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 March 31, 2022

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: 001-40587

SIGHT SCIENCES, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**80-0625749**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
4040 Campbell Ave, Suite 100 Menlo Park, CA	**94025**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (877) 266-1144

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001	SGHT	The Nasdaq Global Select Market

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 May 4, 2022, the registrant had 47,590,348 shares of Common Stock, par value $0.001 outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Unless the context otherwise requires, references in this Quarterly Report on Form 10-Q to the "Company," "Sight Sciences," "we," "us" and "our" refer to Sight Sciences, Inc.

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations or financial condition, business strategy and plans, and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "hope," "intend," "may," "might," "objective," "ongoing," "plan," "potential," "predict," "project," "should," "target," "will," or "would" or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- estimates of our total addressable market, future revenue, expenses, capital requirements, and our needs for additional financing;
- our ability to enter into and compete in new markets;
- the impact of the COVID-19 pandemic on our business, our customers' and suppliers' businesses and the general economy;
- our ability to compete effectively with existing competitors and new market entrants;
- our ability to scale our infrastructure;
- our ability to manage and grow our business by expanding our sales to existing customers or introducing our products to new customers;
- our ability to establish and maintain intellectual property protection for our products or avoid claims of infringement;
- potential effects of extensive government regulation;
- our ability to obtain and maintain sufficient reimbursement for our products;
- our abilities to protect and scale our intellectual property portfolio;
- our ability to hire and retain key personnel;
- our ability to obtain financing in future offerings;
- the volatility of the trading price of our common stock;
- our expectation regarding the time during which we will be an emerging growth company under the Jumpstart Our Business Startups Act (the "JOBS Act"); and
- our ability to maintain proper and effective internal controls.

Actual events or results may differ from those expressed in forward-looking statements. As such, you should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, operating results, prospects, strategy, and financial needs. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, assumptions, and other factors described in the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission (the "SEC") on March 24, 2022 (the "2021 Form 10-K") and elsewhere in this Quarterly Report on Form 10-Q. Moreover, we operate in a highly competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. The results, events and circumstances reflected

in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements in this Quarterly Report on Form 10-Q are based on information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe that such information provides a reasonable basis for these statements, such information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information, actual results, revised expectations, or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

PART 1. FINANCIAL INFORMATION

Item 1. Financial Statements

SIGHT SCIENCES, INC.
Condensed Consolidated Balance Sheets (Unaudited)
(in thousands, except share and per share data)

	March 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 238,586	$ 260,687
Accounts receivable, net	9,949	8,709
Inventory, net	4,082	3,475
Prepaid expenses and other current assets	2,693	4,164
Total current assets	255,310	277,035
Property and equipment, net	1,714	1,454
Operating lease right-of-use assets	1,375	1,495
Other noncurrent assets	191	202
Total assets	$ 258,590	$ 280,186
Liabilities, redeemable convertible preferred stock, and Stockholders' equity (deficit)		
Current liabilities:		
Accounts payable	$ 3,074	$ 3,351
Accrued compensation	3,859	5,987
Accrued and other current liabilities	5,067	4,166
Total current liabilities	12,000	13,504
Long-term debt	32,817	32,656
Other noncurrent liabilities	1,862	1,919
Total liabilities	46,679	48,079
Commitments and contingencies (Note 6)		
Redeemable convertible preferred stock:		
Convertible preferred stock par value of $0.001 per share; 10,000,000 shares authorized; no shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	—	—
Stockholders' equity (deficit):		
Preferred stock par value of $0.001 per share; 10,000,000 shares authorized; no shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	—	—
Common stock par value of $0.001 per share; 200,000,000 shares authorized as of March 31, 2022 and December 31, 2021, respectively; 47,590,348 and 47,504,704 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	48	48
Additional paid-in-capital	388,127	385,060
Accumulated deficit	(176,264)	(153,001)
Total stockholders' equity (deficit)	211,911	232,107
Total liabilities, redeemable convertible preferred stock and stockholders' equity (deficit)	$ 258,590	$ 280,186

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

SIGHT SCIENCES, INC.
Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)
(in thousands, except share and per share data)

	Three Months Ended March 31,	
	2022	**2021**
Revenue	$ 14,881	$ 8,635
Cost of goods sold	3,033	2,301
Gross profit	11,848	6,334
Operating expenses:		
Research and development	5,646	3,440
Selling, general and administrative	28,395	14,550
Total operating expenses	34,041	17,990
Loss from operations	(22,193)	(11,656)
Interest expense	(1,046)	(1,084)
Other (expense) income, net	(15)	552
Loss before income taxes	(23,254)	(12,188)
Provision for income taxes	9	52
Net loss and comprehensive loss	$ (23,263)	$ (12,240)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.49)	$ (1.29)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	47,569,499	9,517,270

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

SIGHT SCIENCES, INC.
Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit) (Unaudited)
(in thousands, except share data)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Equity (deficit)
Balance at December 31, 2021	—	$ —	47,504,704	$ 48	$ 385,060	$ (153,001)	$ 232,107
Issuance of common stock upon exercise of stock options	—	—	85,644	—	93	—	93
Stock-based compensation expense	—	—	—	—	2,974	—	2,974
Net loss	—	—	—	—	—	(23,263)	(23,263)
Balance at March 31, 2022	—	—	47,590,348	48	388,127	(176,264)	211,911

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit
Balance at December 31, 2020	12,767,202	$ 117,331	9,509,182	$ 9	$ 1,183	$ (90,041)	$ (88,849)
Issuance of common stock upon exercise of stock options	—	—	16,862	—	11	—	11
Stock-based compensation expense	—	—	—	—	277	—	277
Net loss	—	—	—	—	—	(12,240)	(12,240)
Balance at March 31, 2021	12,767,202	117,331	9,526,044	9	1,471	(102,281)	(100,801)

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

SIGHT SCIENCES, INC.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Three Months Ended March 31,	
	2022	**2021**
Cash flows from operating activities		
Net loss	$ (23,263)	$ (12,240)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	179	135
Accretion of debt discount and amortization of debt issuance costs	161	170
Stock-based compensation expense	2,974	277
Provision for doubtful accounts receivable	(60)	27
Provision for excess and obsolete inventories	8	211
Noncash operating lease expense	121	156
Change in fair value of redeemable convertible preferred stock warrant	—	(555)
Loss on disposal of property and equipment	46	4
Changes in operating assets and liabilities:		
Accounts receivable	(1,180)	(301)
Inventory	(615)	(146)
Prepaid expenses and other current assets	1,472	122
Other noncurrent assets	10	(1,024)
Accounts payable	(248)	1,071
Accrued compensation	(2,129)	(1,845)
Accrued and other current liabilities	472	977
Other noncurrent liabilities	86	91
Net cash used in operating activities	(21,966)	(12,870)
Cash flows from investing activities		
Purchases of property and equipment	(227)	(104)
Net cash used in investing activities	(227)	(104)
Cash flows from financing activities		
Payments of costs related to initial public offering	—	(223)
Proceeds from exercise of common stock options	92	13
Net cash provided by (used in) financing activities	92	(210)
Net change in cash and cash equivalents	(22,101)	(13,184)
Cash and cash equivalents at beginning of period	260,687	61,511
Cash and cash equivalents at end of period	$ 238,586	$ 48,327
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 766	$ 766
Supplemental noncash disclosure		
Acquisition of property and equipment included in accounts payable and accrued liabilities	$ 418	$ 35
Unpaid initial public offering costs in accounts payable and accrued liabilities	$ —	$ 1,017

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

Note 1. Company and Nature of Business

Description of Business

Sight Sciences, Inc. (the "Company") was incorporated in the State of Delaware in 2010. The Company is located and headquartered in Menlo Park, California and has principal commercial offices in Southlake, Texas. The Company is an ophthalmic medical device company focused on the development and commercialization of surgical and nonsurgical technologies for the treatment of prevalent eye diseases. The Company's Surgical Glaucoma segment's product portfolio features the OMNI® Surgical System ("OMNI"), a device that facilitates the performance of both canaloplasty and trabeculotomy with a single device and single corneal incision to reduce intraocular pressure in adult patients with primary open-angle glaucoma. The Company's Dry Eye segment's product portfolio consists of the TearCare® System ("TearCare") for ophthalmologists and optometrists. TearCare is a wearable eyelid technology that delivers highly targeted and adjustable heat to the meibomian glands of the eyelids in adult patients with evaporative dry eye disease due to meibomian gland disfunction.

Stock Split

In July 2021 the Company effected a 2-for-1 stock split of its issued and outstanding shares of common stock and a proportional adjustment to the existing conversion ratios for each series of the Company's redeemable convertible preferred stock. Accordingly, all share and per share amounts for all periods presented in the accompanying condensed consolidated financial statements and notes thereto have been adjusted retroactively, where applicable, to reflect this stock split and adjustment of the redeemable convertible preferred stock conversion ratios.

Initial Public Offering

In July 2021, the Company closed its initial public offering ("IPO") of its common stock in which the Company issued and sold 10,000,000 shares of its common stock, and sold an additional 1,500,000 shares of common stock upon the full exercise of the underwriters' option to purchase additional shares of the Company's common stock. These sales occurred at the initial public offering price of $24.00 per share. The Company received net proceeds of approximately $252.2 million from the IPO, after deducting underwriting discounts and commissions of $19.3 million and offering costs of $4.5 million.

Immediately prior to the closing of the IPO, all then-outstanding shares of redeemable convertible preferred stock were converted into 25,534,404 shares of common stock. Further, all outstanding redeemable convertible preferred stock warrants were converted into warrants to purchase 659,028 shares of common stock, which resulted in the reclassification of the convertible preferred stock warrant liability to additional paid-in capital.

In connection with the Company's IPO, in July 2021, the Company's certificate of incorporation was amended and restated to provide for 200,000,000 authorized shares of common stock with a par value of $0.001 per share and 10,000,000 authorized shares of preferred stock with a par value of $0.001 per share.

Significant Risks and Uncertainties

Since inception, the Company has incurred losses and negative cash flows from operations. As of March 31, 2022, the Company had an accumulated deficit of $176.3 million and recorded a net loss of $23.3 million for the three months then ended and expects to incur future additional losses. If the Company's revenue levels from its products are not sufficient or if the Company is unable to secure additional funding when desired, the Company may need to delay the development of its products and scale back its business and operations.

The Company believes that its existing sources of liquidity will satisfy its working capital and capital requirements for at least 12 months from the issuance of its financial statements. Failure to generate sufficient revenues, achieve planned gross margins, or control operating costs will require the Company to raise additional capital through equity or debt financing. Such additional financing may not be available on acceptable terms, or at all, and could require the Company to modify, delay, or abandon some of its planned future expansion or expenditures or reduce some of its ongoing operating costs, which could harm its business, operating results, financial condition, and ability to achieve its intended business objectives.

The ongoing COVID-19 pandemic has impacted, and is expected to continue to impact, demand for the Company's products, which are used in procedures and therapies that are considered elective. COVID-19 may also, directly or indirectly, have an unfavorable impact on other areas of the Company's business including, but not limited to, supply chain, sales, third party manufacturing, research and development costs and clinical studies. The full effect of the COVID-19 pandemic on the Company's financial condition and results of operations remains highly uncertain and cannot be predicted with confidence, and will depend on certain developments, including the duration and severity of the COVID-19 pandemic and its potential variants. The impact on the Company's customers and suppliers and the range of governmental and community reactions to the pandemic are uncertain. The Company may continue to experience reduced customer demand or constrained supply that could materially adversely impact business, financial condition, results of operations, liquidity and cash flows in future periods.

Note 2. Summary of Significant Accounting Policies

There have been no significant changes in the Company's significant accounting policies during the three months ended March 31, 2022, as compared with those disclosed in the 2021 Form 10-K for the year ended December 31, 2021 filed with the U.S Securities and Exchange Commission (SEC) on March 24, 2022.

Basis of Presentation

The accompanying condensed consolidated financial statements are unaudited and have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) applicable to interim periods and pursuant to the instructions to Form 10-Q and Article 10 of Regulation S-X.

The unaudited consolidated financial statements have been prepared on a basis consistent with the audited financial statements. In the opinion of management, the unaudited consolidated financial statements reflect all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of the Company's financial information contained herein. The condensed consolidated balance sheet as of December 31, 2021 has been derived from the audited financial statements at that date. These interim consolidated financial statements do not include all disclosures required by GAAP and should be read in conjunction with the Company's financial statements and accompanying notes for the fiscal year ended December 31, 2021, which are contained in the Company's 2021 Form 10-K filed with the SEC on March 24, 2022. The Company's results of operations for the three months ended March 31, 2022 are not necessarily indicative of the results to be expected for the year ending December 31, 2022 or for any other interim period.

The accompanying condensed consolidated financial statements reflect the operations of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expense during the reporting period. The most significant estimates related to inventory excess and obsolescence, the selection of useful lives of property and equipment, determination of the fair value of stock option grants, the fair value of the redeemable convertible preferred stock warrants, and provisions for income taxes and contingencies. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. These estimates are based on

information available as of the date of the financial statements. Actual results could differ from these estimates and such differences could be material to the Company's financial position and results of operations.

New Accounting Pronouncements

During the three-month period ended March 31, 2022, there were no significant Accounting Standard Updates (ASU's) issued that were adopted. As of March 31, 2022, there are no significant ASU's issued and not yet adopted, that are expected to have a material impact on the Company's financial statements and related disclosures.

Note 3. Fair Value Measurements

The Company reports all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The authoritative guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1—Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2—Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.

Level 3—Inputs are unobservable inputs for the asset or liability. The level in the fair value hierarchy within which a fair value measurement in its entirety is based on the lowest-level input that is significant to the fair value measurement in its entirety.

The financial statements as of March 31, 2022 and December 31, 2021, do not include any assets or liabilities that are measured at fair value on a nonrecurring basis.

The Company measures the fair value of outstanding debt for disclosure purposes on a recurring basis. As of March 31, 2022 and December 31, 2021, total debt of $32.8 million and $32.7 million is reported at amortized cost, respectively. This outstanding debt is classified as Level 2 as it is not actively traded. The amortized cost of the outstanding debt approximates the fair value.

The Company measured the redeemable convertible preferred stock warrants using Level 3 unobservable inputs within the Black-Scholes option-pricing model. The key assumptions included the fair value of redeemable convertible preferred stock, volatility, the risk-free interest rate, expected term (remaining contractual term of the warrants) and dividend yield. The Company had limited historical volatility information available, and the expected volatility was based on actual volatility for comparable public companies projected over the expected terms of the warrants. The Company did not apply a forfeiture rate to the warrants as there was not enough historical information available to estimate such a rate. The risk-free rate was based on the U.S. Treasury yield curve at the time of the grant over the expected term of the warrants.

The Company determined the fair value of the redeemable convertible preferred stock warrants quarterly, with subsequent gains and losses from remeasurement of Level 3 financial liabilities recorded through other (expense) income, net in condensed statements of operations and comprehensive loss. The redeemable convertible preferred stock warrants were converted to common stock warrants upon the closing of the IPO and subsequently settled during the third quarter of the year ended December 31, 2021.

A summary of the changes in the fair value of the Company's Level 3 financial instruments for the three months ended March 31, 2021, is as follows (in thousands):

	Redeemable convertible preferred stock warrants liabilities
Balance – December 31, 2020	$ 2,112
Change in fair value	(555)
Balance – March 31, 2021	$ 1,557

Note 4. Balance Sheet Components

Property and Equipment, Net

Property and equipment, net consist of the following (in thousands):

	As of March 31, 2022	As of December 31, 2021
Tools and equipment	$ 1,874	$ 1,685
Computer equipment and software	100	100
Furniture and fixtures	254	254
Leasehold improvements	34	29
Construction in process	826	590
	3,088	2,658
Less: Accumulated depreciation	(1,374)	(1,204)
Property and equipment, net	$ 1,714	$ 1,454

Depreciation expense was $0.2 million and $0.1 million for the three months ended March 31, 2022 and 2021, respectively.

Accrued and Other Current Liabilities

Accrued and other current liabilities consist of the following (in thousands):

	As of March 31, 2022	As of December 31, 2021
Accrued expenses	$ 3,518	$ 2,726
Current portion of lease liabilities	534	510
Short term interest payable	274	275
Other accrued liabilities	741	655
Total accrued and other current liabilities	$ 5,067	$ 4,166

Other Noncurrent Liabilities

Other noncurrent liabilities consist of the following (in thousands):

	As of March 31, 2022	As of December 31, 2021
Noncurrent portion of lease liabilities	$ 896	$ 1,040
Long term interest payable	928	841
Other noncurrent liabilities	38	38
Total other noncurrent liabilities	$ 1,862	$ 1,919

Note 5. Debt

In January 2019, the Company entered into credit and security agreements with MidCap Financial Services (the "Lender"), which provided a maximum of $25.0 million credit facility consisting of a $20.0 million senior secured term loan (the "2019 Term Loan") and a $5.0 million 2019 revolving loan (the "2019 Revolver" and collectively with the 2019 Term Loan, the “2019 MidCap Credit Facility”). In November 2020, the Company entered into amended and restated credit and security agreements with the same institution, which replaced the 2019 MidCap Credit Facility, and provided for a maximum of $40.0 million credit facility consisting of a $35.0 million senior secured term loan (the "2020 Term Loan") and a $5.0 million revolving loan (the "2020 Revolver and collectively with the 2020 Term Loan, the “2020 MidCap Credit Facility”).

The obligations under the MidCap Credit Facility are guaranteed by the Company's current and future subsidiaries, subject to exceptions for certain foreign subsidiaries. Obligations under the agreements are secured by substantially all assets of the Company, including material intellectual property. Additionally, the Company is subject to customary affirmative and negative covenants as defined in the credit agreements, including covenants that limit or restrict the ability to, among other things, incur indebtedness, grant liens, merge or consolidate, make investments, dispose of assets, make acquisitions, pay dividends or make distributions, repurchase stock and enter into certain transactions with affiliates, in each case subject to certain exceptions. The agreements also have financial covenants that relate to minimum trailing revenue targets, which began in November 2020, and are tested on a monthly basis. As of March 31, 2022, the Company was in compliance with all financial and non-financial covenants.

The MidCap Credit Facility agreements each contain events of default that include, among others, non-payment of principal, interest or fees, breach of covenants, inaccuracy of representations and warranties, cross-defaults and bankruptcy and insolvency events.

As of March 31, 2022 and December 31, 2021, $5.0 million was available to be drawn under the 2020 Revolver, respectively. The 2020 Revolver has not been drawn upon as of March 31, 2022 and December 31, 2021. Long-term and short-term debt was as follows (in thousands):

	As of March 31, 2022	As of December 31, 2021
Term Loan	$ 35,000	$ 35,000
Total principal payments due	35,000	35,000
Less: debt discount related to warrant liability and issuance costs	(2,183)	(2,344)
Total amounts outstanding	32,817	32,656
Less: Current portion	—	—
Total accrued and other current liabilities	$ 32,817	$ 32,656

The repayment schedule relating to the Company’s debt as of March 31, 2022, is as follows (in thousands):

	Amount
2022 (remainder)	—
2023	1,458
2024	17,500
2025	16,042
Thereafter	—
Total repayments	$ 35,000

Note 6. Commitments and Contingencies

Operating Lease Obligations

The Company’s leases mainly include facility leases and storage leases. In determining the present value of lease payments, the Company uses its incremental borrowing rate based on the information available at the lease commencement date if the rate implicit in the lease is not readily determinable. The Company estimates its

incremental borrowing rate based on qualitative factors including company specific credit offers, lease term, general economics, and the interest rate environment.

On February 5, 2021, the Company renewed the lease of the corporate headquarters in Menlo Park, California. The lease is a noncancelable operating lease for approximately 10,823 square feet of primary office space. The operating lease commenced on August 1, 2021 and is for a term of 37 months from the commencement date. The Company recorded an aggregate right-of-use ("ROU") asset and lease liability of $1.5 million. The ROU asset and corresponding lease liability were estimated using a weighted-average incremental borrowing rate of 13.59%. Total base rent is approximately $1.6 million under the lease agreement.

The Company recognizes rent expense on a straight-line basis over the noncancelable lease term. The Company's rent expense was $0.2 million for both the three months ended March 31, 2022 and 2021, respectively. As of March 31, 2022, the remaining lease term for the lease was 2.38 years.

Operating lease expense and supplemental cash flow information related to operating leases for the three months ended March 31, 2022 and 2021 were as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Operating lease expense	$ 173	$ 175
Cash paid for operating leases	170	177

Aggregate future minimum lease payments at March 31, 2022, under these noncancelable operating leases were as follows (in thousands):

	As of March 31, 2022
2022	521
2023	705
2024	462
Total future minimum lease payments	$ 1,688
Less: imputed interest	(258)
Present value of future minimum lease payments	$ 1,430
Less: current portion of operating lease liability	(534)
Operating lease liabilities - noncurrent	$ 896

Legal Proceedings

On September 16, 2021, the Company filed suit in the U.S. District Court for the District of Delaware (C.A. No. 1:21-cv-01317) alleging that Ivantis, Inc. directly or indirectly infringes U.S. Patent Nos. 8,287,482, 9,370,443, 9,486,361, and 10,314,742 by making, using, selling, and offering for sale the Hydrus® Microstent. The Company's Complaint seeks money damages and injunctive relief. On January 24, 2022, Ivantis asserted counterclaims requesting declaratory judgments that the Company's asserted patents-in-suit are not infringed and/or invalid. No trial date has been set. The Company is presently unable to predict the outcome of this lawsuit or to reasonably estimate the potential financial impact of the lawsuit on the Company, if any.

The Company is subject to claims and assessments from time to time in the ordinary course of business. Accruals for litigation and contingencies are reflected in the financial statements based on management's assessment, including the advice of legal counsel, of the expected outcome of litigation or other dispute resolution proceedings, and/or the expected resolution of contingencies. Liabilities for estimated losses are accrued if the potential losses from any claims or legal proceedings are considered probable and the amounts can be reasonably estimated. Significant judgment is required in both the determination of probability of loss and the determination as to whether the amount can be reasonably estimated. Accruals are based only on information available at the time of the assessment due to the uncertain nature of such matters. As additional information becomes available,

management reassesses potential liabilities related to pending claims and litigation and may revise its previous estimates, which could materially affect the Company's results of operations in a given period. As of March 31, 2022 and December 31, 2021, the Company was not involved in any material legal proceedings except as described above.

Voluntary Recall

In March 2022, the Company announced a voluntary recall of the TearCare SmartHub 1.0 devices to ensure regulatory compliance with product classification codes following TearCare's 510(k) clearance with the FDA in December 2021. During the first quarter of 2022, the Company estimated the cost of providing customers with replacement TearCare SmartHub 1.5 devices to be $0.9 million, which was expensed to cost of goods sold in the first quarter. The Company began providing replacement devices in March 2022 and expects to have all replacement devices provided by the end of the second quarter of fiscal year 2022.

Indemnification

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnifications. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future, but that have not yet been made. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations.

The Company indemnifies each of its directors and officers for certain events or occurrences, subject to certain limits, while the director is or was serving at the Company's request in such capacity, as permitted under Delaware law and in accordance with its certificate of incorporation and bylaws. The term of the indemnification period lasts as long as a director may be subject to any proceeding arising out of acts or omissions of such director in such capacity. The maximum amount of potential future indemnification is unlimited; however, the Company currently holds director liability insurance. This insurance allows the transfer of risk associated with the Company's exposure and may enable it to recover a portion of any future amounts paid. The Company believes that the fair value of these indemnification obligations is minimal. Accordingly, the Company has not recognized any liabilities relating to these obligations as of March 31, 2022 and December 31, 2021.

Note 7. Stockholders' Equity

Common Stock

In connection with the Company's IPO in July 2021, the Company's certificate of incorporation was amended and restated to provide for 200,000,000 authorized shares of common stock with a par value of $0.001 per share and 10,000,000 authorized shares of preferred stock with a par value of $0.001 per share. The holders of common stock were also entitled to receive dividends whenever funds are legally available, when and if declared by the board of directors. As of March 31, 2022, no dividends have been declared to date. Each share of common stock is entitled to one vote.

At March 31, 2022 and December 31, 2021, the Company had reserved common stock for future issuances as follows:

	March 31, 2022	December 31, 2021
Common stock options issued and outstanding	5,944,899	4,996,945
Common stock available for future grant	3,684,766	5,321,687
Restricted stock units outstanding	656,573	53,250
Shares available for future purchase under ESPP	850,000	850,000
Total	11,136,238	11,221,882

Redeemable Convertible Preferred Stock

There was no redeemable convertible preferred stock outstanding as of March 31, 2022 and December 31, 2021. In connection with the Company's IPO in July 2021, all then-outstanding shares of redeemable convertible preferred stock were converted into 25,534,404 shares of common stock. This resulted in the reclassification of the related redeemable convertible preferred stock to common stock and APIC.

Warrants

There were no warrants outstanding as of March 31, 2022 and December 31, 2021. The Company had previously issued redeemable convertible preferred stock warrants in connection with the Company's 2019 Term Loan agreement and 2020 Term Loan agreement. At initial recognition, the warrants were recorded at their estimated fair values and were subject to remeasurement at each balance sheet date. Upon completion of the IPO, the outstanding warrants were converted to common stock, resulting in the re-classification of the convertible preferred stock warrant liability to APIC. In August 2021, the warrants were net exercised and the Company issued 483,554 shares of common stock.

Note 8. Equity Incentive Plans

2011 Stock Option Plan and 2021 Equity Incentive Plan

In 2011, the Company established its 2011 stock option plan (the "2011 Plan") that provided for the granting of stock options to employees and nonemployees of the Company. In July 2021, the Company's Board of Directors and stockholders adopted and approved the 2021 Incentive Award Plan, (the "2021 Plan"). Under the 2021 Plan, the Company has the ability to issue incentive stock options ("ISOs"), nonqualified stock options ("NSOs"), stock appreciation rights, dividend equivalent rights, restricted stock awards, and restricted stock unit awards. Options under the 2021 Plan can be granted for periods of up to 10 years. For incentive stock options granted to a grantee who, at the time the option is granted, owns stock representing more than 10% of the voting power of all classes of stock of the Company or any parent or subsidiary of the Company, the term of the incentive stock option may be granted for periods of up to five years. The ISOs and NSOs will be granted at a price per share not less than the fair value at the date of grant. The exercise price of an ISO granted to a 10% stockholder shall not be less than 110% of the estimated fair value of the shares on the date of grant, as determined by the board of directors. Options granted to new hires generally vest over a four-year period, with 25% vesting at the end of one year and the remaining vesting monthly thereafter; options granted as merit awards generally vest monthly over a four-year period. The Company reserved 5,200,000 shares of common stock for future issuance under the 2021 Plan.

The Company's 2011 Stock Plan was terminated in connection with the IPO and no further grants will be made under the 2011 Plan from the date that the 2021 Plan became effective. The terms under the 2011 Plan are consistent with those described above for the 2021 Plan. The Company had the ability to issue ISOs, NSOs, stock appreciation rights, dividend equivalent rights, restricted stock awards, and restricted stock unit awards.

At March 31, 2022 and December 31, 2021 there were 3,684,766 and 5,321,687 shares, respectively, of common stock available for issuance under the 2021 Plan.

Stock Option Awards

The following table summarizes stock option activity under the 2021 Plan:

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Contractual Term (in years)	Average Intrinsic Value (in thousands)
Balances as of December 31, 2021	4,996,945	$ 6.05	7.6	$ 58,420
Grants	1,328,000	17.43		
Forfeited/cancelled	(294,402)	0.85		
Exercised/released	(85,644)	0.93		
Balances as of March 31, 2022	5,944,899	$ 8.92	8.3	$ 25,271
Vested and exercisable as of March 31, 2022	2,069,638	$ 3.55	6.7	$ 17,040
Vested and expected to vest as of March 31, 2022	5,914,899	$ 8.97	8.3	$ 24,927

During the three months ended March 31, 2022 and 2021, the Company recorded stock-based compensation of $2.5 million and $0.3 million related to the stock option awards, respectively. The weighted-average grant-date fair values of options granted during the three months ended March 31, 2022 and 2021 was $9.76 and $4.98 per share, respectively. The aggregate intrinsic value of options exercised was $1.2 million during the three months ended March 31, 2022. The aggregate intrinsic value was calculated as the difference between the exercise prices of the underlying options and the estimated fair value of the common stock on the date of exercise. As of March 31, 2022, the unrecognized stock-based compensation of unvested options was $33.6 million, which is expected to be recognized over a weighted-average period of 3.27 years.

Determination of fair value

The Company estimated the fair value of stock options using the Black-Scholes option-pricing model. The fair value of stock options is recognized on a straight-line basis over the requisite service periods of the awards. The fair value of stock options was estimated using the following weighted-average assumptions:

	Three Months Ended March 31,	
	2022	2021
Expected term (in years)	5.38 – 6.94	5.00 – 6.07
Expected volatility	58.75% – 60.12%	56.75% – 57.69%
Risk-free interest rate	1.34% – 2.40%	0.48% – 0.81%
Dividend yield	–	–

Expected Term

The expected term is calculated using the simplified method, which is available if there is insufficient historical data about exercise patterns and post vesting employment termination behavior. The simplified method is based on the vesting period and the contractual term for each grant or for each vesting tranche for awards with graded vesting. The midpoint of the vesting date and the maximum contractual expiration date is used as the expected term under this method. For awards with multiple vesting tranches, the time from grant until the midpoints for each of the tranches may be averaged to provide an overall expected term.

Expected Volatility

The Company used an average historical stock price volatility of a peer group of publicly traded companies to be representative of its expected future stock price volatility, as the Company did not have any trading history for its common stock. For purposes of identifying these peer companies, the Company considered the industry, stage of development, size, and financial leverage of potential comparable companies. For each grant, the Company measured historical volatility over a period equivalent to the expected term.

Risk-Free Interest Rate

The risk-free interest rate is based on the implied yield currently available on US Treasury zero-coupon issues with remaining terms equivalent to the expected term of a stock award.

Expected Dividend Rate

The Company has not paid, and does not anticipate paying, any dividends in the near future. Accordingly, the Company has estimated the dividend yield to be 0%.

Restricted Stock Units

RSUs are share awards that entitle the holder to receive freely tradable shares of the Company’s common stock upon vesting. The RSUs cannot be transferred, and the awards are subject to forfeiture if the holder’s

employment terminates prior to the release of the vesting restrictions. The RSUs generally vest over a four-year period with straight-line vesting in equal amounts on an annual basis, provided the employee remains continuously employed with the Company. The fair value of the RSUs is equal to the closing price of the Company's common stock on the grant date.

The following table summarizes restricted share award activity under the 2021 Plan:

	Number of Shares	Weighted-Average Grant Date Fair Value Per Share
Outstanding, December 31, 2021	53,250	$ 22.91
Grants	607,823	17.15
Forfeited/cancelled	(4,500)	17.95
Vested	—	—
Outstanding, March 31, 2022	656,573	$ 17.60

During the three months ended March 31, 2022 and 2021, the Company recorded stock-based compensation of $0.5 million and $0 related to the RSUs. As of March 31, 2022, there was $11.0 million of total unrecognized compensation cost related to the RSUs that is expected to be recognized over a weighted-average period of 3.71 years.

Stock Based Compensation

The following is a summary of stock-based compensation expense by function (in thousands):

	Three Months Ended March 31,	
	2022	2021
Cost of goods sold	$ 36	$ 7
Research and development	343	37
Selling, general and administrative	2,595	233
Total stock-based compensation expense	$ 2,974	$ 277

2021 Employee Stock Purchase Plan

In July 2021, the Board of Directors and stockholders also adopted and approved the 2021 Employee Stock Purchase Plan (the "ESPP"). The Company reserved 850,000 shares of common stock for future issuance under the ESPP.

As of March 31, 2022, no shares of common stock have been purchased under the ESPP.

Note 9. Net Loss per Share Attributable to Common Stockholders

Basic net loss per share is computed by dividing the net loss by the weighted-average number of common shares outstanding for the period. As the Company reported a net loss for the three months ended March 31, 2022 and 2021, basic net loss per share is the same as diluted net loss per share as the inclusion of potentially dilutive shares would have been antidilutive if included in the calculation.

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders (in thousands, except share and per share data):

	Three Months Ended March 31,	
	2022	2021
Numerator:		
Net loss attributable to common stockholders	$ (23,263)	$ (12,240)
Denominator:		
Weighted-average shares of common stock outstanding—basic and diluted	47,569,499	9,517,270
Net loss per share attributable to common stockholders—basic and diluted	$ (0.49)	$ (1.29)

The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net loss per share attributable to common stockholders for the period presented because including them would have been antidilutive:

	March 31,	
	2022	2021
Redeemable convertible preferred stock	—	12,767,202
Options to purchase common stock	5,944,899	3,311,756
Redeemable convertible preferred stock warrants	—	329,514
Restricted stock units	656,573	—
Total	6,601,472	16,408,472

Note 10. Defined Contribution Plan

The Company sponsors a defined contribution plan under Section 401(k) of the IRC of 1986, as amended, covering substantially all of its full-time US employees. Participating employees may contribute up to 100% of their eligible compensation up to the annual Internal Revenue Service's contribution limit. For the three months ended March 31, 2022 and 2021, the Company matched employee contributions in the amount of $0.2 million and $0, respectively.

Note 11. Segment Information

The Company has two reportable operating segments which are determined on the basis of product portfolio: Surgical Glaucoma and Dry Eye. The operating and reportable segments were determined based on how the Company's Chief Executive Officer, its Chief Operating Decision Maker ("CODM"), views and evaluates the

Company's operations. The CODM allocates resources to and evaluates the financial performance of each operating segment primarily based on gross profit and gross profit margin.

Surgical Glaucoma segment includes sales of the Company's OMNI® Surgical System for use in minimally invasive glaucoma procedures. Dry Eye segment includes sales of the Company's TearCare® System and related components.

The following table summarizes select operating results information for each reportable segment (dollars in thousands):

	Three Months Ended March 31,	
	2022	2021
Revenue		
Surgical Glaucoma	$ 13,870	$ 8,139
Dry Eye	1,011	496
Total	14,881	8,635
Cost of goods sold		
Surgical Glaucoma	1,491	1,858
Dry Eye	1,542	443
Total	3,033	2,301
Gross profit		
Surgical Glaucoma	12,379	6,281
Dry Eye	(531)	53
Total	11,848	6,334
Operating expense	34,041	17,990
Loss from operations	(22,193)	(11,656)
Interest expense	(1,046)	(1,084)
Other (expense) income, net	(15)	552
Loss before income tax	$ (23,254)	$ (12,188)

The Company does not allocate any income and expenses beyond revenue and cost of goods sold to the reportable operating segments in its reporting to the CODM. No asset information is provided for reportable operating segments because they are not reviewed by the CODM on segment basis. Substantially all of the Company's revenue is generated from sales in the United States, and none of its property and equipment is located outside the United States.

Note 12. Subsequent Events

The Company evaluated subsequent events through May 10, 2022, the date on which the condensed consolidated financial statements were available for issuance.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and the related notes and other financial information included in this Quarterly Report on Form 10-Q and our audited financial statements and related notes as disclosed in our 2021 Form 10-K .

Overview

Sight Sciences' mission is to transform ophthalmology and optometry through the development and commercialization of proprietary devices that target the underlying causes of the world's most prevalent eye diseases. We are passionate about improving patients' lives. Our objective is to develop and market products for use in new treatment paradigms and to create an interventional mindset in eyecare whereby our products may be used in procedures which supplant conventional outdated approaches. Our business philosophy is grounded in the following principles:

- comprehensively understand disease physiology,
- develop products that are intended to restore natural physiological functionality to diseased eyes;
- develop and market products that achieve superior effectiveness versus current treatment paradigms while minimizing complications or side effects,
- provide intuitive, patient friendly solutions to ophthalmologists and optometrists; and
- deliver compelling economic value to all stakeholders, including patients, providers and third-party payors such as Medicare and commercial insurers

Our initial product development has focused on the treatment of two of the world's most prevalent and underserved eye diseases, glaucoma and dry eye disease. We have commercialized products in each of our two reportable segments; Surgical Glaucoma and Dry Eye. Our Surgical Glaucoma segment consists of sales of the OMNI Surgical System and our Dry Eye segment includes sales of the TearCare System ("TearCare"), and related components and accessories. Both systems are primarily sold through a highly-involved direct sales model that offers intensive education, training and customer service. We believe this philosophy and model not only enables us to differentiate our products and our overall company from competitors, but also to expand our addressable market by educating Eye Care Professionals ("ECPs"), patients and other stakeholders on our products and evolving treatment paradigms. Outside of the U.S., we have historically sold OMNI primarily through a network of distributors, although we began employing a small direct sales force outside of the United States in 2021.

We sell OMNI to facilities where ophthalmic surgeons perform outpatient procedures, mainly ambulatory surgery centers ("ASCs") and hospital outpatient departments ("HOPDs"), which are typically reimbursed by Medicare or private payors for procedures using our products. We sell TearCare to optometrist and ophthalmologist practices. Currently, there is no meaningful reimbursement coverage by Medicare or private payors for meibomian gland disease ("MGD") procedures, including TearCare, and patients typically pay out-of-pocket for TearCare. We are continuing our controlled commercial launch and are focused on our comprehensive, clinical data-driven long-term market development plan that aims to improve awareness and patient access to TearCare. We have dedicated meaningful resources to execute our commercial strategy and we continue to expand our sales organization through additional sales representatives and territories. The overall success of our approach to eyecare to date is evidenced by the approximately 100,000 estimated uses of OMNI and its direct predicates in over 1,200 hospitals and ASCs in the U.S. and Europe, and approximately 20,000 estimated uses of TearCare in over 600 eyecare facilities in the U.S. through March 31, 2022.

We currently operate no manufacturing facilities and instead contract with third parties for our production requirements. We believe our suppliers will be able to meet our current and anticipated manufacturing needs across all our products. We plan to continue to utilize third party contract manufacturers for our products and any related components.

Our gross margin in our Surgical Glaucoma segment for the three months ended March 31, 2022 and 2021 was 89.3% and 77.2%, respectively. Beginning with the production of finished goods inventory in the first quarter of 2021, we shifted our primary production of OMNI from a U.S.-based third-party contract manufacturer, to a lower cost, higher volume contract manufacturer in Asia. We are in the process of supplementing this OMNI production capacity with a U.S.-based contract manufacturer. These cost optimization initiatives contributed to the increase in gross margins in our Surgical Glaucoma segment. Our gross margin in our Dry Eye segment for the three months ended March 31, 2022 and 2021 was (52.5%) and 10.7%, respectively. Dry Eye gross margins for the three months ended March 31, 2022 were negatively impacted by our voluntary recall (see Note 6). The TearCare System includes the SmartHub component, which is typically only sold in initial purchase orders, and single-use SmartLids which are sold as part of initial purchase orders and through repeat orders as the ECP performs procedures over time. In an effort to build a meaningful TearCare installed base and encourage product trial and adoption by ECPs, our pricing strategy for SmartHubs has not focused on gross profit maximization. As the installed base of TearCare customers grows, we believe SmartLids, which currently generate higher gross margins than SmartHubs, will increase as a proportion of total Dry Eye segment revenues and gross profit. Given the earlier stage of TearCare's commercial development and our pricing strategy with respect to SmartHubs, we expect our Dry Eye segment's gross margins to be lower than our Surgical Glaucoma segment's gross margins for the near and medium-term.

We believe in the importance of continued strategic investment in initiatives that: further demonstrate our products' clinical effectiveness and safety to potential customers, patients, payors and regulators; enhance our commercial capabilities, including resources dedicated to sales, marketing and education; ensure the broadest possible patient access to the treatment alternatives that our products are cleared to offer; enhance and improve upon our existing product technologies; and allow us to innovate new products, devices or drugs, in glaucoma and DED or in new eye disease areas. As a result, we intend to continue to invest in clinical studies, sales and marketing, education initiatives, market access, and product development. Because of these and other factors, we expect to continue to incur net losses for at least the next several fiscal years. Moreover, we expect to incur additional expenses as a result of operating as a public company, including expenses related to compliance with the rules and regulations of the SEC and those of the Nasdaq Stock Market, additional insurance expenses, investor relations activities and other administrative and professional services. As a result of these and other factors, we may require and seek additional debt and equity financing to fund our operations and planned growth.

To date, our primary sources of capital has been private placements of redeemable convertible preferred stock, debt financing agreements, the sale of common stock in our initial public offering ("IPO"), and revenue from the sale of our products. In July 2021, we completed our IPO, receiving net proceeds of $252.2 million. As of March 31, 2022, we had an outstanding term loan balance of $35.0 million (excluding debt discount and amortized debt issuance costs). As of March 31, 2022, we had cash and cash equivalents of $238.6 million and an accumulated deficit of $176.3 million.

Impact of COVID-19

The global COVID-19 pandemic impacted and is expected to continue to impact demand for our products, which are used in procedures and therapies that are considered elective. Although some of these governmental restrictions have since been lifted or scaled back, recent and future surges of COVID-19 may result in restrictions being re-implemented in response to efforts to reduce the spread of COVID-19. As elective eyecare procedures in many facilities that utilize our products were temporarily suspended by governmental authorities, many patients avoided visiting ECPs, and, even in areas that allowed elective procedures, ECPs and healthcare facilities in general substantially reduced or in some cases halted, the scheduling and performance of such procedures. The decrease in demand for our products due to COVID-19 most significantly impacted our revenues in the latter part of the first quarter and the first half of the second quarter of 2020. Beginning in June 2020, we began to see an increase in the number of procedures using our products. In the first quarter of 2021, our customers experienced a significant number of procedure cancellations which we believe were largely driven by patients postponing in-office treatments until their COVID-19 vaccinations were completed (as opposed to any restrictions imposed on elective procedures), thus adversely impacting our revenues. As vaccine availability and the vaccinated population increases across the U.S., the recovery of our end markets resumed in the second quarter of 2021. Our normal business operations were again disrupted by resurgence of the Delta variant in the third quarter of 2021 and emergence of the Omicron variant in the fourth quarter of 2021 and into early 2022.

The ultimate impact of the COVID-19 pandemic on our operations is unknown and will depend on future developments which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the COVID-19 outbreak (including prevalence and effect of the delta variant and other potential COVID-19 variants), the status of health and safety actions taken to contain its spread and any additional preventative and protective actions that governments or we may direct, any resurgence of COVID-19 that may occur and how quickly and to what extent economic and operating conditions normalize within the markets in which we operate. The COVID-19 pandemic could disrupt the operations of our third-party manufacturers and other suppliers. Although we have not experienced material disruptions in our supply chain to date, we cannot predict how long the pandemic and measures intended to contain the spread of COVID-19 will continue and what effect COVID-19 and the associated containment measures will have on our suppliers and vendors, in particular for any of our suppliers and vendors that may not qualify as essential businesses and suffer more significant disruptions to their business operations. We are working closely with our manufacturing partners and suppliers to help ensure that we are able to source key components and maintain appropriate inventory levels to meet customer demand.

Factors Affecting our Business and Results of Operations

We believe there are several important factors that have impacted and that will continue to impact our business and results of operations. There have been no material changes to such factors from those described in our 2021 Form 10-K under the heading "Factors Affecting our Business and Results of Operations."

Components of our Results of Operations

Revenue

We currently derive the majority of our U.S. revenue from the sale of OMNI to ASCs and HOPDs and TearCare to ophthalmology and optometry practices. During the three months ended March 31, 2022 and 2021, the revenues from our Surgical Glaucoma segment, including OMNI and its predicate devices, accounted for over 90% of our total revenues. Substantially all of our revenues for both periods were generated from sales within the U.S. Our OMNI customers place orders based on their expected procedure volume and reorder as needed, typically on a biweekly, monthly or bimonthly basis. Our TearCare customers typically purchase a TearCare System which consists of one or more SmartHubs, multiple single-use SmartLids and other accessories. After utilizing their initial inventory, customers can reorder SmartLids as needed. No single customer accounted for 10% or more of our revenue for the three months ended March 31, 2022 and 2021.

The growth in our revenue is driven by the demand for elective surgery and treatment utilizing our products. Such demand is often lower during summer months because of ECP vacations and in winter months in certain parts of the world because of fewer business or surgery days due to holidays and adverse weather conditions.

Cost of Goods Sold and Gross Margin

Our products are produced by third-party manufacturers. Our cost of goods sold consists primarily of amounts paid for our products to third-party manufacturers, and our manufacturing overhead costs, which consist primarily of personnel expenses, including salaries, benefits and stock-based compensation, and reserves for excess, obsolete and non-sellable inventory. Cost of goods sold also includes depreciation expenses for production equipment which we provide to our third-party manufacturers and certain direct costs, such as shipping and handling costs.

We calculate gross margin as gross profit divided by revenue. Our gross margin has been and will continue to be affected by a variety of factors, including differences in segment gross margins, changes in average selling prices, product sales mix, production and ordering volumes, manufacturing costs, product yields, and headcount. In general, we expect our gross margins to increase over the long-term to the extent our production and ordering volumes increase and to the extent we spread the fixed portion of our overhead costs over a larger number of units produced. We intend to use our design, engineering and manufacturing know-how and capabilities to further advance and improve the efficiency of our suppliers' manufacturing processes, which we believe will reduce costs and increase our gross margins. Our gross margins could fluctuate from quarter to quarter as we transition to new suppliers, introduce new products and adopt new manufacturing processes and technologies.

Research and Development Expenses

Research and development ("R&D") expenses consist primarily of engineering, product development, clinical studies to develop and support our products, including clinical trial design, clinical trial site initiation and study costs, internal and external costs associated with our regulatory compliance and quality assurance functions, medical affairs, cost of products used for clinical trials and other costs associated with products and technologies – either new or enhancements of existing platforms – that are in development. These expenses also include personnel expenses, including salaries, benefits and stock-based compensation, supplies, consulting, prototyping, testing, materials, travel expenses, depreciation expenses for equipment and an allocation of IT and facility overhead expenses. Our R&D expenses as a percentage of revenue may vary over time depending on the level and timing of new product development efforts, as well as clinical development, clinical trial and other related activities. We expect our R&D expenses to increase for the next several years as we continue to invest in our active clinical trial program, develop new products and improve our existing products.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses consist primarily of personnel expenses, including salaries, benefits and stock-based compensation related to selling, marketing and corporate functions, allocation of IT and facility overhead expenses, bad debt expense, finance, legal and human resource costs. Other SG&A expenses include training, travel expenses, promotional activities, marketing initiatives, market research and analysis, conferences and trade shows, professional services fees (including external legal, audit, consulting and tax fees), insurance costs, and general corporate expenses. We expect SG&A expenses to continue to increase in absolute dollars as we expand our infrastructure to both drive and support the anticipated growth in revenue and due to additional legal, accounting, insurance and other expenses associated with being a public company.

Interest Expense

Interest expense consists primarily of interest incurred on our outstanding indebtedness and non-cash interest related to the amortization of debt discount and issuance costs associated with our outstanding loan.

Other (Expense) Income, Net

Other (expense) income, net primarily consists of gains and losses resulting from the remeasurement of the fair value of our redeemable convertible preferred stock warrant liability during the prior reporting period. The redeemable convertible preferred stock warrants were exercised in 2021 and the final fair value of the warrant liability was reclassified to stockholders’ equity (deficit). We will no longer record any related periodic fair value adjustments.

Results of Operations

Comparison of the Three Months Ended March 31, 2022 and 2021 (dollars in thousands)

	Three Months Ended March 31,		Change	
	2022	2021	$	%
	(unaudited)			
Revenue				
Surgical Glaucoma	$ 13,870	$ 8,139	$ 5,731	70.4 %
Percentage of total revenue	*93.2 %*	*94.3 %*		
Dry Eye	1,011	496	515	103.8
Percentage of total revenue	*6.8 %*	*5.7 %*		
Total	14,881	8,635	6,246	72.3
Cost of goods sold				
Surgical Glaucoma	1,491	1,858	(367)	(19.8)
Dry Eye	1,542	443	1,099	248.1
Total	3,033	2,301	732	31.8
Gross profit				
Surgical Glaucoma	12,379	6,281	6,098	97.1
Dry Eye	(531)	53	(584)	(1,101.9)
Total	11,848	6,334	5,514	87.1
Gross margin				
Surgical Glaucoma	*89.3 %*	*77.2 %*		
Dry Eye	*-52.5 %*	*10.7 %*		
Total	*79.6 %*	*73.4 %*		
Operating expenses				
Research and development	5,646	3,440	2,206	64.1
Selling, general and administrative	28,395	14,550	13,845	95.2
Total operating expenses	34,041	17,990	16,051	89.2
Loss from operations	(22,193)	(11,656)	(10,537)	90.4
Interest expense	(1,046)	(1,084)	38	(3.5)
Other (expense) income, net	(15)	552	(567)	(102.7)
Loss before income tax	(23,254)	(12,188)	(11,066)	90.8
Provision (benefit) for income tax	9	52	(43)	(82.7)
Net loss and comprehensive loss	$ (23,263)	$ (12,240)	$ (11,023)	90.1 %

Revenue. Revenue in the three months ended March 31, 2022 was $14.9 million, an increase of $6.2 million, or 72.3%, from the prior year comparable period. The overall increase in Surgical Glaucoma revenue was attributable to a significant increase in the number of OMNI units sold in the three months ended March 31, 2022 as a result of growth in the number of facilities ordering OMNI and an increase in unit utilization per ordering facility. Our Dry Eye revenues increased in the three months ended March 31, 2022 versus the comparable period in 2021 due to the continued growth in our installed base of facilities that have purchased TearCare. Surgical Glaucoma sales represented 93.2% and 94.3% of our revenue generated in the three months ended March 31, 2022 and 2021, respectively.

Cost of Goods Sold and Gross Profit. Cost of goods sold during the three months ended March 31, 2022, increased $0.7 million compared to the same period in the prior year, as an increase in cost of goods sold in our Dry Eye segment was partially offset by a decrease within our Surgical Glaucoma segment. Dry Eye cost of goods sold increased $1.1 million in the three months ended March 31, 2022 over the comparable period in 2021, which was primarily driven by $0.9 million of charges in the 2022 period associated with the voluntary recall of our SmartHub 1.0 devices. Our Surgical Glaucoma cost of goods sold decreased $0.4 million as compared to 2021, which was primarily driven by the transition of OMNI manufacturing to Asia in early 2021, which lowered our production cost per unit. Further, the three months ended March 31, 2021 included a write-down of inventory from our original version of OMNI following the launch and adoption of our next generation OMNI System by our user base.

Our total gross profit was $11.8 million in the three months ended March 31, 2022, an increase of $5.5 million from the comparable period in 2021. Our total gross margin increased from 73.4% to 79.6% from the 2021 to the 2022 period. The increase in gross margin was primarily due to increased sales volume in OMNI units and manufacturing efficiencies. Gross margin in our Surgical Glaucoma segment was 89.3% for the quarter ended March 31, 2022, an increase from 77.2% for the prior year comparable period. In our Dry Eye segment, gross margin decreased from 10.7% in the first quarter of 2021, to (52.5%) for the quarter ended March 31, 2022.

Research and Development ("R&D") Expenses. The $2.2 million increase in R&D expenses during the three months ended March 31, 2022 compared to the three months ended March 31, 2021 was primarily attributable to a $1.8 million increase in personnel expenses as a result of increased headcount, including a $0.3 million increase in stock-based compensation expense. In addition, there was a $0.2 million increase in clinical studies expense, and a $0.2 million increase in other services driven by overall increase in business activities.

Selling, General, and Administrative ("SG&A") Expenses. SG&A expenses were $28.4 million for the three months ended March 31, 2022, an increase of $13.8 million from the prior year comparable period. The increase was attributable to a $7.9 million increase in personnel expenses as a result of increased headcount, which included a $2.4 million increase in stock-based compensation expense. In addition to personnel expense increases, our SG&A expense from 2021 to the 2022 period included a $1.4 million increase in professional services expense, including consulting and legal expenses, a $1.4 million increase in marketing expenses, a $1.1 million increase in training, events, and demos, and a $0.6 million increase in travel expenses.

Interest Expense. Interest expense was consistent during the three months ended March 31, 2022 compared to the three months ended March 31, 2021.

Other (Expense) Income, Net. Interest income (expense) decreased $0.6 million during the three months ended March 31, 2022 compared to the comparable period in 2021. This decrease was attributable to $0.6 million of income in the 2021 period related to the remeasurement of our convertible preferred stock warrants and recognition of the change in fair value. As detailed in the notes to our financial statements included herein, the convertible preferred stock warrants were automatically converted into common stock warrants concurrent with our IPO and subsequently exercised in the third quarter of fiscal year 2021.

Cash Flows

The following table summarizes our cash flows for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2022	2021
Net cash used in operating activities	$ (21,966)	$ (12,870)
Net cash used in investing activities	$ (227)	$ (104)
Net cash provided by (used in) financing activities	$ 92	$ (210)
Net (decrease) increase in cash	$ (22,101)	$ (13,184)

Net Cash Used in Operating Activities.

Net cash used in operating activities for the three months ended March 31, 2022 was $22.0 million, consisting primarily of a net loss of $23.3 million. The net change in our net operating assets and liabilities during the period was $2.1 million, which was more than offset by non-cash charges of $3.4 million. The change in our net operating assets and liabilities was primarily due to a $1.2 million increase in accounts receivable and a $0.6 million increase in inventory to support the continued growth of our operations. Prepaid expenses decreased by $1.5 million as balances on annual prepaid contracts decreased during the period. The Company also had a $2.1 million decrease in accrued compensation and a $0.2 million decrease in accounts payable driven by the timing of payments on invoices and bonuses. The non-cash charges primarily consisted of $3.0 million related to stock-based compensation, $0.2 million of depreciation, $0.2 of accretion of debt discount and amortization of debt issuance costs, and $0.1 million of noncash operating lease expense.

Net cash used in operating activities for the three months ended March 31, 2021 was $12.9 million, consisting primarily of a net loss of $12.2 million. The change in our operating assets and liabilities of $1.0 million was partially offset by non-cash charges of $0.4 million. The change in our net operating assets and liabilities was primarily due to a $0.3 million increase in accounts receivable and $0.1 million increase in inventory to support the continued growth of our operations. Offsetting these changes, accounts payable increased by $1.0 million and accrued and other current liabilities also increased by $1.0 million, however, these were partially offset by a decrease in accrued compensation of $1.8 million. The non-cash charges primarily consisted of $0.2 million provision for excess and obsolete inventories, $0.1 million of depreciation, $0.2 million accretion of debt discount and amortization of debt issuance costs, $0.3 million stock-based compensation, and $0.2 million for noncash operating lease expense. These were partially offset by $0.6 million related to the change in fair value of redeemable convertible preferred stock warrants.

Net Cash Used in Investing Activities.

Net cash used in investing activities in the three months ended March 31, 2022 and 2021 was $0.2 million and $0.1 million for purchases of property and equipment.

Net Cash Provided by (Used in) Financing Activities.

Net cash provided by financing activities in the three months ended March 31, 2022 related to proceeds from stock option exercises.

Net cash used in financing activities in the three months ended March 31, 2021 was related to costs of $0.2 million paid related to our IPO.

Liquidity and Capital Resources

Sources of Liquidity

To date, our primary sources of capital have been private placements of redeemable convertible preferred stock, debt financing agreements, the sale of common stock in our IPO, and revenue from the sale of our products. In July 2021, we completed our IPO, including the underwriters' full exercise of their option to purchase additional shares, selling 11,500,000 shares of our common stock at $24.00 per share. Upon completion of our IPO, we received $252.2 million, after deducting underwriting discounts and commissions and offering costs.

As of March 31, 2022, we had cash and cash equivalents of $238.6 million, an accumulated deficit of $176.3 million and $35.0 million outstanding under our term loan agreement (before debt discount). Based on our current planned operations, we expect our cash and cash equivalents and additional borrowings available under the 2020 Term Loan and the 2020 Revolver will enable us to fund our operations for at least the next twelve months.

MidCap Loan Agreements

In January 2019, we entered into credit and security agreements with MidCap Financial Services (the "Lender"), which provided a maximum of $25.0 million credit facility consisting of a $20.0 million senior secured term loan (the "2019 Term Loan") and a $5.0 million 2019 revolving loan (the "2019 Revolver" and collectively with the 2019 Term Loan, the “2019 MidCap Credit Facility”). In November 2020, we entered into amended and restated credit and security agreements with the same institution, which replaced the 2019 MidCap Credit Facility, and provided for a maximum of $40.0 million credit facility consisting of a $35.0 million senior secured term loan (the "2020 Term Loan") and a $5.0 million revolving loan (the "2020 Revolver and collectively with the 2020 Term Loan, the “2020 MidCap Credit Facility”).

Our obligations under the 2020 MidCap Credit Facility are guaranteed by us and our future subsidiaries, subject to exceptions for certain foreign subsidiaries. Our obligations under the agreements are secured by substantially all of our assets, including our material intellectual property. Additionally, we are subject to customary affirmative and negative covenants, including covenants that limit or restrict the ability of us to, among other things, incur indebtedness, grant liens, merge or consolidate, make investments, dispose of assets, make acquisitions, pay

dividends or make distributions, repurchase stock and enter into certain transactions with affiliates, in each case subject to certain exceptions. The 2020 MidCap Credit Facility agreements also have financial covenants that relate to minimum trailing revenue targets, which began in November 2020, and are tested on a monthly basis. As of March 31, 2022, we were in compliance with all financial and non-financial covenants.

The MidCap Credit Facility agreements each contain events of default that include, among others, non-payment of principal, interest or fees, breach of covenants, inaccuracy of representations and warranties, cross-defaults and bankruptcy and insolvency events.

2020 Term Loan

The 2020 Term Loan agreement amended the maturity date to November 1, 2025 and adjusted the stated floating interest rate to reserve-adjusted LIBOR, *plus* 7.00%. Outstanding principal amounts of Tranche One Loans and Tranche Two Loans borrowed under the 2019 Term Loan were designated as Tranche One Loans and Tranche Two Loans under the 2020 Term Loan. The Tranche Three Loan commitment amount was increased to $21.0 million and the full amount was drawn in November 2020. Principal payments under the 2020 Term Loan are scheduled to begin in December 2022. However, if certain conditions are met, the initiation of principal payments can be delayed to either December 2023 or December 2024. In addition, the final payment fee was amended to 6.0%. We are subject to certain financial and non-financial covenants.

We incurred $0.7 million of issuance costs in conjunction with the 2020 Term Loan which were netted against the borrowed funds in the balance sheet and are being accreted using the effective interest method as interest expense over the contractual period of five years.

In conjunction with the funding of the 2020 Term Loan, we issued a 10-year warrant to the Lender to purchase 300,000 shares of our Series F redeemable convertible preferred stock at an exercise price of $21.88 per share, or the 2020 MidCap Warrant, with the estimated fair value of $1.8 million. The 2020 MidCap Warrants were recorded at the fair value as a debt discount and as a warrant liability. The debt discount is being accreted using the effective interest method as interest expense over the contractual period of four years for the 2020 Term Loan.

2020 Revolver

The maturity date of the 2020 Revolver was amended to November 1, 2025 and the stated floating interest rate was adjusted to reserve-adjusted LIBOR plus 4.50%. As of March 31, 2022, $5.0 million was available to be drawn under the 2020 Revolver which remains undrawn. Other key terms of the 2020 Revolver remained substantially unchanged compared to those of 2019 Revolver.

Lease Agreements

Our corporate headquarters are located in Menlo Park, California, where we lease approximately 10,823 square feet of office, research and development, engineering and laboratory space pursuant to a lease that commenced on August 1, 2021, and expires on August 31, 2024. We also lease approximately 2,040 square feet of office space, which is primarily used by our commercial leadership team, in Southlake, Texas, pursuant to a lease that commenced on April 30, 2019 and expires on May 15, 2024.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q are prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, if different estimates reasonably could have been used, or if changes in the estimate that are reasonably possible could materially impact the financial statements. We believe that the assumptions and estimates associated with revenue recognition and stock-based compensation have the greatest potential impact on our condensed consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

There have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in our consolidated financial statements for the year ended December 31, 2021, included under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates” in our 2021 Form 10-K and in Note 2 to our condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

JOBS Act Accounting Election

The Jumpstart Our Business Startups Act of 2012 (JOBS Act) permits an “emerging growth company” such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to use this extended transition period under the JOBS Act. As a result, our financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make comparison of our financials to those of other public companies more difficult.

Recently Issued Accounting Pronouncements

As of March 31, 2022, there are no significant Accounting Standard Updates (ASU's) issued and not yet adopted, that are expected to have a material impact on the Company's financial statements and related disclosures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate risk and foreign currency exchange rate risk. There have been no material changes to such risks from those described in our 2021 Form 10-K under "Item 3 - Quantitative and Qualitative Disclosures About Market Risk."

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures

Our management, with the participation and supervision of our principal executive officer and our principal financial officer, evaluated our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost benefit relationship of possible controls and procedures. Based on this evaluation, our principal executive officer and our principal financial officer concluded that as a result of the material weaknesses in our internal control over financial reporting described below, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were not effective. However, our management, including our principal executive officer and our principal financial officer, has concluded that, notwithstanding the identified material weaknesses in our internal control over financial reporting, the condensed consolidated financial statements in this Quarterly

Report on Form 10-Q fairly presented, in all material respects, our financial position, results of operations, and cash flows for the periods presented in conformity with GAAP.

Remediation efforts on previously reported material weaknesses

In connection with the preparation of our financial statements in connection with our IPO, we identified a material weakness 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. The material weakness related to a lack of sufficient full-time accounting personnel with requisite experience and deep technical accounting knowledge to (i) identify and resolve complex accounting issues under GAAP, and (ii) enable appropriate segregation of duties and reviews over the financial reviews over the financial close and reporting process.

We have implemented and are in process of implementing additional measures to improve our internal control over financial reporting to remediate this material weakness, including (i) the hiring of personnel with technical accounting and financial reporting experience and (ii) the implementation of improved accounting and financial reporting procedures and systems to improve the completeness, timeliness and accuracy of our financial reporting and disclosures including the assessment of more judgmental areas of accounting. We are committed to continuing to improve our internal control processes and we will continue to diligently and vigorously review our financial reporting controls and procedures.

We cannot assure you that the measures we have taken to date, and are continuing to implement, will be sufficient to remediate the material weakness we have identified or avoid potential future material weaknesses. While we believe that our efforts have improved our internal control over financial reporting, remediation of the material weaknesses will require further validation and testing of the design and operating effectiveness of internal controls over a sustained period of financial reporting cycles, and we cannot assure you that we have identified all, or that we will not in the future have additional material weaknesses.

Changes in internal control over financial reporting

Other than the changes intended to remediate the material weakness noted above, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

Please refer to Note 6, Commitments and Contingencies, in our notes to the unaudited condensed consolidated financial statements in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors.

There have been no material changes with respect to risk factors previously disclosed in the 2021 Form 10-K.

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

Use of Proceeds

In July 2021, we completed our IPO. All shares sold were registered pursuant to a registration statement on Form S-1 (File No. 333-257320), as amended (the "Registration Statement"), declared effective by the SEC on July 14, 2021.

The net proceeds from our IPO have been used and will be used, together with our cash and cash equivalents: (i) to fund ongoing and future clinical trials of OMNI and TearCare; (ii) to support the marketing and sales efforts for our products; (iii) for research and development; and (iii) for working capital and other general corporate purposes.

There has been no material change in the intended use of proceeds from our IPO as described in our Registration Statement.

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

The following exhibits are filed or furnished as a part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed/Furnished Herewith
3.1	Restated Certificate of Incorporation of Sight Sciences, Inc.	8-K	001-40587	3.1	7/19/21	
3.2	Amended and Restated Bylaws of Sight Sciences, Inc.	8-K	001-40587	3.2	7/19/21	
4.1	Third Amended and Restated Investors' Rights Agreement, dated as of November 23, 2020, as amended	S-1/A	333-257320	4.1	7/8/21	
4.2	Specimen Stock Certificate evidencing the shares of common stock	S-1/A	333-257320	4.2	7/8/21	
4.3	Form of Warrant to Purchase Stock	S-1	333-257320	4.3	6/23/21	
10.1	2021 Incentive Award Plan - U.K. Sub-plan and Forms of Agreements Thereunder					*
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a)					*
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a)					*
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C Section 1350					**
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350					**
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.

SIGHT SCIENCES, INC

May 10, 2022

By: /s/ Paul Badawi
Paul Badawi
President and Chief Executive Officer

Exhibit 10.1

SIGHT SCIENCES, INC. 2021 INCENTIVE AWARD PLAN

SUB-PLAN FOR UK EMPLOYEES

a. Purpose

Pursuant to the powers granted by the Administrator in Section 10.5 of the Sight Sciences, Inc. 2021 Incentive Award Plan (as it may be amended or restated from time to time, the "***Plan***"), the Administrator has adopted this Sub-Plan (the "***Sub-Plan***"). The purpose of the Sub-Plan is to promote the success and enhance the value of Sight Sciences, Inc., (the "***Company***"), by linking the individual interests of Employees, to those of Company stockholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to Company stockholders. The Sub-Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Employees upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent. Only Employees may receive Awards under the Sub-Plan. Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Plan.

b. Eligibility

The Sub-Plan forms the rules of the employee share scheme applicable to Awards made under the Sub-Plan to Employees of the Company and any Subsidiaries based in the United Kingdom or in any other jurisdiction at the discretion of the Administrator. Other Service Providers who are not Employees (such as Consultants and non-employee Directors) are not eligible to receive Awards and become Participants under this Sub-Plan. References to the phrase "Service Provider" shall be interpreted as referring only to Employees when that phrase in the Plan is used in the context of the Sub-Plan and Awards granted to Employees under this Sub-Plan.

c. Administration and Delegation

1. The provisions of Article 3 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

2. Capitalized terms used in the Sub-Plan which are not defined herein shall have the meaning given in the Plan, and where the context requires any references to the "Plan" in those definitions shall be a reference to the Sub-Plan. The singular pronoun shall include the plural where the context so indicates.

3. In the event of a conflict between the terms of the Sub-Plan and the Plan with respect to Awards granted to Employees based in the United Kingdom under the Sub-Plan, the terms of the Sub-Plan will control.

d. Stock Available for Awards

1. Except as set out below, and subject to the terms of 4(c) of this Sub-Plan, the provisions of Article 4 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

2. Sections 4.3 and 4.5 of the Plan will not apply to the Sub-Plan.

3. The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Sub-Plan, when taken together with the number of Shares which may be issued or transferred pursuant to Awards under the Plan or any other sub-plan shall not exceed the limits specified by Article 4 of the Plan, as amended from time to time.

e. Stock Options and Stock Appreciation Rights

1. Except as set out below, the provisions of Article 5 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

2. Unless otherwise determined appropriate by the Administrator, any Option granted under this Sub-Plan shall be a Non-Qualified Stock Option. Any reference to Incentive Stock Option shall not apply to Options granted pursuant to this Sub-Plan.

f. Restricted Stock; Restricted Stock Units

The provisions of Article 6 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

g. Other Stock or Cash Based Awards

The provisions of Article 7 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

h. Adjustments For Changes In Common Stock And Certain Other Events

The provisions of Article 8 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

i. General Provisions Applicable To Awards

1. Except as set out below, the provisions of Article 9 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

2. Section 9.5 of the Plan shall be amended so that the term “taxes required by law to be withheld” and any similar phrases relating to tax obligations when used in Section 9.5 shall include income tax, employee’s National Insurance contributions and (at the discretion of the Company and to the extent permitted by law) employer’s National Insurance contributions or other similar taxes arising in any jurisdiction (any a “***Tax Liability***”) that are attributable to (i) the grant, exercise or vesting of, or any benefit derived by the Participant from, an Award or the Common Stock which are the subject of the Award; (ii) the transfer or issuance of Common Stock to the Participant upon exercise or satisfaction of an Award; (iii) any restrictions applicable to any Common Stock held by the Participant ceasing to apply thereto; or (iv) the disposal of any Common Stock (each event referred to as a “***Taxable Event***”). The Participant will indemnify and keep indemnified the Company and his/her employing company, if different, from and against any liability for or obligation to pay any Tax Liability arising in consequence of any Award.

3. The following language set out below is in addition to Section 9.5 of the Plan:

"*The Participant agrees that if the Participant does not pay, or his/her employer (the "**Employer**") or the Company does not withhold from the Participant, the full amount of any income tax arising in respect of any Taxable Event (and to the extent such income tax pertains to a "notional payment" as defined in Section 222(1)(a) of the Income Tax (Earnings and Pensions) Act 2003 ("**ITEPA**")) within ninety (90) days after the end of the tax year in which the notional payment is treated as having been made (for the purposes of Section 222 of ITEPA), or such other period specified in Section 222(1)(c) of ITEPA, (the "**Relevant Period**") then the amount of income tax and employee's National Insurance contributions that should have been withheld in respect of the notional payment shall constitute a loan owed by the Participant to the Employer, effective from the end of the Relevant Period. The Participant agrees that the loan will bear interest at HMRC's official rate and will be immediately due and repayable by the Participant, and the Company and/or the Employer may recover it at any time thereafter by: (i) withholding the funds from salary, bonus or any other funds due to the Participant by the Employer; (ii) withholding Common Shares otherwise issuable upon vesting and/or exercise of the Award or all or a portion of the cash proceeds otherwise due to the Participant from the sale of Common Shares; or (iii) demanding cash or a cheque from the Participant. The Participant also authorizes the Company to delay the issuance of any Common Shares to the Participant unless and until the loan is repaid in full.*

Notwithstanding the foregoing, if the Participant is an officer or executive director (as within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that the Participant is an officer or executive director and the full amount of any income tax arising in respect of any Taxable Event (to the extent such income tax pertains to a "notional payment" as defined in Section 222(1)(a) of ITEPA) is not collected from or paid by the Participant within ninety (90) days after the end of the tax year in which the notional payment is treated as having been made (for the purposes of Section 222 of ITEPA), or such other period specified in Section 222(1)(c) of ITEPA, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and National Insurance contributions may be payable. The Participant acknowledges that the Company or the Employer may recover any such additional income tax and (to the extent permitted by law) National Insurance contributions at any time thereafter by any of the means referred to in the Sub-Plan."

4. Section 9.10 of the Plan will not apply to the Sub-Plan.

j. Miscellaneous

1. The provisions of Article 10 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

2. The following language set out below is in addition to the terms of Section 10.1:

"Neither the Sub-Plan nor any Award made under the Sub-Plan shall give the Participant any rights to compensation or damages including, without limitation, for any loss or potential loss that the Participant may suffer by reason of being

unable to exercise any Option or forfeiting any Award or Common Stock as a result of the termination of the Sub-Plan, the lapsing or termination of an Award or the Participant's Termination of Service including where any Termination of Service is subsequently held to be wrongful or unfair."

3. The Company and any Subsidiary will collect and process information relating to employees based in the United Kingdom in accordance with the privacy notice which is available on the Company's intranet and internet sites.

4. The provisions of Section 10.6 of the Plan shall only apply to Awards under the Sub-Plan to the extent such Awards are, in the opinion of the Administrator, subject to Section 409A of the Code.

k. Definitions

1. Except as set out below, the provisions of Article 11 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

2. Section 11.6 ("**Cause**") shall mean (i) if a Participant is a party to a written employment or consulting agreement with the Company or any of its Subsidiaries or an Award Agreement in which the term "cause" is defined (a "**Relevant Agreement**"), "**Cause**" as defined in the Relevant Agreement, and (ii) if no Relevant Agreement exists, (A) the Administrator's determination that the Participant has committed gross neglect or willful misconduct of the Participant's duties; (B) the Administrator's determination that the Participant failed to carry out, or comply with any lawful and reasonable directive of the Board or the Participant's immediate supervisor; (C) conviction of the Participant of a criminal offence (other than in connection with a traffic violation that does not result in imprisonment); (D) the Participant's unlawful use (including being under the influence) or possession of illegal drugs on the premises of the Company or any of its Subsidiaries or while performing the Participant's duties and responsibilities for the Company or any of its Subsidiaries; or (E) the Participant's commission of an act of fraud, embezzlement, misappropriation, misconduct, or breach of fiduciary duty against the Company or any of its Subsidiaries.

3. Section 11.12 ("***Consultant***") shall not apply to this Sub-Plan.

4. Section 11.38 ("***Service Provider***") shall mean an Employee.

5. Wherever the following terms are: (i) used in the Sub-Plan; or (ii) used in the Plan but apply to Awards made under the Sub-Plan, they shall have the meanings specified below, unless the context clearly indicates otherwise:

   (i) "***Award***" means, individually, or collectively, a grant under the Sub-Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Dividend Equivalents or Other Stock or Cash Based Awards;

   (ii) "***Service Provider***" shall mean any person who is an Employee.

SIGHT SCIENCES, INC.
2021 INCENTIVE AWARD PLAN

STOCK OPTION GRANT NOTICE

Capitalized terms not specifically defined in this Stock Option Grant Notice (the "***Grant Notice***") have the meanings given to them in the 2021 Incentive Award Plan Sub-Plan for UK employees (as amended from time to time, the "***Plan***") of Sight Sciences, Inc. (the "***Company***").

The Company has granted to the participant listed below ("***Participant***") the stock option described in this Grant Notice (the "***Option***"), subject to the terms and conditions of the Plan and the Stock Option Agreement attached as **Exhibit A** (the "***Agreement***"), both of which are incorporated into this Grant Notice by reference.

Participant:

Grant Date:

Exercise Price per Share:

Shares Subject to the Option:

Final Expiration Date:

Vesting Commencement Date:

Vesting Schedule:

Type of Option:

By Participant's signature below, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

SIGHT SCIENCES, INC.	**PARTICIPANT**
By:	
Name:	
Title:	

STOCK OPTION AGREEMENT

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

ARTICLE I.
GENERAL

I.1Grant of Option. The Company has granted to Participant the Option effective as of the grant date set forth in the Grant Notice (the "***Grant Date***").

I.2Incorporation of Terms of Plan. The Option is subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

ARTICLE II.
PERIOD OF EXERCISABILITY

II.1Commencement of Exercisability. The Option will vest and become exercisable according to the vesting schedule in the Grant Notice (the "***Vesting Schedule***") except that any fraction of a Share as to which the Option would be vested or exercisable will be accumulated and will vest and become exercisable only when a whole Share has accumulated. Notwithstanding anything in the Grant Notice, the Plan or this Agreement to the contrary, unless the Administrator otherwise determines, the Option will immediately expire and be forfeited as to any portion that is not vested and exercisable as of Participant's Termination of Service for any reason.

II.2Duration of Exercisability. The Vesting Schedule is cumulative. Any portion of the Option which vests and becomes exercisable will remain vested and exercisable until the Option expires. The Option will be forfeited immediately upon its expiration.

II.3Expiration of Option. The Option may not be exercised to any extent by anyone after, and will expire on, the first of the following to occur:

(a)The final expiration date in the Grant Notice;

(b)Except as the Administrator may otherwise approve, the expiration of three (3) months from the date of Participant's Termination of Service, unless Participant's Termination of Service is for Cause or by reason of Participant's death or Disability;

(c)Except as the Administrator may otherwise approve, the expiration of one (1) year from the date of Participant's Termination of Service by reason of Participant's death or Disability; and

(d)Except as the Administrator may otherwise approve, Participant's Termination of Service for Cause.

ARTICLE III.
EXERCISE OF OPTION

III.1Person Eligible to Exercise. During Participant's lifetime, only Participant may exercise the Option. After Participant's death, any exercisable portion of the Option may, prior to the time the Option expires, be exercised by Participant's Designated Beneficiary as provided in the Plan.

III.2Partial Exercise. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised, in whole or in part, according to the procedures in the Plan at any time prior to the time the Option or portion thereof expires, except that the Option may only be exercised for whole Shares.

III.3Tax Withholding.

(a)The Company has the right and option, but not the obligation, to treat Participant's failure to provide timely payment in accordance with the Plan of any withholding tax arising in connection with the Option as Participant's election to satisfy all or any portion of the withholding tax by requesting the Company retain Shares otherwise issuable under the Option.

(b)Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the Option, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the Option. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or exercise of the Option or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the Option to reduce or eliminate Participant's tax liability.

(c)Participant agrees to indemnify and keep indemnified the Company and any Subsidiary, including Participant's employing company from and against any Tax Liability.

ARTICLE IV.
OTHER PROVISIONS

IV.1Adjustments. Participant acknowledges that the Option is subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

IV.2Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant (or, if Participant is then deceased, to the person entitled to exercise the Option) at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

IV.3Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

IV.4Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

IV.5Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in the Plan, this Agreement will be binding upon

and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

IV.6Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement and the Option will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

IV.7Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

IV.8Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

IV.9Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Option, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to the Option, as and when exercised pursuant to the terms hereof.

IV.10Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

IV.11Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

IV.12Data Protection. The Company will collect and process information relating to Participant in accordance with applicable data protection laws.

* * * * *

SIGHT SCIENCES, INC.
2021 INCENTIVE AWARD PLAN

RESTRICTED STOCK UNIT GRANT NOTICE

Capitalized terms not specifically defined in this Restricted Stock Unit Grant Notice (the "***Grant Notice***") have the meanings given to them in the 2021 Incentive Award Plan Sub-Plan for UK employees (as amended from time to time, the "***Plan***") of Sight Sciences, Inc. (the "***Company***").

The Company has granted to the participant listed below ("***Participant***") the Restricted Stock Units described in this Grant Notice (the "***RSUs***"), subject to the terms and conditions of the Plan and the Restricted Stock Unit Agreement attached as **Exhibit A** (the "***Agreement***"), both of which are incorporated into this Grant Notice by reference.

Participant:

Grant Date:

Number of RSUs:

Vesting Commencement Date:

Vesting Schedule:

By Participant's signature below, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

SIGHT SCIENCES, INC.	**PARTICIPANT**
By:	
Name:	
Title:	

RESTRICTED STOCK UNIT AGREEMENT

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

ARTICLE I.
GENERAL

I.1 Award of RSUs and Dividend Equivalents.

(a) The Company has granted the RSUs to Participant effective as of the grant date set forth in the Grant Notice (the "***Grant Date***"). Each RSU represents the right to receive one Share or, at the option of the Company, an amount of cash, in either case, as set forth in this Agreement. Participant will have no right to the distribution of any Shares or payment of any cash until the time (if ever) the RSUs have vested.

(b) The Company hereby grants to Participant, with respect to each RSU, a Dividend Equivalent for ordinary cash dividends paid to substantially all holders of outstanding Shares with a record date after the Grant Date and prior to the date the applicable RSU is settled, forfeited or otherwise expires. Each Dividend Equivalent entitles Participant to receive the equivalent value of any such ordinary cash dividends paid on a single Share. The Company will establish a separate Dividend Equivalent bookkeeping account (a "***Dividend Equivalent Account***") for each Dividend Equivalent and credit the Dividend Equivalent Account (without interest) on the applicable dividend payment date with the amount of any such cash paid.

I.2 Incorporation of Terms of Plan. The RSUs are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

I.3 Unsecured Promise. The RSUs and Dividend Equivalents will at all times prior to settlement represent an unsecured Company obligation payable only from the Company's general assets.

ARTICLE II.
VESTING; FORFEITURE AND SETTLEMENT

II.1 Vesting; Forfeiture. The RSUs will vest according to the vesting schedule in the Grant Notice except that any fraction of an RSU that would otherwise be vested will be accumulated and will vest only when a whole RSU has accumulated. In the event of Participant's Termination of Service for any reason, all unvested RSUs will immediately and automatically be cancelled and forfeited, except as otherwise determined by the Administrator or provided in a binding written agreement between Participant and the Company. Dividend Equivalents (including any Dividend Equivalent Account balance) will vest or be forfeited, as applicable, upon the vesting or forfeiture of the RSU with respect to which the Dividend Equivalent (including the Dividend Equivalent Account) relates.

II.2 Settlement.

(a) RSUs and Dividend Equivalents (including any Dividend Equivalent Account balance) will be paid in Shares or cash at the Company's option as soon as administratively practicable after the vesting of the applicable RSU, but in no event more than sixty (60) days after the RSU's vesting date. Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Law until the earliest date the Company

reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)), provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A.

(b) If an RSU is paid in cash, the amount of cash paid with respect to the RSU will equal the Fair Market Value of a Share on the day immediately preceding the payment date. If a Dividend Equivalent is paid in Shares, the number of Shares paid with respect to the Dividend Equivalent will equal the quotient, rounded down to the nearest whole Share, of the Dividend Equivalent Account balance divided by the Fair Market Value of a Share on the day immediately preceding the payment date.

ARTICLE III.
TAXATION AND TAX WITHHOLDING

III.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this Award and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

III.2 Tax Withholding.

(a) The Company has the right and option, but not the obligation, to treat Participant's failure to provide timely payment in accordance with the Plan of any withholding tax arising in connection with the RSUs or Dividend Equivalents as Participant's election to satisfy all or any portion of the withholding tax by requesting the Company retain Shares otherwise issuable under the Award.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs and the Dividend Equivalents, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the RSUs or Dividend Equivalents. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the RSUs or the Dividend Equivalents or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the RSUs or Dividend Equivalents to reduce or eliminate Participant's tax liability.

(c) Participant agrees to indemnify and keep indemnified the Company and the Subsidiaries, including Participant's employing company from and against any Tax Liability.

ARTICLE IV.
OTHER PROVISIONS

IV.1 Adjustments. Participant acknowledges that the RSUs, the Shares subject to the RSUs and the Dividend Equivalents are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

IV.2 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by

certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

IV.3 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

IV.4 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

IV.5 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

IV.6 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement, the RSUs and the Dividend Equivalents will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

IV.7 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

IV.8 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

IV.9 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and Dividend Equivalents, and rights no greater than the right to receive cash or the Shares as a general unsecured creditor with respect to the RSUs and Dividend Equivalents, as and when settled pursuant to the terms of this Agreement.

IV.10 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

IV.11 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

IV.12 Data Protection. The Company will collect and process information relating to Participant in accordance with applicable data protection laws.

* * * * *

Exhibit 31.1

Certification

I, Paul Badawi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter period ended March 31, 2022 of Sight Sciences, 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: May 10, 2022

/s/ Paul Badawi
Paul Badawi
Chief Executive Officer

Exhibit 31.2

Certification

I, Jesse Selnick, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter period ended March 31, 2022 of Sight Sciences, 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: May 10, 2022

/s/ Jesse Selnick
Jesse Selnick
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Sight Sciences, Inc. (the "Company") hereby certifies that:

1. the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

Dated: May 10, 2022

/s/ Paul Badawi
Paul Badawi
Chief Executive Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibit 32.2

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Sight Sciences, Inc. (the "Company") hereby certifies that:

1. the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

Dated: May 10, 2022

/s/ Jesse Selnick
Jesse Selnick
Chief Financial Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.