants
Balance as of December 31, 2024	$ 25,343
Change in fair value included within common stock warrant liability adjustment	28,066
Exercise of common stock warrants	(1,757)
Balance as of June 30, 2025	$ 51,652

There were no transfers between Level 1 and Level 2 in the periods reported. The SBG Public Warrants and SBG Private Placement Warrants were transferred into Level 3 in 2023, as discussed above.

Equity-Classified Warrants

The fair value of the Titan Warrants on September 11, 2024 was $382. The Company measured the fair value of the Titan Warrants at issuance on September 11, 2024, using the Black-Scholes option pricing model with the following assumptions:

Titan Warrants - Black-Scholes Inputs	September 11, 2024
OWLT stock price	$ 4.35
Exercise price of warrants	$ 4.63
Term in years	5.50
Risk-free interest rate	3.47 %
Volatility	85.00 %

Mezzanine-Classified Redeemable Common Stock

As described in Note 4, the vested shares issued to WTI are contingently redeemable at the option of the holder during the put period and are recorded in mezzanine equity on the unaudited condensed consolidated balance sheets. The vested redeemable common shares were recorded at their fair value of $7.66 per share, which was an aggregate value of 4,308. The value of the redeemable common shares was determined using a combination of the value of the Company's stock on the date of issuance and the theoretical value of a stand-alone put option valued using a Black-Scholes put option model discounted by a present value factor that considers the credit spread between an estimated Company specific discount rate and the risk-free rate of return. The valuation model used the following assumptions:

Redeemable Common Stock - Valuation Inputs	**September 11, 2024**
Common stock value per share	$ 4.35
Put price	$ 8.40
Term in years	5.00
Risk-free interest rate	3.42 %
Volatility	85.00 %
Credit spread	9.27 %
Present value discount	63.49 %

Note 9. Net Loss Per Share

Basic and diluted net loss per share of common stock and redeemable common stock is presented in conformity with the two-class method required for participating securities. Under the two-class method, net loss is allocated to each class of common stock and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires loss available to common stockholders for the period to be allocated between common and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed.

The Company considers its convertible preferred stock and unvested redeemable common stock to be participating securities. Under the two-class method, the net loss attributable to common stockholders is not allocated to the convertible preferred stock as the holders of the Company’s convertible preferred stock do not have a contractual obligation to share in the Company’s losses.

The following tables present the calculation of basic and diluted net loss per share (in thousands, except share and per share amounts):

	Three Months Ended June 30,		
	2025	**2025**	**2024**
	Redeemable Common Stock	**Common Stock**	**Common Stock**
Numerator:			
Allocation of net loss attributable to common stockholders	$ (1,330)	$ (37,166)	$ (2,682)
Accretion on redeemable common stock	21	(21)	—
Allocated net loss attributable to common stockholders	$ (1,309)	$ (37,187)	$ (2,682)
Denominator:			
Weighted average common shares outstanding, basic and diluted	562,500	15,716,376	8,867,399
Net loss per share attributable to common stockholders, basic and diluted	$ (2.33)	$ (2.37)	$ (0.30)

	Six Months Ended June 30,		
	2025	2025	2024
	Redeemable Common Stock	Common Stock	Common Stock
Numerator:			
Allocation of net loss attributable to common stockholders	$ (1,268)	$ (35,050)	$ (736)
Accretion on redeemable common stock	42	(42)	—
Allocated net loss attributable to common stockholders	$ (1,226)	$ (35,092)	$ (736)
Denominator:			
Weighted average common shares outstanding, basic and diluted	562,500	15,550,751	8,803,729
Net loss per share attributable to common stockholders, basic and diluted	$ (2.18)	$ (2.26)	$ (0.08)

The following table summarizes the common stock equivalents of potentially dilutive outstanding securities excluded from the computation of diluted net loss per share due to their anti-dilutive effect:

	June 30,	
	2025	2024
Stock options	377,012	361,723
RSUs	1,361,548	1,479,657
PSUs	56,391	71,428
ESPP shares committed	44,243	36,534
Common stock warrants	10,709,330	10,974,303
Preferred stock	2,872,668	5,164,359
Total	15,421,192	18,088,004

The Company’s 200,536 unvested earnout shares and 125,000 unvested shares issued to WTI described in Part II, Item 8 “Financial Statements and Supplementary Data - Note 9 to the Consolidated Financial Statements - Common Stock Issuance, Redeemable Common Stock, Common Stock Warrants, and Convertible Preferred Stock” in its Annual Report on Form 10-K and Form 10-K/A for the fiscal year ended December 31, 2024 were excluded from the calculation of basic and diluted per share calculations as the vesting conditions have not yet been met as of June 30, 2025.

Note 10. Segments

The Company operates as a single operating segment. The Company’s Chief Operating Decision Maker ("CODM") is its Chief Executive Officer. All significant operating decisions are based upon analysis of the Company as one operating segment, which is the same as its reporting segment to allocate resources, make operating decisions, and evaluate financial performance.

The CODM considers consolidated net income (loss) to be the financial measure of segment profit and loss for monitoring budget versus actual results, perform variance analysis, and forecast future performance.

The CODM considers the impact of the significant segment expenses on net income, which are the same expenses presented on the unaudited condensed consolidated statements of operations and comprehensive income (loss), with the impact of stock-based compensation removed from the operating expense categories and presented separately when making operating decisions.

The measure of segment assets is reported on the unaudited condensed consolidated balance sheets as total assets. The CODM does not review segment assets at a level other than that presented in the Company's unaudited condensed consolidated balance sheets.

Revenue by geographic area is based on the delivery address of the customer and is summarized as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
United States	$ 24,246	$ 15,893	$ 41,579	$ 28,794
United Kingdom	697	2,109	1,904	2,965
Other	1,120	2,697	3,684	3,690
Total revenues	$ 26,063	$ 20,699	$ 47,167	$ 35,449

Other than the United States and United Kingdom, no individual country exceeded 10% of total revenues for the three or six months ended June 30, 2025 and June 30, 2024.

The Company's long-lived assets are composed of property and equipment and right of use assets, net, and are summarized by geographic area as follows (in thousands):

	June 30, 2025	December 31, 2024
United States	$ 187	$ 167
International	95	73
Total long-lived assets, net	$ 282	$ 240

Note 11. Revision of Previously Issued Quarterly Information (Unaudited)

The unaudited condensed consolidated statements of cash flows for the interim period June 30, 2024 have been revised to correct for prior period errors as discussed in Note 1. Basis of Presentation. The effect on the unaudited condensed consolidated statements of cash flows for the affected period is as follows (in thousands):

	Six Months Ended June 30, 2024		
(unaudited)	As Reported	Adjustments	As Revised
Cash flows from operating activities			
Other, net[(1)]	$ (281)	$ (47)	$ (328)
Net cash used in operating activities	$ (6,674)	$ (47)	$ (6,721)
Cash flows from investing activities			
Purchase of intangible assets	$ (118)	$ 47	$ (71)
Net cash used in investing activities	$ (121)	$ 47	$ (74)
Cash flows from financing activities			
Proceeds from short-term borrowings	$ 54,181	$ (36,745)	$ 17,436
Payments of short-term borrowings	(54,528)	36,745	(17,783)
Net cash provided by financing activities	$ 5,601	$ —	$ 5,601

[(1)] For the six months ended June 30, 2024 this line item has been further disaggregated on the unaudited condensed consolidated statements of cash flows within this Form 10-Q as Other liabilities, Deferred revenue, and Other, net.

Note 12. Subsequent Event

On August 7, 2025, the Company entered into a privately negotiated Exchange Agreement (the "Exchange Agreement") with certain holders (the "Holders") of the Company's (i) Series A Warrants, and/or (ii) Series B Warrants and together with the Series A Warrants, the "Warrants"). Pursuant to the Exchange Agreement, the Holders have agreed, severally and not jointly, to exchange with the Company their Series A Warrants relating to an aggregate of 7,215,737 shares of Common Stock and, if applicable, their Series B Warrants relating to an aggregate of 1,799,021 shares of Common Stock, for an aggregate of 5,426,429 newly issued shares (collectively, the "Exchanged Shares") of Common Stock (collectively, the "Exchanges"). If the closing of the Exchanges does not occur by November 5, 2025, then either the Company or the Holders representing at least a majority of the Exchanged Shares to be issued pursuant to the Exchange Agreement may terminate the Exchange Agreement.

Consistent with the Company's methodology for valuing the Warrants for purposes of preparing its financial statements, the valuation of the Warrants for the Exchange was determined using a Black-Scholes option pricing model. The Warrants were valued using the trailing 60-day volume-weighted average price of the Company's Common Stock as of August 1, 2025 and the Common Stock's realized volatility.

The Exchange Agreement and the transactions contemplated thereby, including the were approved by a special committee of the Company's board of directors (the "Board"), consisting solely of disinterested and independent directors under Delaware law (the "Special Committee"). The consummation of the Exchanges are subject to stockholder approval in accordance with Section 312.03 of the New York Stock Exchange Listed Company Manual (the "Stockholder Approval"), and other customary closing conditions set forth in the Exchange Agreement.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto included elsewhere in this Report and in "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Form 10-K and Form 10-K/A. Certain statements we make under the following discussion and analysis constitute "forward-looking statements" under the Reform Act. See "Cautionary Note Regarding Forward-Looking Statements" in this Report. You should consider our forward-looking statements in light of the risks discussed in our unaudited condensed consolidated financial statements, related notes and other financial information appearing elsewhere in this Report, the section entitled "Risk Factors" in our Form 10-K, Form 10-K/A and this Report, and our other filings with the SEC. Note that amounts included in the following discussion and analysis are presented in thousands and may not sum due to rounding.

Overview

Our mission is to empower parents with the right information at the right time, to give them more peace of mind and help them find more joy in the journey of parenting. Our digital parenting platform aims to give parents real-time data and insights to help parents feel calmer and more confident. We believe that every parent deserves peace of mind and the opportunity to feel their well-rested best. We also believe that every child deserves to live a long, happy, and healthy life, and we are working to develop products to help facilitate that belief.

Components of Operating Results

Revenues

We recognize revenue primarily from products and the associated mobile applications. Revenues are recognized when control of goods and services is transferred to customers in an amount that reflects the consideration expected to be received by us in exchange for those goods and services. Substantially all of our revenues were derived from product sales, with a growing minority portion of revenues being generated by our Owlet360 subscription service.

Cost of Revenues

Cost of revenues consists of product costs, including contract manufacturing, shipping and handling, depreciation and amortization relating to tooling and manufacturing equipment and software, warranty replacement, fulfillment costs, warehousing, hosting and platform costs, and reserves for excess and obsolete inventory.

Operating Expenses

General and Administrative. General and administrative expenses consist primarily of salaries, benefits, stock-based compensation, and bonuses for finance and accounting, legal, human resources, operations, quality and administrative executives and employees; third-party legal, accounting, customer service, software, and other professional services; corporate travel and entertainment; depreciation and amortization of property and equipment, asset impairment charges, legal settlements, and facilities rent.

Sales and Marketing. Sales and marketing expenses consist primarily of salaries, commissions, benefits, stock-based compensation, and bonuses for sales and marketing employees and contractors; third-party marketing expenses such as social media and search engine marketing, retail marketing, email marketing, and print marketing.

Research and Development. Research and development expenses consist primarily of salaries, benefits, stock-based compensation, and bonuses for employees and contractors engaged in the design, development, maintenance, and testing of our products and platforms, including clinical testing.

Other Income (Expense)

Interest Income (Expense), Net. Interest income (expense), net consists of interest incurred on our outstanding borrowings and amortization of issuance costs. Interest income consists of interest earned on our money market account.

Common Stock Warrant Liability Adjustment. Mark to market adjustment to recognize the change in fair value of common stock warrant liabilities.

Other Income (Expense), Net. Other income (expense), net includes our net gain (loss) on foreign exchange transactions.

Income Tax Provision. Income tax provision consists primarily of U.S. federal and state income taxes related to the tax jurisdictions in which we conduct business.

Results of Operations

The following table sets forth our results of operations for the periods, indicated in thousands:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 26,063	$ 20,699	$ 47,167	$ 35,449
Cost of revenues	12,683	10,447	22,461	18,650
Gross profit	13,380	10,252	24,706	16,799
Operating expenses:				
General and administrative	7,228	6,290	14,320	12,340
Sales and marketing	4,318	3,852	8,320	7,748
Research and development	3,753	2,354	6,656	4,701
Total operating expenses	15,299	12,496	29,296	24,789
Operating loss	(1,919)	(2,244)	(4,590)	(7,990)
Other income (expense):				
Interest income (expense), net	(979)	20	(1,970)	(141)
Common stock warrant liability adjustment	(34,753)	1,028	(28,066)	10,207
Other income (expense), net	37	71	49	73
Total other income (expense), net	(35,695)	1,119	(29,987)	10,139
Income (loss) before income tax provision	(37,614)	(1,125)	(34,577)	2,149
Income tax provision	(33)	(22)	(45)	(22)
Net income (loss) and comprehensive income (loss)	$ (37,647)	$ (1,147)	$ (34,622)	$ 2,127
Accretion on convertible preferred stock	(849)	(1,535)	(1,696)	(2,863)
Accretion on redeemable common stock	(21)	—	(42)	—
Allocation of net loss attributable to redeemable common stockholders	1,330	—	1,268	—
Net loss attributable to redeemable common stockholders	(1,309)	—	(1,226)	—
Net loss attributable to common stockholders	$ (37,187)	$ (2,682)	$ (35,092)	$ (736)
Net loss per share attributable to common stockholders, basic and diluted	$ (2.37)	$ (0.30)	$ (2.26)	$ (0.08)
Weighted-average number of shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted	15,716,376	8,867,399	15,550,751	8,803,729
Net loss per share attributable to redeemable common stockholders, basic and diluted	$ (2.33)	$ —	$ (2.18)	$ —
Weighted-average number of shares outstanding used to compute net loss per share attributable to redeemable common stockholders, basic and diluted	562,500	—	562,500	—

Revenues

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(dollars in thousands)	2025	2024	$	%	2025	2024	$	%
Revenues	$ 26,063	$ 20,699	$ 5,364	25.9%	$ 47,167	$ 35,449	$ 11,718	33.1%

Revenues increased by $5,364, or 25.9%, from $20,699 for the three months ended June 30, 2024 to $26,063 for the three months ended June 30, 2025. Revenues increased by $11,718, or 33.1%, from $35,449 for the six months ended June 30, 2024 to $47,167 for

the six months ended June 30, 2025. For both the three month and six month periods ended June 30, 2025, the increase in revenues was primarily due to higher sales of Dream Sock and Dream Duo products, reflecting an increase in consumer demand as compared to the same periods in the prior year. The increase in revenues to a lesser extent was also attributed to the growth in revenue for our Owlet360 subscription service, which launched in January 2025.

Cost of Revenues and Gross Margin

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(dollars in thousands)	**2025**	**2024**	**$**	**%**	**2025**	**2024**	**$**	**%**
Cost of revenues	$ 12,683	$ 10,447	$ 2,236	21.4%	$ 22,461	$ 18,650	$ 3,811	20.4%
Gross margin	51.3%	49.5%			52.4%	47.4%		

Cost of revenues increased by $2,236, or 21.4%%, from $10,447 for the three months ended June 30, 2024 to $12,683 for the three months ended June 30, 2025. The increase in cost of revenues was primarily due to the increase in product sales. Gross margin increased from 49.5% for the three months ended June 30, 2024 to 51.3% for the three months ended June 30, 2025. The increase in gross margin was primarily due to higher revenue, favorable product mix, improved fixed cost absorption, and lower direct product and fulfillment costs, partially offset by the impact of tariffs. The increase in gross margin to a lesser extent was also attributed to the growth in revenue for our Owlet360 subscription service.

Cost of revenues increased by $3,811, or 20.4%, from $18,650 for the six months ended June 30, 2024 to $22,461 for the six months ended June 30, 2025. The increase in cost of revenues was primarily due to the increase in product sales. Gross margin increased from 47.4% for the six months ended June 30, 2024 to 52.4% for the six months ended June 30, 2025. The increase in gross margin was primarily due to higher revenue, favorable product mix, improved fixed cost absorption, and lower direct product and fulfillment costs, partially offset by the impact of tariffs. The increase in gross margin to a lesser extent was also attributed to the growth in revenue for our Owlet360 subscription service.

General and Administrative

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(dollars in thousands)	**2025**	**2024**	**$**	**%**	**2025**	**2024**	**$**	**%**
General and administrative	$ 7,228	$ 6,290	$ 938	14.9%	$ 14,320	$ 12,340	$ 1,980	16.0%

General and administrative expenses increased by $938, or 14.9%, from $6,290 for the three months ended June 30, 2024 to $7,228 for the three months ended June 30, 2025. The increase in general and administrative expenses was driven primarily by higher compensation expense, including accrued bonuses, and an increase in headcount, partially offset by lower stock-based compensation expense as compared to the same period in the prior year.

General and administrative expenses increased by $1,980, or 16.0%, from $12,340 for the six months ended June 30, 2024 to $14,320 for the six months ended June 30, 2025. The increase in general and administrative expenses was driven primarily by litigation settlements and higher compensation expense, including accrued bonuses, the absence of a bad debt recovery, and an increase in headcount, partially offset by lower stock-based compensation expense as compared to the same period in the prior year.

Sales and Marketing

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(dollars in thousands)	**2025**	**2024**	**$**	**%**	**2025**	**2024**	**$**	**%**
Sales and marketing	$ 4,318	$ 3,852	$ 466	12.1%	$ 8,320	$ 7,748	$ 572	7.4%

Sales and marketing expenses increased by $466, or 12.1%, from $3,852 for the three months ended June 30, 2024 to $4,318 for the three months ended June 30, 2025. The increase in sales and marketing expenses was driven primarily by higher compensation expense due to accrued bonuses as compared to the same period in the prior year.

Sales and marketing expenses increased by $572, or 7.4%, from $7,748 for the six months ended June 30, 2024 to $8,320 for the six months ended June 30, 2025. The increase in sales and marketing expenses was driven primarily by higher compensation expense due to accrued bonuses as compared to the same period in the prior year.

Research and Development

(dollars in thousands)	Three Months Ended June 30, 2025	2024	Change $	Change %	Six Months Ended June 30, 2025	2024	Change $	Change %
Research and development	$ 3,753	$ 2,354	$ 1,399	59.4%	$ 6,656	$ 4,701	$ 1,955	41.6%

Research and development expenses increased by $1,399, or 59.4%, from $2,354 for the three months ended June 30, 2024 to $3,753 for the three months ended June 30, 2025. The increase in research and development expenses was driven primarily by higher compensation expense, including accrued bonuses, an increase in headcount, and increased investment in research & development, as compared to the same period in the prior year.

Research and development expenses increased by $1,955, or 41.6%, from $4,701 for the six months ended June 30, 2024 to $6,656 for the six months ended June 30, 2025. The increase in research and development expenses was driven primarily by higher compensation expense, including accrued bonuses, an increase in headcount, and increased investment in research & development, as compared to the same period in the prior year.

Other Income (Expense), Net

(dollars in thousands)	Three Months Ended June 30, 2025	2024	Change $	Change %	Six Months Ended June 30, 2025	2024	Change $	Change %
Interest income (expense), net	$ (979)	$ 20	$ (999)	(4995.0%)	$ (1,970)	$ (141)	$ (1,829)	1297.2%
Common stock warrant liability adjustment	$ (34,753)	$ 1,028	$ (35,781)	(3480.6%)	$ (28,066)	$ 10,207	$ (38,273)	(375.0%)
Other income (expense), net	$ 37	$ 71	$ (34)	(47.9%)	$ 49	$ 73	$ (24)	(32.9%)

Net interest expense increased by $999, from $20 of net interest income for the three months ended June 30, 2024 to $979 of net interest expense for the three months ended June 30, 2025. Net interest expense increased by $1,829, from $141 for the six months ended June 30, 2025 to $1,970 for the six months ended June 30, 2025. For both the three and six month periods ended June 30, 2025, the increase in net interest expense was driven primarily by interest and amortization of issuance costs related to the Company's current term loan facility and asset-based revolving credit facility, which were entered into in September 2024.

For the three months ended June 30, 2025, we recognized a loss of $34,753 as compared to a gain of $1,028 for the same period in the prior year resulting from a large increase in the fair value of common stock warrants outstanding for the three months ended June 30, 2025, as compared to a decrease in the fair value of common stock warrants outstanding for the same period in the prior year.

For the six months ended June 30, 2025, we recognized a loss of $28,066 as compared to a gain of $10,207 for the same period in the prior year resulting from an increase in the fair value of common stock warrants outstanding for the six months ended June 30, 2025, as compared to a decrease in the fair value of common stock warrants outstanding for the same period in the prior year. Additionally, the loss recognized for the six months ended June 30, 2025 included the increase in fair value of the Series B Warrants that were issued in February 2024, which were not outstanding for the full period in the prior year.

Non-GAAP Adjusted EBITDA

To supplement our unaudited consolidated financial statements, which are prepared in conformity with U.S. GAAP, we use adjusted EBITDA, a non-GAAP financial measure, to enhance our understanding of U.S. GAAP financial measures, as an internal measure of business operating performance, and as a performance measure for benchmarking against our peers and competitors. We believe our presentation of adjusted EBITDA provides a meaningful perspective of the underlying operating performance of our current business and enables investors to better understand and evaluate our historical and prospective operating performance. We believe that this non-GAAP financial measure is an important supplemental measure of operating performance because it excludes items that vary from period to period without correlation to our core operating performance and highlight trends in our business that may not otherwise be apparent when relying solely on GAAP financial measures. Due to the nature of the items being excluded, such items do not reflect future gains, losses, expenses or benefits and are not indicative of our future operating performance. We believe investors, analysts and other interested parties use adjusted EBITDA in evaluating issuers, and the presentation of these measures facilitates a comparative assessment of our operating performance in addition to our performance based on GAAP results.

Non-GAAP financial measures should not be considered as an alternative to net loss as a measure of financial performance or any other performance measure derived in accordance with GAAP, and should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

Adjusted EBITDA is defined as net loss adjusted for income tax provision, interest expense, net, depreciation and amortization, impairment of intangible assets, common stock warrant liability adjustments, stock-based compensation, transaction costs, and charges related to certain legal matters.

Adjusted EBITDA is not a recognized terms under GAAP, and our presentation of this non-GAAP measure does not replace the presentation of our financial results in accordance with GAAP. Because all companies do not use adjusted EBITDA (and similarly titled financial measures) in the same way, those measures as used by other companies may not be consistent with the way we calculate such measures. The non-GAAP financial measure included in this report should not be construed as a substitute for or better indicators of the Company's performance than the most directly comparable GAAP financial measures. See the reconciliation tables below for additional information regarding the non-GAAP financial measure included herein (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in thousands)	**2025**	**2024**	**2025**	**2024**
GAAP net income (loss)	$ (37,647)	$ (1,147)	$ (34,622)	$ 2,127
Income tax provision	33	22	45	22
Interest (income) expense, net	979	(20)	1,970	141
Depreciation and amortization	109	104	228	213
Impairment of intangible assets	15	3	20	12
Common stock warrant liability adjustment	34,753	(1,028)	28,066	(10,207)
Stock-based compensation	1,588	2,104	3,245	4,331
Transaction costs	—	83	—	375
Charges related to certain legal matters	463	—	1,368	—
Non-GAAP Adjusted EBITDA	$ 293	$ 121	$ 320	$ (2,986)

Liquidity and Capital Resources

We fund our operations primarily with proceeds from issuances of our convertible preferred stock, issuances of our common stock, borrowings under our loan facilities, issuances of convertible promissory notes, and sales of our products and services. As of June 30, 2025, we had cash and cash equivalents of $21,827.

On February 17, 2023 we entered into private placement investment agreements with certain investors, pursuant to which we issued and sold to the investors (i) an aggregate of 30,000 shares of our Series A convertible preferred stock, par value $0.0001 per share and (ii) warrants to purchase an aggregate of 7,871,712 shares of our common stock, par value $0.0001 per share, ("Series A Warrants") for an aggregate purchase price of $30,000.

As of June 30, 2025, 390,378 of the Series A Warrants have been exercised. The Series A Warrants that were exercised were marked to market based on the liability classification of the warrants, and we subsequently received $1,822 of cash proceeds during the three months ended June 30, 2025 from the exercise of the Series A Warrants.

On February 25, 2024 we entered into a private placement investment agreement with certain investors, pursuant to which we issued and sold to the investors (i) an aggregate of 9,250 shares of our Series B convertible preferred stock, par value $0.0001 per share and (ii) warrants to purchase an aggregate of 1,799,021 shares of our common stock, par value $0.0001 per share (the "February 2024 Warrants"), for an aggregate gross purchase price of $9,250.

As of June 30, 2025, the redemption value for Series B convertible preferred stock is $9,250. None of the Series B convertible preferred stock had been converted as of June 30, 2025. None of the Series B Warrants have been exercised as of June 30, 2025.

On September 11, 2024, we entered into the underwriting agreement and issued 3,135,136 shares of our common stock at a price to the public of $3.70 per share, less underwriting discounts and commissions. The net proceeds we received were $10,590. The shares were issued pursuant to our registration statement on Form S-3 (File No. 333-281556), filed by us with the SEC on August 14, 2024, which was declared effective on August 23, 2024. We provided the underwriter a discount of 7% off the offering price.

In addition to the underwriter discount, the offering expenses with third parties were $863, of which $0 in issuance costs that were unpaid as of June 30, 2025. We also reimbursed the underwriters for $198 in fees and expenses, including legal expenses, out-of-pocket expenses, and clearing expenses. The issuance costs associated with the September 2024 Offering were recorded as a reduction to additional paid-in capital on the unaudited condensed consolidated balance sheets.

Pursuant to the underwriting agreement, we also issued, as a portion of the underwriting compensation payable to the underwriter, a warrant to purchase up to 125,405 shares of our common stock (which was subsequently transferred to certain affiliates of the underwriter, the "Titan Warrants").

The Titan Warrants are initially exercisable on March 13, 2025 at an exercise price of $4.63 and have a term of five years from such initial exercise date. None of the Titan Warrants have been exercised as of June 30, 2025.

WTI Loan Facility

On September 11, 2024,(the "Effective Date"), we, as guarantor, and our wholly-owned subsidiary, Owlet Baby Care, Inc., a Delaware corporation ("OBCI"), as the borrower, entered into a Loan Facility Agreement (the "Loan Facility Agreement") with WTI Fund X, Inc. and WTI Fund XI, Inc. (collectively "WTI" for a term loan facility of up to $15,000 (the "WTI Loan Facility").

The WTI Loan Facility consists of two tranches. The first tranche of $10,000 was available at closing and through September 30, 2024, with $2,500 of the first tranche availability extendable until December 31, 2024 (the "First Tranche Commitment"). The second tranche of $5,000 (the "Second Tranche Commitment," or together with the First Tranche Commitment, the "Loan Commitments") per the initial Loan Facility Agreement would be available through August 15, 2025 and upon achievement of (a) at least $48,600 in revenue for the period that commenced October 1, 2024 and ending June 30, 2025 (the "Second Tranche Condition Period"), (b) total cash burn during the Second Tranche Condition Period not to exceed $600 for such period, (c) receipt by us of at least $6,000 of net proceeds from an equity financing during a period commencing on the closing date and ending on the second tranche borrowing date, and (d) receipt by WTI of the our then-current, board-approved operating and financing plan to WTI's satisfaction, as well as compliance with certain reporting conditions. In July 2025, WTI granted a 90-day extension, making the Second Tranche Commitment available through November 13, 2025. The terms of the Loan Facility Agreement were otherwise not modified in tandem with the extension. As of June 30, 2025, we were in compliance with all covenants under the WTI Loan Facility.

We initiated our first drawdown under the WTI Loan Facility of $7,500 (the "Initial Loan") shortly after finalizing the Loan Facility Agreement in September 2024. We agreed with WTI to extend the remaining $2,500 of the First Tranche Commitment to March 31, 2025. We ultimately elected not to draw on the remainder of the first tranche and, as a result, 62,500 unvested shares of redeemable common stock were forfeited on March 31, 2025. Once repaid, we cannot reborrow from the WTI Loan Facility.

The interest rate on the outstanding principal amounts of any borrowing under the WTI Loan Facility for the three months ended June 30, 2025 was 12%. Accrued coupon interest and accrued payment-in-kind interest ("PIK interest") are recorded within accrued and other expenses and within long-term debt, net respectively on the unaudited condensed consolidated balance sheets. Accrued PIK interest was $152 as of June 30, 2025.

As partial consideration for the availability and funding of the WTI Loan Facility, we and WTI Fund X, LLC ("Fund X") and WTI Fund XI, LLC ("Fund XI", and together with Fund X, the "WTI Funds") entered into a Stock Issuance Agreement (the "WTI Stock Issuance Agreement"), dated as of the Effective Date. Pursuant to the WTI Stock Issuance Agreement, we issued to the WTI Funds an aggregate of 750,000 shares of redeemable common stock on the Effective Date, of which 62,500 shares of the redeemable common stock have been forfeited and the remaining 125,000 of unvested redeemable common stock are subject to forfeiture in the event that we do not draw on the remaining portion of the outstanding Loan Commitment. To the extent we do exercise our option under the Loan Commitments to issue additional debt, a number of forfeitable shares will 'vest' and no longer be subject to forfeiture based on the pro rata portion of the outstanding Loan Commitments drawn against.

The shares issued to WTI pursuant to the WTI Stock Issuance Agreement contain an embedded redemption option (the "Redemption Option") such that WTI may elect to force us to redeem the shares that are no longer subject to forfeiture for a price of $8.40 per share. The Redemption Option may be exercised in whole or in part, at any time, from time to time, during the period commencing on the first trading day following the fifth anniversary of the Effective Date and continuing through the date which is 10 years after the Effective Date, subject to certain acceleration provisions set forth in the WTI Stock Issuance Agreement. Because the shares are redeemable at the option of the WTI Funds, the shares are recorded in mezzanine equity on the unaudited condensed consolidated balance sheets. The redeemable common shares were initially recorded at their fair value of $7.66 per share, which was an aggregate value of $4,308. The value of the redeemable common shares was determined using a combination of the value of our stock on the date of issuance and the theoretical value of a stand-alone put option valued using a Black-Scholes put option model discounted by a present value factor that considers the credit spread between an estimated Company specific discount rate and the risk-free rate of return. Because the shares are required to be redeemed at the option of WTI, based solely on the passage of time, and provided WTI

did not elect to otherwise sell or transfer the shares beforehand, the carrying value of the shares will accrete to their redemption value of $8.40 per share from the issuance date through September 11, 2029, the date the Redemption Option first becomes exercisable.

We allocated the lender fees (including the fair value of the vested shares) and third-party debt financing costs between the Initial Loan and the remaining, undrawn Loan Commitments. The costs allocated to the Initial Loan are accounted for as a discount and will be amortized across the term of the Initial Loan using the effective interest method. The costs allocated to the remaining, undrawn Loan Commitments are accounted for as loan commitment assets, which are being amortized to interest expense using the straight-line method over the commitment periods, due to uncertainty about our intent to access the Loan Commitment. The unamortized portion of the loan commitment assets was $142 as of June 30, 2025 and is recorded within Other assets on the unaudited condensed consolidated balance sheets.

We recognized $258 of interest expense related to the amortization of debt financing costs of the WTI Loan Facility and $282 of interest expense related to the amortization of the loan commitment assets during the three months ended June 30, 2025.

We recognized $480 of interest expense related to the amortization of debt financing costs of the WTI Loan Facility and $667 of interest expense related to the amortization of the loan commitment assets during the six months ended June 30, 2025.

ABL Line of Credit

On September 11, 2024, we, as guarantor, and our wholly-owned subsidiary, OBCI, as borrower, entered into a Credit and Security Agreement (the "Credit Agreement") with the financial institutions party thereto from time to time as lenders (collectively the "Lenders") and ABL OPCO LLC, a Delaware limited liability company, in its capacity as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

The Credit Agreement provides for an asset-based revolving credit facility (the "ABL Line of Credit") in a maximum principal amount of up to $15,000, which amount shall increase to $20,000 on September 11, 2025 (the "Revolving Commitment"). The ABL Line of Credit is collateralized by substantially all of our assets.

The ABL Line of Credit matures on September 10, 2027 (the "Maturity Date"). The Credit Agreement contains representations, warranties, covenants, and events of default customary for agreements of this type. As of June 30, 2025, we were in compliance with all covenants under the Credit Agreement.

The unamortized portion of debt financing costs related to the Credit Agreement as of June 30, 2025 was $597 and is recorded as a loan commitment asset within other assets on the unaudited condensed consolidated balance sheets. Issuance costs are amortized straight-line over the term of the Credit Agreement and recorded within interest income (expense), net on the unaudited condensed consolidated statements of operations and comprehensive income (loss).

On June 30, 2025, there was $14,876 of outstanding borrowings, which is recorded as a current liability on the unaudited condensed consolidated balance sheets based on our intent and ability to repay the outstanding borrowings in the near term. The remaining borrowing base availability under the Credit Agreement was $124 as of June 30, 2025.

On June 11, 2025, we entered into a First Amendment to Credit and Security Agreement (the "First Amendment") with the Lenders and ABL OPCO LLC, a Delaware limited liability company, in its capacity as administrative agent for the Lenders (in such capacity, the "Administrative Agent"). The First Amendment amends the Credit and Security Agreement, dated September 11, 2024, that was entered into by the Loan Parties, the Lenders and the Administrative Agent, to (among other things) (i) modify certain financial covenants ,including EBITDA covenants (these may be calculated differently from EBITDA as disclosed in Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-Q), required to be maintained by us (ii) increase the amount of capital expenditures that may be incurred by the us during certain fiscal years, and (iii) expand the eligibility of certain accounts receivable that we can borrow against. Apart from the aforementioned changes, no modifications were made to other covenants, including the liquidity covenant as fully described in Part II, Item 8 "Financial Statements and Supplementary Data - Note 6 to the Consolidated Financial Statements - Debt and Other Financing Arrangements" in its 2024 Annual Report on Form 10-K and Form 10-K/A for the fiscal year ended December 31, 2024.

Financed Insurance Premium

In 2024 and 2025, we financed a number of our insurance policies through short-term commercial premium finance agreements with First Insurance Funding totaling $494 to be paid within one year, accruing interest at a weighted average rate of 9.4%. As of June 30, 2025, the remaining principal balance on the combined financed insurance premiums was $275.

Funding Requirements and Going Concern

In accordance with ASU No. 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40), we have evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the date that the unaudited condensed consolidated financial statements.

Since inception, we have experienced recurring operating losses and generated negative cash flows from operations, resulting in an accumulated deficit of $302,817 as of June 30, 2025. During the six months ended June 30, 2025 and 2024, we had negative cash flows from operations of $8,170 and $6,721, respectively. As of June 30, 2025, we had $21,827 of cash on hand.

Notwithstanding the financings obtained as described further in "--Liquidity and Capital Resources" above, we have experienced recurring operating losses, negative cash flows from operations since inception, and a low cash balance relative to current obligations which raise substantial doubt about our ability to continue as a going concern within one year after the date that the accompanying unaudited condensed consolidated financial statements are issued. The accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis and accordingly, do not include any adjustments relating to the recoverability and classification of asset carrying amounts, or the amount and classification of liabilities that might result should we be unable to continue as a going concern.

We have not generated sufficient cash flows from operations to satisfy our capital requirements for the next twelve months. There can be no assurance that we will generate sufficient future cash flows from operations to fund our ongoing operations due to potential factors, including but not limited to inflation, recession, or reduced demand for our products. If revenues decrease from current levels, we may be unable to further reduce costs, or such reductions may limit our ability to pursue strategic initiatives and grow revenues in the future.

There can be no assurance that we will be able to obtain additional financing on terms acceptable to us, if at all. Failure to secure additional funding may require us to modify, delay or abandon some of our planned future development, or to otherwise enact further operating cost reductions, which could have a material adverse effect on our business, operating results, financial condition and ability to achieve our intended business objectives.

If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our common stock. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to pursue our business objectives and to respond to business opportunities, challenges, or unforeseen circumstances could be significantly limited, and our business, financial condition, and results of operations could be materially adversely affected. We also could be required to seek funds through arrangements with partners or others that may require us to relinquish rights or jointly own some aspects of our technologies, products, or services that we would otherwise pursue on our own.

Cash Flows

The following table summarizes our cash flow (in thousands):

	Six Months Ended June 30,	
	2025	**2024**
Net cash used in operating activities	$ (8,170)	$ (6,721)
Net cash used in investing activities	(199)	(74)
Net cash provided by financing activities	9,865	5,601
Net change in cash, cash equivalents, and restricted cash	$ 1,496	$ (1,194)

Operating Activities

For the six months ended June 30, 2025, net cash used in operating activities was $8,170 as compared to net cash used in operating activities of $6,721 in the prior year. The change in operating cash flows was primarily driven by an increase in accounts receivable, which was $12,220 for the six months ended June 30, 2025 as compared to an increase in accounts receivable of $2,538 for the same period in the prior year.

Investing Activities

For the six months ended June 30, 2025, we used $199 to invest in various projects, primarily for the development of our new subscription app. For the six months ended June 30, 2024, we used $74 for investing activities due to the prioritization of research and development projects that supported seeking regulatory clearances for our products.

Financing Activities

For the six months ended June 30, 2025 and 2024, net cash provided by financing activities was $9,865 and $5,601, respectively. The increase is primarily driven by the net proceeds from short-term borrowings and proceeds from exercise of common stock warrants.

Critical Accounting Policies and Estimates

There have been no material changes from the critical accounting policies and estimates disclosed in our Form 10-K and Form 10-K/A, other than policies disclosed in this Report.

Recent Tax Legislation

The One Big Beautiful Bill Act of 2025 (the "OBBBA") was signed into law on July 4, 2025. The OBBBA makes changes to the U.S. corporate income tax, including reinstating the option to claim 100% accelerated depreciation deductions on qualified property, with retroactive application beginning January 20, 2025, and immediate expensing of domestic research and development costs, with retroactive application beginning January 1, 2025. We are evaluating its impacts, including any potential impact in the period of enactment.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this Item.

Item 4. Controls and Procedures.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as such terms are defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to provide reasonable assurance that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our principal executive officer and principal financial officer, evaluated, as of June 30, 2025, the effectiveness of our disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of June 30, 2025 due to the material weaknesses in our internal control over financial reporting described below.

Remediation of a Previously Reported Material Weakness in Internal Control Over Financial Reporting

As previously reported in our Form 10-Q for the period ending March 31, 2025, we identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. One of the material weaknesses was previously identified related to the following:

- We did not design and maintain effective controls to verify the completeness and accuracy of accrued sales tax.

In response to this identified material weakness, our management, with the oversight of the Audit Committee of our board of directors, has been actively engaged in remediating the above material weakness. During the year ended December 31, 2024 and the six months ended June 30, 2025, we implemented remediation measures designed to remediate this material weakness, including the following:

- An annual nexus assessment to identify jurisdictions where the Company has incurred additional tax liabilities and triggered additional filing and registration requirements.
- A monthly process and control that includes (a) a reconciliation whereby sales tax transactions recorded into the general ledger are compared to external reports and to tax payments remitted, (b) a recalculation of the additional sales tax liability incurred during the period, and (c) an analytic whereby the total sales tax liability incurred during the period is assessed for reasonableness.

Management has concluded that the remediation measures described above related to the completeness and accuracy of accrued sales tax have been designed, implemented, and operated effectively for a sufficient period of time for management to conclude, based on

the results of our testing over the design and operating effectiveness of these controls, that the previously identified material weakness has been remediated as of June 30, 2025.

Material Weaknesses in Internal Control over Financial Reporting

We identified material weaknesses in our internal control over financial reporting. The material weaknesses are as follows: We did not design and maintain an effective control environment commensurate with our financial reporting requirements. Specifically, we did not maintain a sufficient complement of personnel with an appropriate degree of internal controls and accounting knowledge, experience, and training commensurate with our accounting and financial reporting requirements. This material weakness contributed to the following material weaknesses:

- We did not design and maintain effective controls over the segregation of duties related to journal entries. Specifically, certain personnel have the ability to both create and post journal entries within the Company's general ledger system. This material weakness did not result in any adjustments to the consolidated financial statements.

- We did not design and maintain effective controls over the accounting for the accuracy and existence of inventory, nor controls which verified the completeness and accuracy of accrued liabilities. Each of these material weaknesses resulted in immaterial adjustments within the year ended December 31, 2022 and the accrued liabilities material weakness resulted in immaterial adjustments within the year ended December 31, 2024, and in the interim periods ended March 31, 2025 and June 30, 2025.

- We did not design and maintain effective controls over the accounting for debt and equity arrangements, including convertible preferred stock, warrant arrangements, and stock-based compensation modifications. Further, we did not design and maintain effective controls to verify the completeness and accuracy of sales returns. Each of these material weaknesses resulted in material adjustments to several account balances and disclosures in the consolidated financial statements as of and for the year ended December 31, 2019. The sales returns material weakness also resulted in immaterial adjustments to revenue and accrued and other expenses as of and for the year ended December 31, 2022. The convertible preferred stock and warrant arrangements material weakness resulted in immaterial adjustments for the year ended December 31, 2024.

- We did not design and maintain effective controls related to the review of the statement of cash flows. This material weakness resulted in adjustments to various line items within the operating, investing, and financing categories of the cash flow and resulted in revisions to the previously issued consolidated statement of cash flows for the year ended December 31, 2023 and to the condensed consolidated statement of cash flows for the interim periods ended March 31, 2023, June 30, 2023, September 30, 2023, March 31, 2024, June 30, 2024, and September 30, 2024.

- We did not design and maintain effective controls over IT general controls for information systems that are relevant to the preparation of our consolidated financial statements. Specifically, we did not design and maintain (i) program change management controls to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately, (ii) user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to financial applications, programs, and data to appropriate Company personnel, (iii) computer operations controls to ensure that critical batch jobs are monitored, and data backups are authorized and monitored, and (iv) testing and approval controls for program development to ensure that new software development is aligned with business and IT requirements. This material weakness did not result in any adjustments to the consolidated financial statements.

Additionally, each of the material weaknesses described above could result in a misstatement of one or more account balances or disclosures that would result in a material misstatement to the interim or annual consolidated financial statements that would not be prevented or detected.

Remediation Plan

We have initiated a plan to remediate these material weaknesses. The remediation measures will be ongoing, and although not all inclusive, remediation measures include hiring additional accounting and financial reporting personnel and implementing additional policies, procedures and controls, all of which will result in future costs for the Company.

We have taken actions to improve our IT general controls, segregation of duties over journal entries controls, inventory controls, accrued liabilities, convertible preferred stock, warrant arrangements, and sales returns controls.

We continue to take actions to enhance the design of the controls we believe are necessary to remediate the material weaknesses related to sales returns. During the second quarter of 2025, we made enhancements to the design of the controls over the statement of cash flows, stock-based compensation modifications, the accuracy and existence of inventory, and IT general controls that will support the remediation of the related material weaknesses. As we continue to make progress towards remediation of these material weaknesses, we may determine the need to make further enhancements to the design of these controls.

We previously designed and implemented the controls we believe will remediate the material weakness related to the accounting for debt and equity arrangements, including convertible preferred stock and warrant arrangements. However, we may determine the need to make further enhancements to the design of these controls. The material weaknesses will not be considered remediated until our remediation plan has been fully implemented, the applicable controls operate for a sufficient period of time, and we have concluded, through testing, that the newly implemented and enhanced controls are operating effectively.

Notwithstanding the above, our management believes that the unaudited condensed consolidated financial statements included in this Report state fairly in all material respects our financial position, results of operations and cash flows for the periods presented.

Changes in Internal Control over Financial Reporting

As described in the "Remediation Plan" above, there were changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended June 30, 2025 that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings.

From time to time, we may become involved in various legal proceedings that arise in the ordinary course of business. We evaluate any claims and lawsuits with respect to their potential merits, our potential defenses and counterclaims, and the expected effect on us of defending the claims and a potential adverse result. However, the results of any litigation, investigations or other legal proceedings are inherently unpredictable and expensive. Any claims against us, whether meritorious or not, could be time consuming, result in costly litigation, damage to our reputation, and divert significant resources. If any legal proceedings were to be determined adversely to us, or we were to enter into a settlement agreement, we could be exposed to monetary damages or limits on our ability to operate our business, which could have an adverse effect on our business, financial condition and operating results. For a description of our legal proceedings, see Note 5, *Commitments and Contingencies* within the Notes to Condensed Consolidated Financial Statements included elsewhere in this Report, which is incorporated herein by reference.

Item 1A. Risk Factors.

In addition to the information contained in this Report, you should carefully consider the risk factors described in our Form 10-K and Form 10-K/A, which are incorporated herein by reference, which could materially affect our business, financial condition or results. Other than the risk factors set forth below, there have been no material changes to the risk factors described in our Form 10-K and Form 10-K/A.

Changes in tax laws may impact our future financial position and results of operations.

The rules and regulations related to income, sales, use or other tax laws, statutes, rules, regulations or ordinances in the United States are subject to change and can be interpreted, changed, modified or applied adversely to us, any of which could adversely affect our business operations and financial performance. For example, OBBBA introduced a broad range of changes to the U.S. federal income tax regime, including the extension of key provisions from the Tax Cuts and Jobs Act of 2017, modifications to the international tax framework, and the restoration of favorable tax treatment for certain business provisions, including reinstating the option to claim 100% accelerated depreciation deductions on qualified property, with retroactive application beginning January 1, 2025, among others. We continue to evaluate the impact of the legislation on our business and our tax liability as additional guidance becomes available.

Further, any changes in regulations or policies related to taxation and importation, including as a result of increased tariffs, could adversely impact the global economy and our operating results. In addition, as we expand our business internationally, the application and implementation of existing, new or future international laws regarding indirect taxes (such as a Value Added Tax) could materially and adversely affect our business, financial condition and results of operations. To the extent that future U.S. or international tax regulatory changes have a negative impact on us, including as a result of related uncertainty, these changes could adversely impact our business, results of operations and financial position and may require changes in the manner in which we operate in order to minimize increases in our tax liability.

Increases in tariffs, trade restrictions or taxes on our products could have an adverse impact on our operations.

The commerce we conduct in the international marketplace makes us subject to tariffs, trade restrictions and other taxes when the raw materials or components we purchase, and the products we ship, cross international borders. In particular, the U.S. has imposed increased tariffs on certain countries, focusing on those with which it has the largest trade deficits. Other countries have responded, and may continue to respond, by announcing retaliatory tariffs on U.S. imports. The tariffs have disrupted, and may continue to disrupt, the global markets and escalate tensions between the U.S. and other countries.

We source products primarily from Thailand and Vietnam. Increases in tariffs, trade restrictions, or taxes on our products could have an adverse impact on our operations. Our camera products are currently produced in Vietnam. As of the date of this Quarterly Report on Form 10-Q, imports from Vietnam are subject to a 20% tariff, with a higher 40% tariff in place for products deemed to have been "transshipped" from another country. Our sock and duo products, primarily sourced from Thailand, are also subject a 19% tariff. To the extent these tariffs increase our costs of goods sold, it could materially adversely impact our profitability, results of operations and financial condition. To the extent we alter our pricing as a result of such tariffs, it could reduce demand for our products or make our products less competitive than those of our competitors whose inputs are not subject to these tariffs, thereby decreasing our revenues and adversely impacting our results of operations. Products we sell into certain foreign markets could also become subject to similar retaliatory tariffs, making the products we sell less competitive compared to similar products not subjected to such import tariffs. The broader macroeconomic impact of these tariffs could also pressure our business. Tariffs can contribute to inflation by increasing the

cost of imported goods, which can erode consumer purchasing power and lead to less overall spending. In such an environment, demand for our products could decrease as consumers may prioritize other goods and services. Furthermore, any resulting shifts in U.S. monetary policy to combat inflation, such as interest rate hikes, could further constrain consumer spending. We are still evaluating the potential impact of the recently-announced tariffs on our business and financial condition. There can be no assurances that we will not be adversely impacted by such tariffs or that we will be able to pass on any incremental costs to our customers.

Further changes in U.S. trade policies, tariffs, taxes, export restrictions or other trade barriers, or restrictions on raw materials or components may limit our ability to produce products, increase our manufacturing costs, decrease our profit margins, reduce the competitiveness of our products, or inhibit our ability to sell products or purchase raw materials or components, which would have a material adverse effect on our business, results of operations and financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

There were no unregistered sales of equity securities for the three months ended June 30, 2025.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

(a) The date, time and location of our 2025 annual meeting of stockholders (the "2025 Annual Meeting") is to be determined and will be specified in a proxy statement to be filed with the SEC. Because the date of the 2025 Annual Meeting is going to be more than 30 days after the anniversary of our 2024 annual meeting of stockholders, we are hereby notifying our stockholders that the deadline for submitting stockholder proposals pursuant to Rule 14a-8 under the Exchange Act has changed from the deadline disclosed in our 2024 proxy statement. The new deadline is August 18, 2025. In order for a stockholder proposal to be included in our 2025 proxy materials, the proposal must be in writing to the Company's Chief Legal Officer at the Company's principal executive offices and received by that date, and the proposal must otherwise comply with all of the requirements of Rule 14a-8. The deadlines for proposals or director nominations submitted pursuant to our Bylaws as currently in effect remain unchanged from those disclosed in our 2024 proxy statement.

(b) None

(c) During the three months ended June 30, 2025, no directors or "officers" (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted, modified or terminated "Rule 10b5-1 trading arrangements" and/or "non-Rule 10b5-1 trading arrangements" (each as defined in Item 408 of Regulation S-K) for the purchase or sale of securities of the Company, whether or not intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act.

During the three months ended June 30, 2025, the Company did not adopt, modify or terminate a "Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K) for the purchase or sale of securities of the Company, whether or not intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act.

Item 6. Exhibits

Exhibit Number	Description	Form	File No.	Exhibit	Filing Date
10.1	First Amendment to the Credit and Security Agreement, dated June 11, 2025, by and among Owlet, Inc., Owlet Baby Care, Inc., the financial institutions party thereto from time to time as lenders, and ABL OPCI LLC, in its capacity as administrative agent for the Lenders.	8-K	001-39516	10.1	6/16/2025
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1**	Certification of the Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS*	Inline XBRL Instance Document-the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.				
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.				
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.				
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).				

*Filed herewith
**Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Owlet, Inc.

Date: August 8, 2025	By:	/s/ Kurt Workman
	Name:	Kurt Workman
	Title:	Chief Executive Officer
		(Principal Executive Officer)
Date: August 8, 2025	By:	/s/ Amanda Crawford
	Name:	Amanda Crawford
	Title:	Chief Financial Officer
		(Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kurt Workman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Owlet, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

By: /s/ Kurt Workman

Kurt Workman

Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Amanda Crawford, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Owlet, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

By: /s/ Amanda Crawford

Amanda Crawford

Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATIONS OF THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Owlet, Inc., a Delaware corporation (the "Company"), does hereby certify, to the best of such officer's knowledge, that in connection with the Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"):

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2025

By: /s/ Kurt Workman

Kurt Workman

Chief Executive Officer
(Principal Executive Officer)

Date: August 8, 2025

By: /s/ Amanda Crawford

Amanda Crawford

Chief Financial Officer
(Principal Financial Officer)