

Casper

Awakening the Potential of a Well-Rested World

January 2021

Non-GAAP Financial Measures

This presentation, and the accompanying oral presentation, includes Adjusted EBITDA, a financial measure not presented in accordance with the generally accepted accounting principles in the United States ("GAAP"). This financial measure is not a measure of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, this measure should not be considered in isolation or as an alternative to net loss or other measures of profitability, liquidity or performance under GAAP. You should be aware that the Company's presentation of this measure may not be comparable to similarly titled measures used by other companies, which may be defined and calculated differently. See the financial supplementary information included in this presentation for a reconciliation of this non-GAAP measure to the most directly comparable GAAP measure.

Forward-Looking Statements

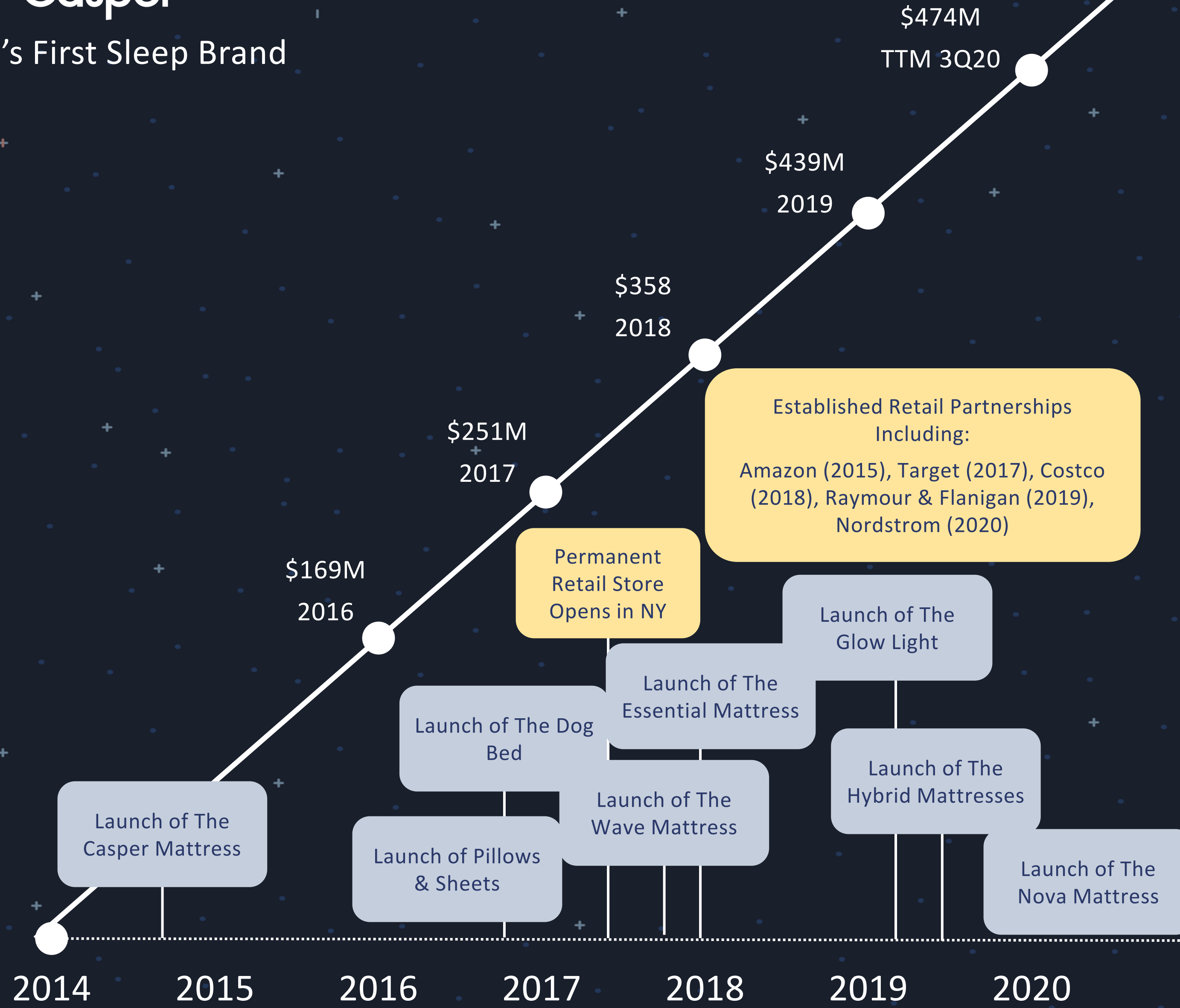
This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation statements regarding our expectations surrounding our market opportunity; our expectation to achieve positive EBITDA by mid-2021; our competitive position; our upcoming retail partnerships; our expectations regarding consumer and corporate behavior, including as a result of the COVID-19 pandemic; our future results of operations and financial position, including with respect to the fiscal year ended December 31, 2020; our business strategy and plans, and objectives of management for future operations and creating long-term value. These statements are neither promises nor guarantees, but 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, including, but not limited to, the following: the COVID-19 pandemic could adversely impact our business, financial condition and results of operations; our ability to compete successfully in the highly competitive industries in which we operate; our ability to maintain and enhance our brand; the success of our retail store expansion plans; our ability to successfully implement our growth strategies related to launching new products; the effectiveness and efficiency of our marketing programs; our ability to manage our current operations and to manage future growth effectively; our past results may not be indicative of our future operating performance; our ability to attract new customers or retain existing customers; the growth of the market for sleep as a retail category and our ability to become a leader or maintain our leadership in the category; the impact of social media and influencers on our reputation; our ability to protect and maintain our intellectual property; our exclusive reliance on third-party contract manufacturers whose efforts we are unable to fully control; our ability to effectively implement strategic initiatives; our ability to transfer our supply chain and other business processes to a global scale; risks relating to our international operations and expansion; we are dependent on our retail partners; general economic and business conditions; we could be subject to system failures or interruptions and security breaches; risks relating to changing legal and regulatory requirements, and any failure to comply with applicable laws and regulations; we may be subject to product liability claims and other litigation; we may experience fluctuations in our quarterly operating results; we have and expect to continue to incur significant losses; risks relating to our indebtedness; our need for additional funding, which may not be available; risks relating to taxes; future sales by us our stockholders may cause the market price of our stock to decline; and risks and additional costs relating to our status as a new public company. These and other important factors discussed under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019, as updated by the "Risk Factors" section of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, and our other filings with the Securities and Exchange Commission could cause actual results to differ materially from those indicated by the forward-looking statements made in this presentation. Any such forward-looking statements represent management's estimates as of the date of this presentation. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change.

Casper

World's First Sleep Brand

● Net Revenue

- ~2M Customers Since Founding⁽¹⁾
- 3% U.S. Mattress Market⁽²⁾
- 65 Retail Stores⁽³⁾
- 21 Retail Partnerships⁽³⁾
- \$600M+ Marketing Invested in the Brand Since Founding
- 35% U.S. Aided Brand Awareness⁽⁴⁾
- 30+ Differentiated Products⁽³⁾



Established Retail Partnerships Including:
 Amazon (2015), Target (2017), Costco (2018), Raymour & Flanigan (2019), Nordstrom (2020)

(1) Casper's internal data and analytics since founding. (2) Per Frost & Sullivan "Global Total Addressable Market (TAM) Assessment for the Sleep Economy," which was commissioned by the Company in 2019. Based off TTM 3Q20 Net Revenue. "U.S. Mattress Market" includes Adult, Child and Infant Mattress categories along with Hotels, Travel and Healthcare applications. (3) As of 3Q20. (4) Estimated based on Casper's internal communications and press data and analytics YTD 9/30/2020.

What Makes Casper Special



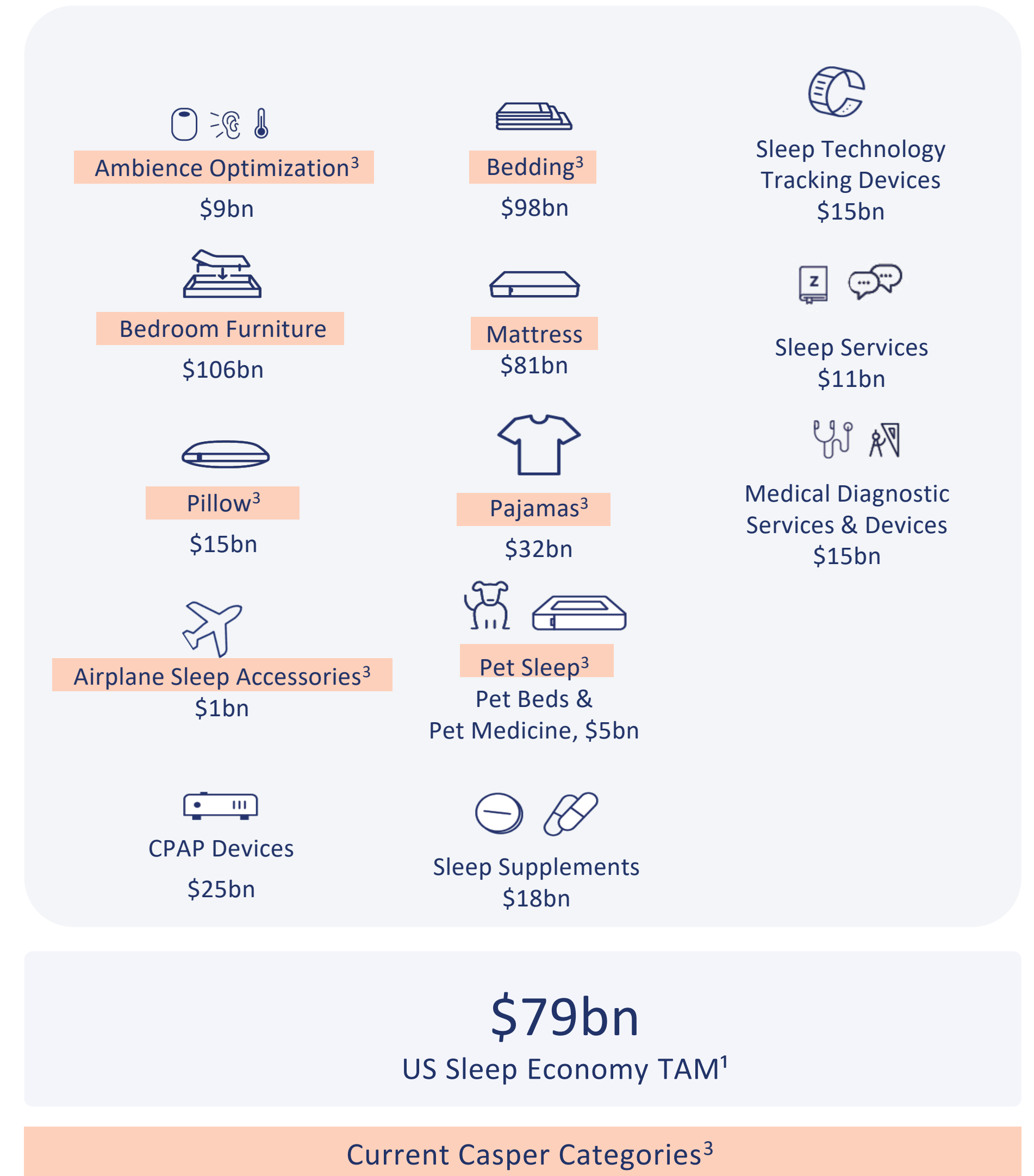
A Significant Market Opportunity for Casper

Sleep is the Third Pillar of Wellness and Represents a Large Opportunity



\$432bn

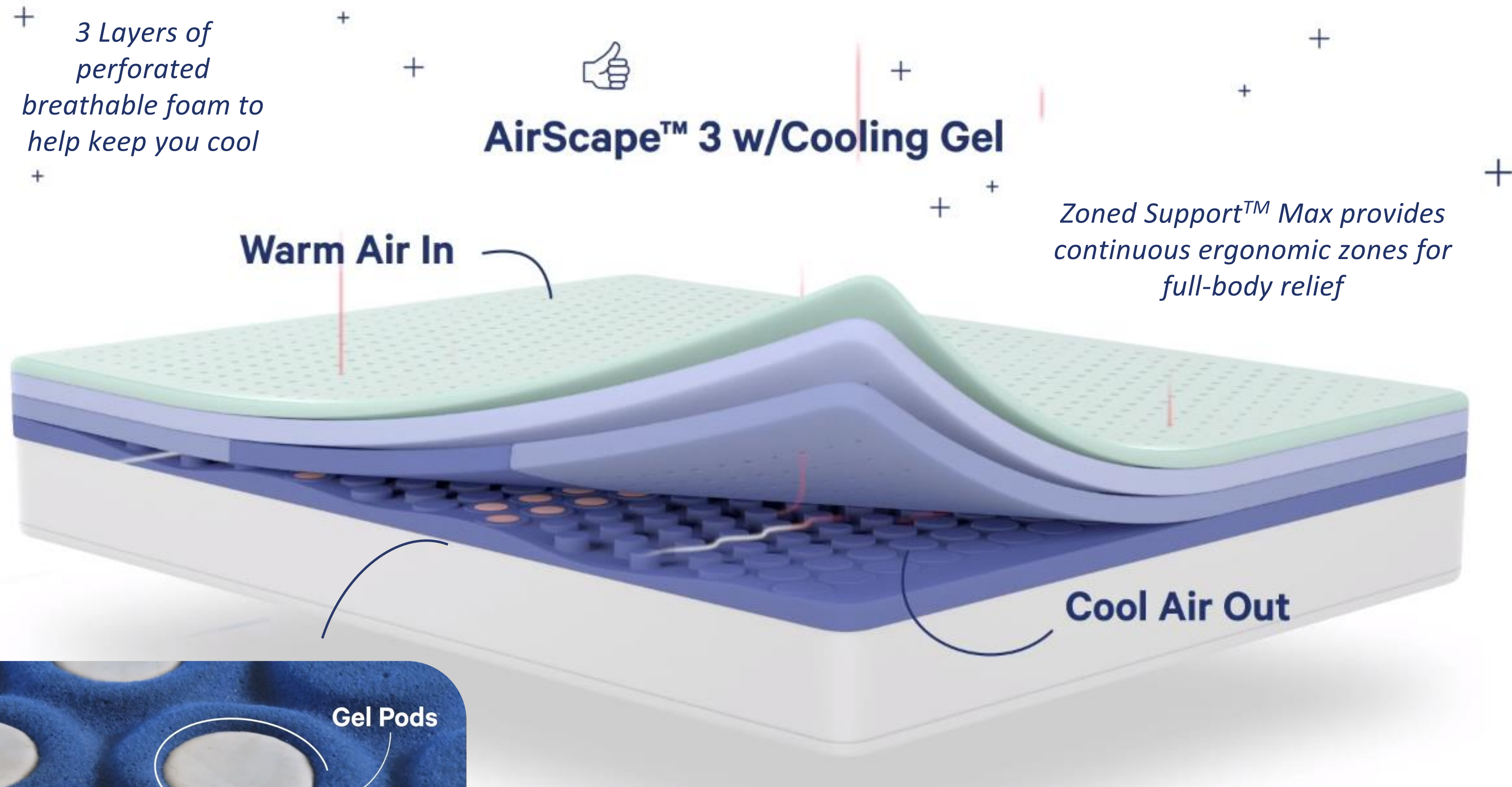
Global Sleep Economy Addressable Market¹



(1) Per Frost & Sullivan "Global Total Addressable Market (TAM) Assessment for the Sleep Economy," which was commissioned by the Company in 2019. Travel, Hospitality, and Healthcare represent commercial applications within The Sleep Economy. (2) Per Global Wellness Institute: 2018 Global Wellness Economy Monitor. (3) Pillow and Bedding fall under Casper's "Soft Goods" product category. Ambience Optimization falls under Casper's "Connected Sleep" product category. Pet Sleep, Airline Sleep Accessories, and Pajamas fall under Casper's "Accessories and Third-Party Products" product category. "Current" references data as of 9-30-2020.

Differentiated Mattress Design

Dedicated research & development team committed to dreaming up ways to better make you sleep



Gel Pods provide more support than foam alone and are strategically placed under your waist and lower back to prevent sinking and keep your spine aligned



**Innovative
Offering
Beyond
Mattresses**



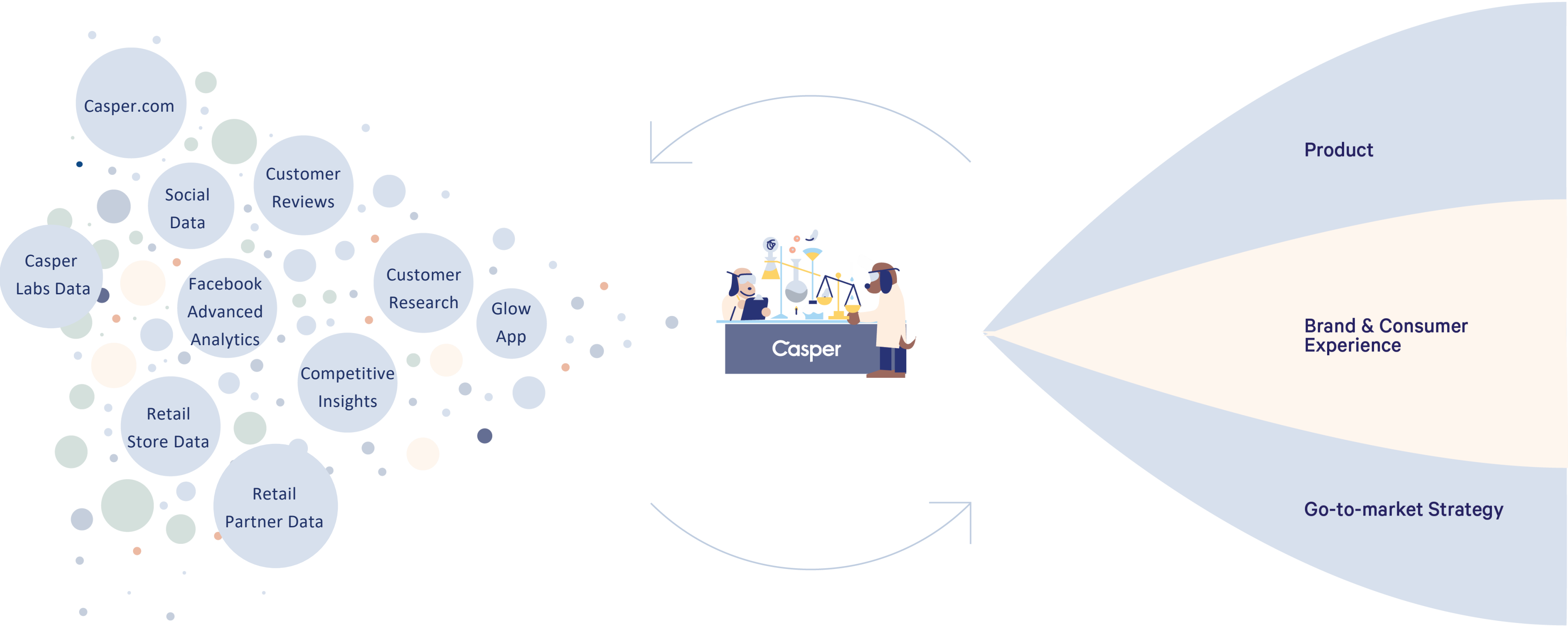
Re-Inventing a Go To Market Strategy with the Customer at the Center



Awareness → Consideration → Intent → Purchase → Repeat

Technology Based, Data-Driven and Agile Business Drive Margin Expansion

We constantly capture data from multiple sources and apply actionable insights to improve our business



We Believe We Know More About the Business of Sleep Than Any Other Company

What Makes Casper Special

Differentiated & Powerful Marketing Approach

Continuing to make sleep cool



Cozy



Clever



Zzzealots



Casper
November 1 · 🌐
Ding, ding, ding.

No matter what the question is, sleep is always the answer. 🌙



Financial Summary

We believe that great brands have the ability to change culture

Significant Opportunity

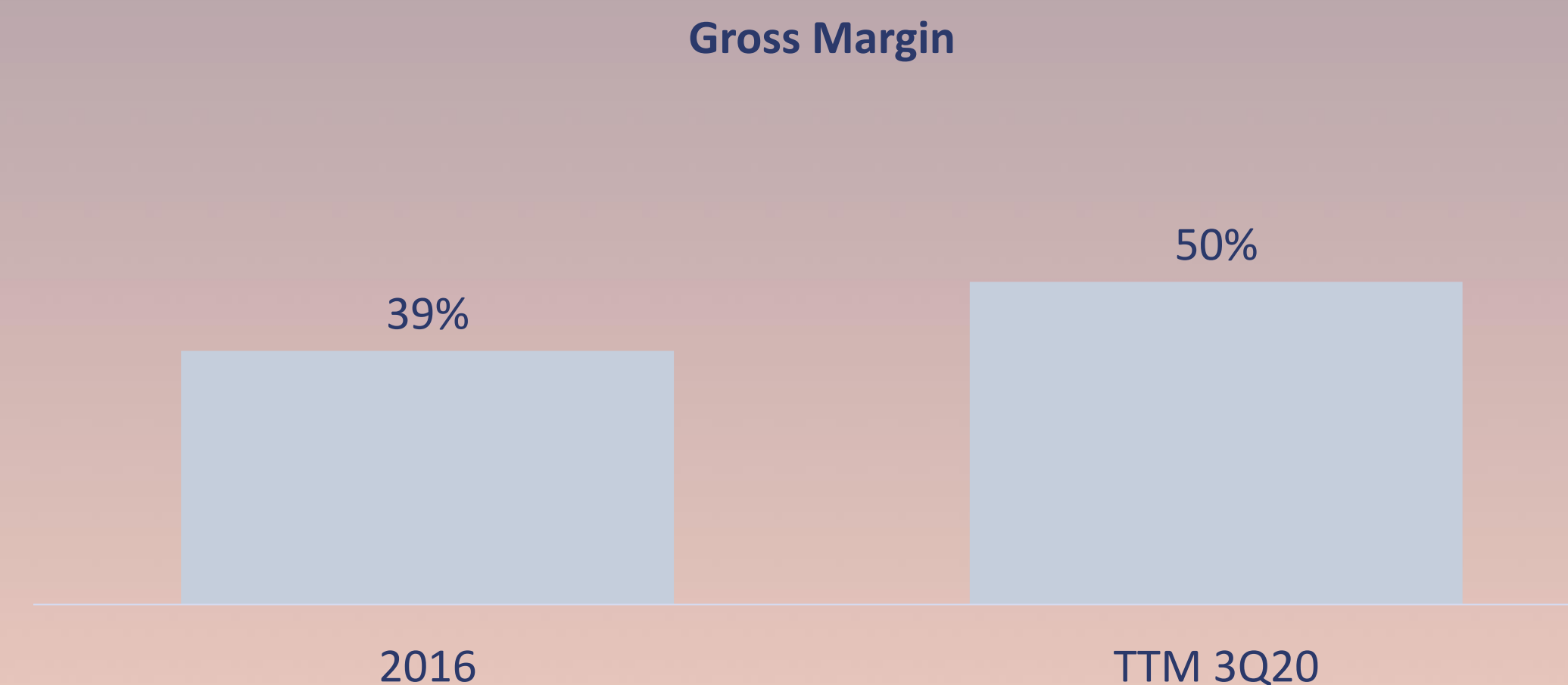
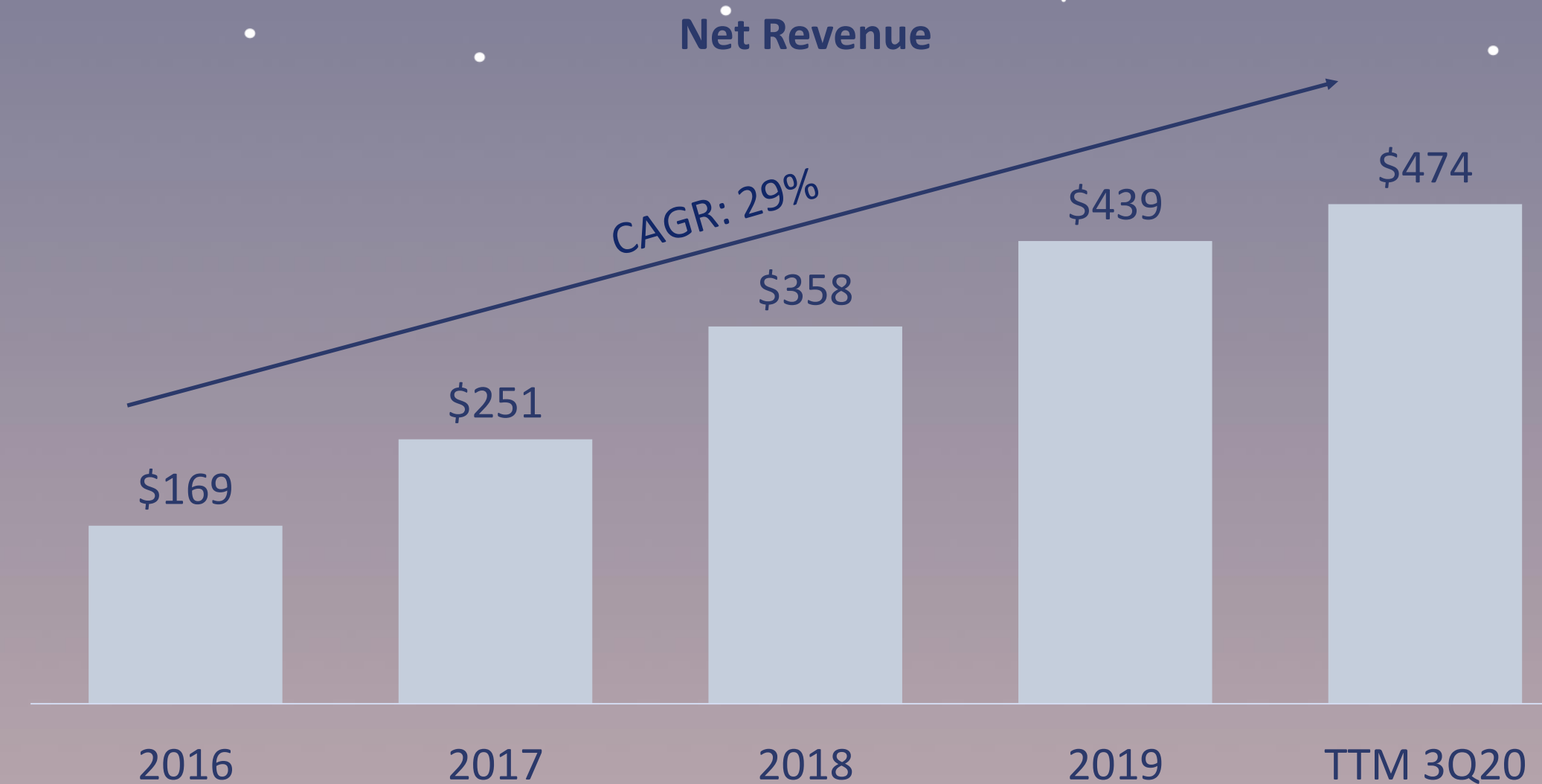
- Large Addressable Market at \$79B (US)⁽¹⁾
- \$14B of Mattress sold each year in US⁽¹⁾
- Going beyond mattress with pillows, sheets and other related products

Potential to Scale

- Expanding distribution through Retail Partnerships – 21 as of 3Q20
- 65 owned Company Stores strategically located through North America at the end of 3Q20
- \$600M+ of marketing invested behind brand since founding

Strong Financials

- TTM 3Q20 Net Revenue \$474M
- \$96M Cash/ Cash equivalents on Balance Sheet (as of Sept 30, 2020)
- Strong 50%+ gross margins averaged YTD 3Q20



(1) Per Frost & Sullivan "Global Total Addressable Market (TAM) Assessment for the Sleep Economy," which was commissioned by the Company in 2019. "U.S. Mattress Market" includes Adult, Child and Infant Mattress categories along with Hotels, Travel and Healthcare applications.

Post-COVID 19 Macro Environment Providing Tailwinds to Casper

Changes in consumer behavior that have the potential to benefit Casper



1

Cocooning

Feeling Comfy, Safe, Secure and Cozy is Core to the Casper Brand



2

Wellness

Health and Wellness Focus Includes Sleep as a Focal Point



3

Wallet Share Shifts

Changes in Consumer Spending Driving More Household Consumer Purchases



4

Home Improvements

Time at Home Driving Increased Investment in Home



5

Suburbanization

Desire for Suburb vs. City Living Leading to Increased Moving & Household Creation



6

Purchasing Platform Optionality

E-Commerce Benefits vs. In-Person Shopping Concerns

Expected Positive Adjusted EBITDA Profitability by Mid-2021

Path to Profitability Levers

Continue Strong Revenue Growth

- Exceptional retail partner success and demand
- Significant opportunity to enhance brand awareness
- Improve supply chain management & efficiency
- Optimize drop-ship inventory model

Gross Margin Expansion

- Onboard new Tier 1 and 2 suppliers, add redundancies
- Further product optimization

Disciplined Marketing with Natural Leverage

- Natural leverage as revenue from retail stores & partners increases with minimal incremental marketing investment
- Continue capitalizing on data to spend more efficiently
- Replacement cycles leading to lower acquisition costs

Scalable Overhead Structure

- Experienced leadership and management team
- Flexible retail staffing model
- Majority of overhead in place – technology infrastructure



Why Invest in Casper?

- ✓ Trusted & Known Brand
- ✓ Demonstrated Ability to Capture Market Share from Traditional Players
- ✓ Innovative Products & Services
- ✓ Integrated Omni-Channel Approach
- ✓ Data Driven Approach to Drive Margin Expansion
- ✓ Expected Positive Adjusted EBITDA Profitability by Mid-2021



Appendix



Historical Financials – Income Statement

(In thousands, unaudited)

	Nine Months Ended September 30,	
	2020	2019
Revenue	\$ 346,704	\$ 312,319
Cost of goods sold	168,155	157,342
Gross profit	178,549	154,977
Operating expenses:		
Sales and marketing expenses	113,220	113,994
General and administrative expense	128,522	105,445
Restructuring expenses	5,595	681
Total operating expenses	247,337	220,120
Loss from operations	(68,788)	(65,143)
Other (income) expense		
Net interest expense	6,435	1,355
Other (income) expense, net	(742)	841
Total other expenses, net	5,693	2,196
Loss before income taxes	(74,481)	(67,339)
Income tax expense	46	60
Net loss	(74,527)	(67,399)
Other comprehensive income (loss)		
Currency translation adjustment	(516)	75
Total comprehensive loss	\$ (75,043)	\$ (67,324)
Net loss per share attributable to common stockholders, basic and diluted	(2.07)	(6.40)
Weighted-average number of shares used in computing net loss per share attributable to common stockholders, basic and diluted	35,927,521	10,530,262

Historical Financials – Adjusted EBITDA

(In thousands, unaudited)

(in thousands)	Nine months ended September 30,	
	2020	2019
Net loss	(74,527)	(67,399)
Income tax expense	46	60
Interest (income) expense	6,435	1,355
Depreciation and amortization	9,656	4,804
Stock based compensation ⁽¹⁾	9,691	5,648
Restructuring ⁽²⁾	5,595	681
Legal settlements ⁽³⁾	500	138
Transaction costs ⁽⁴⁾	787	906
Adjusted EBITDA	(41,817)	(53,807)

(1) Represents non-cash stock-based compensation expense.

(2) Represents costs associated with restructuring our retail operations and organization structure, including severance, contract termination costs and other exit activities.

(3) Amounts related to litigations settlements.

(4) Represents expenses incurred for professional, consulting, legal, and accounting services performed in connection with our initial public offering, which are not indicative of our ongoing costs and which were discontinued following the completion of our initial public offering.

Historical Financials – Balance Sheet

(In thousands, unaudited)

Assets	September 30, 2020 December 31, 2019	
Current assets:		
Cash and cash equivalents	\$ 96,128	\$ 67,578
Accounts receivable, net	\$ 17,574	31,059
Prepaid expenses and other current assets	\$ 14,531	23,924
Inventory, net	\$ 34,269	39,358
Total current assets	162,502	161,919
Property and equipment, net	67,662	66,262
Other assets	2,682	2,137
Total assets	\$ 232,846	\$ 230,318

Liabilities, Convertible Preferred Stock and Stockholders' Deficit

Current liabilities:		
Accounts payable	26,778	30,734
Accrued expenses	58,246	73,130
Deferred revenue	10,255	9,673
Other current liabilities	27,073	34,422
Total current liabilities	122,352	147,959
Other liabilities	74,368	69,492
Total liabilities	196,720	217,451
Total stockholders' equity/(deficit)	36,126	(307,094)
Total liabilities, convertible preferred stock and stockholders' equity/(deficit)	\$ 232,846	\$ 230,318

Historical Financials – Cash Flow

(In thousands, unaudited)

	Nine Months Ended September 30,	
	2020	2019
Cash flows used in operating activities:		
Net loss	\$ (74,527)	\$ (67,399)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	11,047	4,804
Stock based compensation expense	9,691	5,648
Other	2,328	4,287
Changes in assets and liabilities:		
Accounts receivable, net	13,485	(1,273)
Prepaid expenses and other current assets	9,393	(16,747)
Inventory	4,484	5,585
Other assets	(552)	52
Accounts payable	(3,843)	2,973
Accrued expenses	(14,884)	13,263
Deferred revenue	583	(3,219)
Other liabilities	(4,191)	22,320
Net cash used in operating activities	(46,986)	(29,706)
Cash flows used in investing activities:		
Purchases of property and equipment	(12,559)	(43,631)
Note receivable	-	4,000
Net cash used in investing activities	(12,559)	(39,631)
Cash flows provided by financing activities:		
Exercise of stock options and warrants	612	1,318
Proceeds from equity issuance	87,999	68,187
Proceeds from borrowings	-	29,225
Repayment on borrowings	-	(2,922)
Net cash provided by financing activities	88,611	95,808
Effect of exchange rate changes	(516)	75
Net change in cash and cash equivalents	28,550	26,546
Cash, cash equivalents and restricted cash at beginning of period	67,578	28,355
Cash, cash equivalents and restricted cash at end of the period	\$ 96,128	\$ 54,901

Casper

Thank You!

January 2021