



Ouster Streamlines Cost Structure to Bolster Path to Profitability

September 20, 2022

Reduces spend across the business by over 15%

Reduces headcount by approximately 10%

Suspends sales of common stock through ATM

SAN FRANCISCO--(BUSINESS WIRE)-- [Ouster, Inc.](#) (NYSE: OUST) ("Ouster" or "the Company"), a leading provider of high-resolution digital lidar sensors for the automotive, industrial, robotics, and smart infrastructure industries, announced a comprehensive cost reduction initiative across its business, streamlining its cost structure and extending its expected cash runway.

"We are laser-focused on bolstering our path to profitability and minimizing capital requirements. These efforts, coupled with our industry-leading margins, focused growth, and robust product roadmap, especially the upcoming launch of the L3 chip, keep us on that path," said Ouster CEO Angus Pacala.

In its last earnings call, Ouster [announced](#) three pillars to strengthen its financial position: strategic fundraising, targeted spend, and accelerated growth. In addition to actions in the second quarter, the Company is executing a multi-pronged strategy to reduce gross cash spend across operational expenditures, capital expenditures, and inventory, targeting \$107 million in gross cash spend in 2023¹. This represents a reduction of more than 15% compared to annualized gross cash spend based on the second quarter 2022. Specifically, the Company is reducing operational expenditures through budget realignment and an approximately 10% workforce reduction, optimizing capital expenditures, and improving working capital through inventory and build plan adjustments.

These efforts, coupled with additional steps to accelerate market share capture through product releases and targeted commercial strategies, provide Ouster with the flexibility to execute on its business plan. In addition to the actions above, the Company suspended sales of common stock through its at-the-market ("ATM") offering.

"Ouster is well-positioned to emerge as the market leader this year. We continue to deliver best-in-class hardware, capture market share, progress toward achieving product and safety specific certifications, and build a robust software ecosystem to expand our addressable market," said Ouster CFO Anna Brunelle. "We identified areas of the business where we can operate with greater efficiency, allowing us to further execute on our strategic initiatives and deliver high-performance products to our hundreds of customers in order to bolster our path to profitability."

About Ouster

Ouster (NYSE: OUST) is building a safer and more sustainable future through its high-resolution digital lidar sensors for the automotive, industrial, smart infrastructure, and robotics industries. Ouster's sensors offer an excellent combination of price and performance with the flexibility to span hundreds of use-cases and enable revolutionary autonomy across industries. With a global team and high-volume manufacturing, Ouster supports approximately 600 customers in over 50 countries. Ouster is headquartered in San Francisco, CA with offices in the Americas, Europe, Asia-Pacific, and the Middle East. For more information, visit www.ouster.com, or connect with us on [Twitter](#) or [LinkedIn](#).

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding Ouster's expectations for its cost-savings initiatives and path to profitability, as well as its technological advancements, market opportunities, market growth expectations, potential pipeline of customers, anticipated product releases, and positioning to capture market share. Forward-looking statements give Ouster's current expectations and projections relating to its financial condition, competitive position, financial position, future results of operations, plans, objectives, future orders whether binding or non-binding, and business. You may identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "aim," "anticipate," "estimate," "expect," "project," "plan," "forecast," "intend," "believe," "may," "will," "should," "can have," "likely," "guidance," "continue," "could," "would," "potentially," "preliminary" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected, including but not limited to Ouster's limited operating history and history of losses; the negotiating power and product standards of its customers; fluctuations in its operating results; supply chain constraints and challenges; cancellation or postponement of contracts or unsuccessful implementations; the adoption of its products and the growth of the lidar market generally; its ability to grow its sales and marketing organization; substantial research and development costs needed to develop and commercialize new products; the competitive environment in which it operates; selection of its products for inclusion in target markets; its future capital needs and ability to secure additional capital on favorable terms or at all; its ability to use tax attributes; its dependence on key third party suppliers, in particular Benchmark Electronics, Inc., and manufacturers; its ability to maintain

inventory and the risk of inventory write-downs; inaccurate forecasts of market growth; its ability to manage growth; the creditworthiness of its customers; risks related to acquisitions; risks related to international operations; risks of product delivery problems or defects; costs associated with product warranties; its ability to maintain competitive average selling prices or high sales volumes or reduce product costs; conditions in its customers' industries; risks related to legal proceedings; its ability to recruit and retain key personnel; its use of professional employer organizations; its ability to adequately protect and enforce its intellectual property rights; its ability to effectively respond to evolving regulations and standards; risks related to operating as a public company; risks related to the COVID-19 pandemic; risks related to certain of its warrants being accounted for as liabilities; and other important factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, as updated by the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 and as any such factors may be further updated from time to time in the Company's other filings with the Securities and Exchange Commission (the "SEC"), and in other reports the Company files with or furnishes to the SEC. Any such forward-looking statements represent management's reasonable estimates and beliefs as of the date of this press release. While Ouster may elect to update such forward-looking statements at some point in the future, it disclaims any obligation to do so, other than as required by law, even if subsequent events cause its views to change.

¹ Gross cash spend includes capital expenditures, inventory, and operational expenditures, excluding stock-based compensation, depreciation, and litigation expense.

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Source: Ouster, Inc.