



## Ouster to Establish Automotive Group with Planned Acquisition of Sense Photonics to Accelerate Automotive Growth and Bring Solid-State Digital Lidar to Market

October 5, 2021

*Strategic acquisition expected to solidify Ouster as frontrunner in automotive with long-range solid-state digital lidar, a major global auto OEM deal, and series production traction with global automakers*

SAN FRANCISCO--(BUSINESS WIRE)-- Ouster, Inc. (NYSE: OUST) ("Ouster" or the "Company") announced today that it has signed a definitive agreement to acquire Sense Photonics ("Sense"), which has developed a digital solid-state lidar sensor for automotive series production. Upon closing the strategic all-stock acquisition Ouster plans to establish Ouster Automotive, a new functional division of the company focused on driving mass-market adoption of digital lidar in consumer and commercial vehicles, cementing Ouster's position as a market leader across auto and non-auto industry verticals.

Following transaction close, Ouster will establish Ouster Automotive to be led by current Sense CEO Shauna McIntyre. Ouster Automotive plans to:

- Accelerate Ouster's solid-state roadmap by more than 12 months through Sense's approximately three years and \$24 million investment in CMOS digital lidar;
- Integrate Sense's breakthrough 200-meter range digital solid-state lidar into Ouster's plan for the industry's first multi-sensor lidar suite that meets the performance and price requirements for Level 2 and above autonomy;
- Deliver on the flagship strategic development agreement awarded by a major global automotive OEM to Sense earlier this year; and
- Advance five series production programs collectively worth over \$1 billion in potential revenue, currently under negotiation with automotive OEMs for start of production in 2025-2026.

Ouster also expects to strengthen its competitive position by retaining key Sense talent with deep engineering, semiconductor, and automotive expertise, and by acquiring from Sense over 100 pending patents and an exclusive license to over 250 patents.

"Ouster and Sense are an ideal pairing. Combining Ouster's digital expertise and maturity in product development and manufacturing with Sense's advanced solid-state digital lidar silicon is expected to accelerate the delivery of our multi-sensor digital lidar suite for the consumer ADAS market," said Ouster CEO Angus Pacala. "Ouster's digital technology has enabled us to pull ahead in the industrial, robotics, and smart infrastructure markets, and emerge as a top player in automotive. Together with Sense, Ouster is on its way to becoming the clear leader in technology and performance, poised to continue to capture share in auto and non-auto verticals alike."

### Transaction Highlights:

- Ouster to purchase 100% of the capital stock of Sense and all of its property for 9.5 million shares of Ouster common stock contingent upon customary closing adjustments and conditions.
- Ouster management expects the cash impact of approximately \$17 million additional operating expense in 2022 — excluding non-cash stock-based compensation in research and development, sales and marketing and general and administrative expenses of approximately \$8 million, \$2 million, \$2 million, respectively — to be completely offset by approximately \$17 million R&D savings related to our solid-state product roadmap chip tape outs and design fees that same year. Therefore, the cash impact is expected to be net neutral in 2022.
- Approximately 80 Sense employees are expected to join Ouster post-transaction; certain employees of Sense have agreed to five-year retention packages.
- Transaction is expected to close in the fourth quarter of 2021, subject to customary closing conditions.

"Sense's solid-state technology, which is closely aligned with Ouster's digital approach, has generated serious interest from global automotive OEMs, including a major strategic development agreement," said Sense CEO Shauna McIntyre. "The anticipated merger synergies are clear. We have a terrific opportunity to marry our two platforms to capture additional automotive design wins. Furthermore, Ouster's resources, manufacturing know-how, and proven ability to execute gives us confidence that, together, we have what it takes to become the market leader in automotive. We are excited to join the Ouster family."

### Conference Call:

Ouster and Sense Photonics will host a conference call at 5:00 p.m. EST on October 5, 2021 to discuss the proposed transaction and answer questions from covering analysts. Registration for the conference call can be completed by visiting the following website prior to, or on the day of, the conference call: <http://www.directeventreg.com/registration/event/2289236>. Upon registering,

each participant will be provided with call details and a registrant ID. Alternatively, the conference call will be available via a live webcast, and later as a replay for at least 14 days on Ouster's investor website at <https://investors.ouster.com>. Presentation materials referenced during the conference call will be available on Ouster's investor website immediately prior to the start of the conference call.

A replay of the call can also be accessed via phone through October 19, 2021 by dialing (800) 585-8367 from the U.S., or (416) 621-4642 from outside the U.S. The conference I.D. number is 2289236.

### **About Sense Photonics**

Sense Photonics offers high-performance, scalable lidar systems to enable mass-market automotive industry adoption. Its core flash technology is protected by nearly 300 patents and applications and enables a simple, high-performance, solid-state solution with no moving parts. Sense Photonics has offices in San Francisco, North Carolina, Detroit, Edinburgh, and Jerusalem. It is backed by leading VC firms and strategic investors and has developed partnerships with leading automotive and robotics customers. For more information, visit [www.sensephotonics.com](http://www.sensephotonics.com).

### **About Ouster**

Ouster (NYSE: OUST) is a leading provider of high-resolution digital lidar sensors for the industrial, smart infrastructure, robotics, and automotive industries. Ouster products offer an excellent combination of price and performance and are built to a set of requirements that are flexible enough to span hundreds of use cases and enable revolutionary autonomy across industries. Ouster has approximately 600 customers in over 50 countries with offices in the Americas, Europe, Asia-Pacific and the Middle East. For more information, visit [www.ouster.com](http://www.ouster.com), or connect with us on [Twitter](#) or [LinkedIn](#).

### **Forward-Looking Statements**

This press release includes various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which represent our management's beliefs and assumptions concerning future events. These statements are intended to qualify for the "safe harbor" from liability established by the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements regarding the terms and expected closing date for the acquisition of Sense Photonics, the benefits and cost synergies of the potential acquisition of Sense Photonics, expected impacts to operating expenditures, Ouster's business strategy and competitive position following the acquisition, and the establishment of Ouster Automotive and proposed leadership. Forward-looking statements give Ouster's current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can 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 "anticipate", "estimate", "expect", "project", "plan", "intend", "believe", "may", "will", "should", "can have", "likely" 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: failure to consummate the Sense acquisition; failure to satisfy closing conditions to the Sense acquisition; risks that the Sense business will not be integrated successfully; failure to realize the synergies or benefits of the Sense acquisition; Ouster's limited operating history and history of losses; the adoption of its products and the growth of the lidar market generally; the competitive environment in which it operates; its future capital needs; its ability to adequately protect and enforce its intellectual property rights; its ability to effectively respond to evolving regulations and standards relating to applications in which its products are frequently used; its reliance on a third-party manufacturer; the timing of revenue from existing customers; uncertainties related to Ouster's estimates of the size of the markets for its products and future revenue opportunities; and other important factors discussed in the Company's final prospectus dated August 19, 2021, and in other reports the Company files with or furnishes to the SEC. Any such forward-looking statements represent management's 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, even if subsequent events cause its views to change.

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