

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **September 15, 2021 (September 9, 2021)**

GROWTH CAPITAL ACQUISITION CORP.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-39959

(Commission File Number)

27-2447291

(IRS Employer
Identification No.)

**300 Park Avenue, 16th Floor
New York, New York 10022**

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **212-895-3500**

Not Applicable

(Former name or former address, if changed since last report)

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Units, each consisting of one share of Class A common stock and one-half of one Redeemable Warrant	GCACU	The Nasdaq Stock Market LLC
Class A common stock, par value \$0.0001 per share	GCAC	The Nasdaq Stock Market LLC
Redeemable warrants, exercisable for Class A common stock at an exercise price of \$11.50 per share	GCACW	The Nasdaq Stock Market LLC

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 7.01 Regulation FD Disclosure.

On September 9, 2021 and September 10, 2021, representatives of Cepton Technologies, Inc., a Delaware corporation (“**Cepton**”), including the Chief Executive Officer, Dr. Jun Pei, and the Chief Financial Officer, Dr. Winston Fu, presented at the RBC Capital Markets Global Industrials Conference (the “**RBC Conference**”) and Cowen’s 14th Annual Global Transportation & Sustainability Mobility Conference (the “**Cowen Conference**”), respectively.

The transcripts of the RBC Conference and the Cowen Conference (collectively, the “**Transcripts**”) are furnished herewith as Exhibit 99.1 and 99.2, respectively, to this Current Report on Form 8-K. The Transcripts are intended to be furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Forward-Looking Statements

Certain statements herein are “forward-looking statements” made pursuant to the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Statements that are not historical facts, including statements about Cepton and Growth Capital Acquisition Corp., a Delaware corporation (“GCAC”) and the transactions contemplated by the Business Combination Agreement (the “Transactions”), and the parties’ perspectives and expectations, are forward looking statements. Such statements include, but are not limited to, statements regarding the Transactions, including the anticipated initial enterprise value and post-closing equity value, the benefits of the Transactions, integration plans, expected synergies and revenue opportunities, anticipated future financial and operating performance and results, including estimates for growth, the expected management and governance of the combined company, and the expected timing of the Transactions. Such forward-looking statements reflect Cepton’s or GCAC’s current expectations or beliefs concerning future events and actual events may differ materially from current expectations. Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “will,” “expect,” “anticipate,” “believe,” “seek,” “target,” “designed to” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Any such forward-looking statements are subject to various risks and uncertainties, including (1) the success of our strategic relationships, including with Cepton’s Tier 1 partners, none of which are exclusive; (2) the possibility that Cepton’s business or the combined company may be adversely affected by other economic, business, and/or competitive factors; (3) the risk that current trends in automotive and smart infrastructure markets decelerate or do not continue; (4) the inability of the parties to successfully or timely consummate the proposed business combination, including the risk that any required regulatory approvals are not obtained, are delayed or are subject to unanticipated conditions that could adversely affect the combined company or the expected benefits of the proposed business combination or that the approval of the stockholders of GCAC or Cepton is not obtained; (5) risks related to future market adoption of Cepton’s offerings; (6) the final terms of Cepton’s arrangement with its Tier 1 partner and, in turn, its Tier 1 partner’s contract with the major global automotive OEM differing from Cepton’s expectations, including with respect to volume and timing, or the arrangement can be terminated or may not materialize into a long-term contract partnership arrangement; (7) the ability of GCAC or the combined company to issue equity or equity-linked securities in connection with the proposed business combination or in the future; (8) the inability to recognize the anticipated benefits of the proposed business combination, which may be affected by, among other things, the amount of cash available following any redemptions by GCAC’s stockholders; (9) the ability of the combined company to meet the initial listing standards of The Nasdaq Stock Market upon consummation of the proposed business combination; (10) costs related to the proposed business combination; (11) expectations with respect to future operating and financial performance and growth, including when Cepton will generate positive cash flow from operations; (12) Cepton’s ability to raise funding on reasonable terms as necessary to develop its product in the timeframe contemplated by its business plan; (13) Cepton’s ability to execute its business plans and strategy; (14) the failure to satisfy the conditions to the consummation of the proposed business combination, including the approval of the proposed business combination and definitive agreements for the proposed business combination by the stockholders of GCAC; and (15) the occurrence of any event, change or other circumstance that could give rise to the termination of the proposed business combination. If any of these risks materialize or any of GCAC’s or Cepton’s assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. Cepton and GCAC do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should carefully consider the risk factors and uncertainties described in “Risk Factors,” “GCAC’s Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Cepton’s Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Forward-Looking Statements” and the additional risks described in the Registration Statement on Form S-4 (as may be further amended, the “Registration Statement”) filed by GCAC with the Securities and Exchange Commission (the “SEC”) on September 8, 2021 and other documents filed by Cepton and GCAC and other documents filed by Cepton and GCAC from time to time with the SEC. Further, since the Registration Statement has not been declared effective by the SEC, the final proxy statement/consent solicitation statement/prospectus forming a part of the Registration Statement may contain additional risks, which may be material.

Additional Information and Where to Find It

GCAC has filed with the SEC the Registration Statement, which contains information about the proposed transaction and the respective businesses of Cepton and GCAC. GCAC will mail a final prospectus and definitive proxy statement and other relevant documents after the SEC completes its review. GCAC stockholders are urged to read the preliminary prospectus and proxy statement and any amendments thereto and the final prospectus and definitive proxy statement in connection with the solicitation of proxies for the special meeting to be held to approve the proposed transaction, because these documents will contain important information about GCAC, Cepton and the proposed transaction. The final prospectus and definitive proxy statement will be mailed to stockholders of GCAC as of a record date to be established for voting on the proposed transaction. Stockholders of GCAC will also be able to obtain a free copy of the proxy statement, as well as other filings containing information about GCAC, without charge, at the SEC's website (www.sec.gov) or by calling 1-800-SEC-0330. Copies of the proxy statement and GCAC's other filings with the SEC can also be obtained, without charge, by directing a request to: Growth Capital Acquisition Corp., 300 Park Avenue, 16th Floor, New York, NY 10022. Additionally, all documents filed with the SEC can be found on GCAC's website, www.gcacorp.com.

Participants in the Solicitation

Cepton and GCAC and their respective directors and officers and other members of management and employees may be deemed participants in the solicitation of proxies in connection with the proposed business combination. GCAC stockholders and other interested persons may obtain, without charge, more detailed information regarding directors and officers of GCAC in GCAC's Annual Report on Form 10-K for the fiscal year ended March 31, 2021, which was filed with the SEC on July 19, 2021. Information regarding the persons who may, under SEC rules, be deemed participants in the solicitation of proxies from GCAC's stockholders in connection with the proposed business combination will be included in the definitive proxy statement/prospectus that GCAC intends to file with the SEC.

No Offer or Solicitation

This Current Report on Form 8-K shall not constitute a solicitation of a proxy, consent, or authorization with respect to any securities or in respect of the proposed business combination. This Current Report on Form 8-K shall also not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any states or jurisdictions in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, or an exemption therefrom.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
<u>99.1</u>	<u>Transcript of the RBC Conference, held on September 9, 2021.</u>
<u>99.2</u>	<u>Transcript of the Cowen Conference, held on September 10, 2021.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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 hereunto duly authorized.

GROWTH CAPITAL ACQUISITION CORP.

By: /s/ George Syllantavos

Name: *George Syllantavos*

Title: Co-Chief Executive Officer

Dated: September 15, 2021

The following is a transcript of the RBC Capital Markets Global Industrials Conference held on September 9, 2021.

Joe: Good afternoon, everyone. I'm Joe Spak, Lead Automotive Analyst here at RBC Capital Markets. Thanks, everyone, for joining us for a full day of meetings here at the RBC Industrials Conference. Very pleased to have up next in our track, Cepton Technologies. With us from Cepton we have Jun Pei, Chief Executive Officer, Winston Fu, Chief Financial Officer, and Hull Xu, Vice President of Finance.

The format for this is going to be mostly fireside chat. I've prepared some questions. We're going to have a conversation. I do, to the extent there are questions from investors on the line, you can type in a question in the box and it'll pop up on my end and I can integrate it into the conversation. Because this is a newer name to investors on this webcast here, Jun has prepared a little bit of an overview, so he's going to start with that.

In advance of that, I'm going to just hand it over to Hull, who's going to make a brief statement, and then we'll get started.

Hull: Great. Thank you. Thank you, Joe. I'm going to read a bit of a disclaimer. Just give me a few seconds before I turn it over to Jun. Before we begin, I'll refer you to the legal disclaimer at the beginning of our presentation regarding forward-looking statements, projected financial statements, non-GAAP disclosures, and where to find additional information on other matters. Please note that certain statements in this presentation, including certain answers to your questions and forward-looking statements within the meaning of Private Security Litigation Reform Act.

This includes, without limitations, statements regarding our future operations and performance revenue, operating expenses, stock-based compensation expense, and other income and expense items. This presentation does not constitute an offer or solicitation of an offer to buy or sell any security investment or other specific product or solicitation of any vote or approval, nor shall there be any sale of security investment or other specific products in any jurisdiction. Any such offers, solicitation, or sale would be unlawful prior to registration or qualification under security law of any such jurisdiction.

Certain financial measures included in this presentation, including projects, are not presented in accordance to GAAP. Such non-GAAP measures should not be considered in isolation, and you are cautioned that such measure may not be comparable to similarly titled measures used by other companies. GCAC has filed with SEC a registration statement on form S4 with proxy statements containing information about the proposed transaction and respect to the business of Cepton and GCAC.

The registration segment has not been declared effective, GCAC will mail a final prospectus and definitive proxy statement and other relevant documents after the SEC completes its review. GCAC stockholders are urged to read the preliminary prospectus and proxy statement and any amendments there to, and the final prospectus and definitive proxy statements in connection with the solicitation of proxies for the special meeting to be held to approve the proposed transaction, because these documents will contain important information about GCAC, Cepton, and the proposed transaction. Over to you, Jun.

Jun: Thank you very much, Hull. Thank you, everybody, for spending time with us today. I'm just going to start with a brief introduction of Cepton Technologies. By sharing this file, I hope you can see my share right now and I'm going to use this presentation with the initial couple pages the disclaimer statement, as Hull has mentioned, followed by our company overview.

Okay, we're Cepton. We're a lidar company in Silicon Valley. We started in 2016, and when we started, we actually differentiated ourselves from the very beginning that we want to make mass market lidar and focus on the ADAS industry. This was quite different from the bandwagon in 2016 where everybody was talking about level 4, level 5 vehicles. For us, we actually made our focus on the level 2, 2+, up to level 3, and all the subsequent, whether technical development or the commercial engagement, were all focused with that one thesis, and effectively, we actually, with that thesis, have won the largest ADAS design win known to us.

Just very quickly, being a lidar company, there are multiple markets that we're interested in entering. There are automotive markets and there are non-automotive markets, specifically in ADAS. ADAS is our focus in the automotive industry, and that's where we have put most of our company resources in for the past five years. To justify that is actually very straightforward. If you look at the total addressable market for lidar, the numbers here really justifies it without saying too much that this is a huge percentage, both in absolute value and in percentage, an important factor in us in terms of deciding, okay, this is the biggest market for lidar, and that's where we're going to focus our investment.

Unlike many other technologies companies who started with the technology and then looking for market, this is a company that we actually had a market focus to start with, and then the technology and other commercials came after that, even being mentioned is very much focused with this market in mind. With that, this is a brief snapshot of the company history. We started in 2016, and you look at this, all the, from the product development all the way to the technology development to the commercial engagement all focused on how to get us into a commercial OEM.

To get into a consumer car, an everyday car, not some demonstration fleet, there are these names here, OEM A, B, C, etcetera, etcetera, and based on the S4 filing of GCAC yesterday, that the automotive design win that we have is actually General Motors. This is a really not only a validation for Cepton's technology, but also a validation for lidar industry as this number 3 OEM in the world is adopting lidar for the future of their ADAS program.

This design win with General Motors is not only a small subset, it's actually going to proliferate into multiple platforms and multiple vehicle models. Our design win actually is won together with our Tier 1 partner, Koito Manufacturing. Koito is the world number one automotive lighting supplier and they have been supplying to General Motors for the past decade. This partnership solidified our position, not only as a lidar company, but also our position in the automobile industry.

A bit more about this design win. As I have mentioned, this is the largest lidar design win in ADAS known to us. In comparison to some of the competitor wins which are focused mostly in the luxury vehicle sector, this is actually, first of all, is actually number three OEM in the world compared to BMW being 13 and Volvo being number 28 by volume. This is a very significant OEM with multiple classes of vehicles awarded with lidar program.

It's truly a significant win. The adoption of this, as I mentioned, is going across multiple years and multiple models of vehicles. Every year, additional models is awarded to this program. These are, in additions, like 2024 models are actually in addition to 2023. By 2025, there are expected to be 12 models that will actually adopt Cepton lidar.

There's quite a number of companies out there, lidar companies, that's already public, and even more that's not public. And there are plenty of technology discussions and it's really a confusing place to decide which technology actually will be the winner in the future. For us, the decision is actually all based on the commercial. It's actually the commercial win that speaks for itself as a technology winner.

That actually is because we had the initial focus, from the very beginning, we actually focused our market in ADAS and with that focus, we actually came down with the basic requirement that's performance, cost, reliability, and that is where we invented the MMT technology that strikes the balance between the three. We will have the performance, have the cost, we have the reliability. Only with this kind of balanced approach that we get will have a product that is successful in winning us the largest bandwidth in this industry.

Certainly, with that technology, the MMT proliferated across all of our lidar platforms including the long-range automobile applications, near-range auto applications, as well as the industrial grade lidars that we actually have our best seller, Vista-P. These lidar actually, with the technology of MMT, is really among the smallest and most compact lidar and has a very low power consumption.

With these great features, it actually enabled us to actually have the flexibility to implement these lidars in multiple places, such as behind the windshield, inside the headlamp, or inside facia. These flexibility is a true enabler for many OEMs and certainly is a big factor in terms of us capturing the largest design win. It is not only us speaking about our lidar. This is a third-party validation that they have studied many factors for lidar, including the technology, specifications, the application, feasibility, the OEM engagement, and Tier 1 partnership.

All of these factors together, it is concluded here that Cepton is the only lidar company that can fulfil all the ADAS OEM requirements. This actually also reflects the reason we had the largest design win. With the MMT technology, we have built up these proprietary building blocks for lidar, and we have actually made the lidar in these that captures the design win. We're in the process of deploying this in the automotive software section trying to make it a mature automotive part. Cepton has the aspiration of moving up in this value chain and eventually provide end-to-end lidar perception solutions to this industry.

We're certainly working hard towards that goal and hopefully we'll reach that in the coming years. With this General Motors design win, with the attention we have gotten and the momentum we have, we actually are now, have ongoing engagement with all 10 of the top OEMs, GM being number three, but the other nine are all engaged with us looking at the possibility of deploying lidar in their platform. With that, this is just a bit more of a highlight in our investment. Appreciate some questions coming up. Very quick snapshot of our company and hopefully that's interesting to you.

Joe: Thanks, Jun. Really appreciate that overview. I think it's helpful to level set the conversation. Look, I think as you sort of laid out, one of the interesting things here is you've been focused on the ADAS market to start, and that focus, if you will, has sort of shown up here with the GM award. Can you talk a little bit more about the process that you've gone through with GM? I think in the S4 it said you started engaging them all the way back in 2017, which I think is only a year after you said the company was formed.

It sounds like, it does seem like a long lead time, but now that you have that validation, maybe how some of the newer conversations with some of those other top 10 OEMs are going, and is it on a more accelerated timeframe?

Jun: Certainly, it is not an overnight the design win. It was a very long process. We started around September of 2017. You were absolutely right, a little over a year after we started the company and have a number of proof-of-concept MMT lidars already fabricated. It was a long way from actually what the OEM required, so we started doing the evaluation and made the multiple iterations of the improvement over those years, and eventually led to a design win in late 2019.

Even the design win itself is already well over one-and-a-half years ago awarded to us, and throughout the last one-and-a-half years we've been very, very busy. Under the unfortunate circumstance of COVID, we've been very busy in terms of executing, in terms of delivering the A samples, B samples, and C samples, all these classic automotive deliveries process we're going through.

We're looking at certainly a much more confident and accelerated timeframe with other OEMs we're engaging right now. Certainly, I'm unable to disclose any detailed timelines with other OEMs, but it is expected that this journey with General Motors will certainly be very helpful in terms of us getting additional design wins.

Joe: I know you talked about lidars being the tradeoff between cost, performance, and reliability issue of hitting that sweet spot, but maybe you could talk a little bit more about as you sort of when through the process with GM. Obviously all three of those factors are important, but did they push more on any one of those factors versus another or were they really focused on getting all those factors correct and the optimization of those factors?

Jun: First of all, we understood from the very beginning we are making an automotive part. This is not going to be a demonstration apparatus. It's actually going to be a genuine auto qualified part. When you ask about the cost or the reliability or even the performance, what can vouch for these key elements is really not set up. If for us to tell the GM this is going to be the cost, that's not going to be a practical approach. It's really going through a rigorous RFI and RFQ process with the Tier 1 supplier.

It's the Tier 1 that actually can stand up. It's only the Tier 1 that can stand up and say, okay, this is going to be the cost and we'll quote you with this number. That's actually a very, very solid foundation that we have and that made us trustworthy especially because Tier 1 partner being Koito Manufacturing, a 100-year-old Japanese company. When we talk about these pillars, whether it's reliability, quality, or the cost, or certainly the performance, it has to come from a Tier 1 partner.

I just want to emphasize how important it is to actually have a Tier 1 to stand up behind your product and be liable to this safety critical product. Only when we have that OEMs, like General Motors, would be actually opening up with discussions with requirements and with detailed analysis of each component inside our lidar, and finally, with the justification from our Tier 1 partner. These three balanced factors are hit, and we actually have a viable product for the cars. It is, with your simple question, it is a very complex process.

- Joe: Can you talk more about, to the extent you're able to disclose, is this sort of more of a short term, short range lidar or a longer range lidar? I know you have both types of products. Maybe just, because you mentioned cost a couple times and the Tier 1 element of it, how should we think about at-scale cost per unit levels for these products?
- Jun: These are high performance lidars. These are not just simple near range short detection. These are high performance lidars that will be used in the vehicle for ADAS applications. These are the lidars that will save lives. In terms of cost of these lidars, given the MMT being so cost-effective and efficient in terms of its operation, we're the company that actually, one of the earliest companies who will actually bring this lidar below \$1,000 in this deployment. They're really aiming for a volume production cost below \$500. That's actually the cost range that you should consider as that.
- Joe: GM, I'm assuming this is sort of GM's evolution of their Super Cruise product. They've talked about getting that on very many vehicles. You sort of even show that with your chart how this sort of starts on, whether it was three or four models in year one, but then there's an additional four and an additional four, you get all the way up to 12. That sort of validates that. Interestingly, I think one of the natural paths that investor's minds will go to is what kind of take rate would they be able to expect from consumers.
- What's interesting here is, and I'd be curious to hear your thoughts, is GM's really talked about potentially offering their Super Cruise product as a subscription, which by definition means it's got to be on all vehicles, because when the subscription is turned on it's got to be able to work. Can you talk a little bit about how you think about that, and if that's true, can you confirm is there any part of the agreement that is for you or for Cepton or for your Tier 1 to get paid that's contingent upon a customer actually subscribing, or if you just ship the unit, you get paid?
- Jun: Thank you for asking that question. First of all, our design win is not only limited to one model or a few models. It's actually a collection of models of cars inside GM. Some of these models are luxury brand. For those brands, it is actually not an option for those vehicles. It's actually a standard feature in the vehicles. You naturally expect those take rates to be 100%. For some lower models, mid-class models, it could be an option, and in our S4 filing our models has taken some assumptions into consideration.
- You actually illustrated a very interesting business model that is the subscription model that's been well talked about. Indeed, if that model is adopted for any of these models that has the Cepton lidar, the take rate, will, again, upside to 100% just to be ready for these subscription models. I'm certainly not at liberty to disclose our financial arrangement with GM in detail on these arrangements, but our model based for the S4 filing is actually on the conservative and it has many upsides that could potentially blossom.
- Hull: Joe, maybe I could add, just in terms of the projections, our own projections. We have not baked in the subscription model that you mentioned. We can confirm that it's been talked about with the OEMs, because that's a trend, but our own model, we've taken a very conservative approach. When it hits, we'll be upside.
- Joe: Thanks for that clarification, Hull. Maybe we could just sort of, the other thing that always comes up with lidar is just sensor suites. As you're able to show the capabilities of your lidar, how do you find the conversations with the automakers in terms of what other sensors they need to use, and obviously [audio interference] taken different philosophies here in terms of redundancy and whatnot. Do you view the initial application of the Cepton lidar as additive or potentially cannibalizing some types of radars, for instance?
- Jun: I'm a true believer that in the future of cars, the sensor suite, that is the camera, the lidar, and radars will coexist. These are, I always use this analogy, like your sensory system – your nose, your eyes, and your ears – and can your ears replace your eyes? Partially, but not completely. Being a safety sensor suite, the cameras, the lidar, and the radar, it is very important to have a redundant technology, a redundant measurement modality, not two cameras, not five cameras. It's actually a completely different modality.
- The lidar fills very, very important gaps that cameras and radars cannot fill. But on the other hand, lidar is not going to be, in my belief, replacing cameras – for example, it doesn't see red and green light and cannot replace radars as well. Just to rephrase, I'm a true believer all of them will be there in the future.
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Joe: Jun, you alluded to this in your prepared remarks, but the lidar space has obviously been crowded, and especially more recently among the public companies, and you're right, you've been more so probably on the private side. It's also a pretty technical area, and you get one conversation that focuses on beam-steering technologies and another on wavelengths, etcetera. MMT, which you sort of alluded to, which stands for Micro Motion Technology, beam-steering seems to be your proprietary secret sauce here.

Without sort of needing to break out engineering textbooks, is there a quick summation about how the technology works and why using that technology is able to meet that sweet spot of cost, performance, and reliability?

Jun: Absolutely. MMT stands for Micro Motion Technology, and the fundamental of it is very much like a loudspeaker. It has a voice coil – your loudspeaker has a voice coil. You run current through it. It will actually move microscopically over a magnet. When you put a paper cone over the voice coil, it will generate sound. What we did is actually we took out the paper cone and put a small optical array on top of the voice coil, and using the exact same mechanism, the voice coil moves and moves a small optical array. As a result, the beam gets steered by this micro motion.

That's, in essence, how it came about. It's utilizing a one century old technology. The voice coil loudspeaker technology coupled with the modern lidar optical array, and that's the essence of our 3D lidar that is capable of doing imaging very efficiently because it doesn't have any mirrors for rotating for beam-steering. It doesn't have any friction. Your loudspeaker works very well in your car, longer life than your car itself, so all of these benefits MMT lidar gets to enjoy, and that's how, just like the cost of your loudspeaker is low as well, we employed something that's very efficient, low cost, and eventually got us this big design win.

Joe: The S4 and sort of flipping through it also mentioned or identified OEM A as Ford. You highlighted them even on your own company blog post about working with them on some smart city collaborations and also some ADAS efforts. Is that still, would you still classify that being in the R&D phase or how would you classify that relationship?

Jun: It's never a black and white R&D phase versus actually a production phase. We actually engaged with Ford Motor Company even earlier than General Motors, and then that relationship is certainly ongoing and solidifying and prospering, so just stay tuned for further news from Ford.

Joe: I think we're coming up on one minute left to the half hour and obviously a lot more to go to, but maybe just a final question because you alluded to this in one of your file slides about moving up the software stack. This is something else a lot of other lidar players have talked about and everyone wants to seem to have a piece of the software pie. I think a lot of this is TBD and remains to be seen, but maybe you could at least talk to us about the tone of the conversation you're having with your partners, both the OEM and the Tier 1, as to who does what and where those lines delineate and start and end.

Jun: It's really OEM and Tier 1 dependent. We have certainly more than one OEM and we have certainly more than one Tier 1 that we engage with. There are companies that would really want to grab hold to this perception software to themselves, and there are OEMs that's much more open in terms of taking a black box delivery. That's where we actually are very flexible in terms of engagement model.

On the other hand, I do want to mention that even though there are many people with many aspirations for doing a perception software, to move up in that value chain, you have to start from somewhere that's a solid foundation. Actually, for us, not only we have the lidar as our own technology, we actually have a design win that we have something to work for, not just working in vacuum. These are almost prerequisite. If you want to move up, you have to start from a basis, and that's what we get to enjoy.

Hull: The last thing I would add, Joe, is the perception software from Cepton is shipping to smart infrastructure customers. That is already integrated for certain customers.

Joe: Gentlemen, unfortunately we are at the half hour and on the time, so Jun, Winston, and Hull, thank you so much for the time and the conversation and the additional color. It's greatly appreciated. Thanks to the investors who dialed into this session. That'll conclude this session. Thanks, again, to the Cepton team for your participation in this conference.

Jun: Thank you, Joe.

Hull: Thank you.

END

The following is a transcript of Cowen Inc.'s 14th Annual Global Transportation & Sustainable Mobility Conference held on September 10, 2021.

<<Jeffrey Osborne, Analyst, Cowen Inc.>>

Hi, good afternoon everybody. It's Jeff Osborne, the mobility technology analyst at Cowen, pleased to be joined by my colleague, Josh Buchalter, who's been working on the semiconductor team for several years and is doing quite a bit of work with me on the sensor side. Very pleased to have the team at Cepton joining us Jun, Winston and Hull. Thanks for hopping on with us. I'm sure you've got an incredibly busy day, but I appreciate you giving us 30 minutes for the session here.

For those that might not be familiar with Cepton or the recent SPAC announcement, do you mind just spending a few minutes giving us a quick overview of what Cepton is up to, and we'll take it away from there with some particular questions that Josh and I had.

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Great. Hello everyone. Good morning, good afternoon, good evening, wherever you are. And we're Cepton Technologies, a startup company in Silicon Valley. We're a lidar company. So as you're probably aware, there are many lidar companies out there already public and many more are private. We actually is one company that differentiated ourselves from five years ago when we started focusing on ADAS industries and that is the biggest pie right now. It is a public knowledge that we have the largest design win in ADAS industry after five years of hard work and that is from General Motors and will be proliferated into multiple models of their vehicles. And we're really glad to participate in this conference and talk about this design win, which is really the validation for our technology and also for those people interested in the technology itself. I'm really happy to talk about the MMT lidar that's unique to Cepton. So let's get started.

<<Jeffrey Osborne, Analyst, Cowen Inc.>>

All right. Perfect, Jun. Yes. And it's finally nice to see now that you're public, what efforts you've had out there. It's so great to hear about GM. Maybe before we dive into the specifics of Cepton, just given you've been working on this for five years, have a differentiated approach from a tech perspective. And there is so many different companies out there in the broader lidar space. I was wondering if you could just give the investor audience sort of a framework on how we should think about lidar companies in general and comparing and contrasting their approach. There is certainly a lot of parallels to cameras in terms of range, field to view and other variables. But if you were to think about analyzing an approach to assessing the winners and losers for investors in the space, what would that framework be?

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Well, there is a lot of loaded question there. It's really coming from multiple angles. But perhaps let me just start from is there a need for lidar out there. And that actually has been answered in many ways very notably by GM's awarding us that was that's largest design win. But really from the technical perspective, you look at yourself, you have your nose, you have your ears, you have your eyes, and these are sensory systems for you. And lidar is a sensor for cars. The first application or first purpose of having lidar is for safety. It's not the bandwagon of level four, level five autonomies from years ago, a lidar will actually make your drive safer.

So there is no ending in people's desire for additional level of safety. Now if you're 90% safer, you want 99% and after 99% you want 99.9%. So this desire for additional level of safety is never ending. As long as the cost is justified, so additional sensor modality into your safety suite is a sure trend. You considered cameras many years ago as a luxury item, now it's really a regulated item and we see lidar in the same path.

Now, talking about the technology, which technology will be winning? Well, I'm an optics engineer from training in the study, in this field for decades. Even for me looking at all the available technologies out there is a confusing world. So for me to actually talk about technology, the only validation of a technology being viable or not is actually whether there's commercial design win.

And, of course, I'm talking about ourselves quite a bit that the MMT technology that we have invented strikes a critical balance between performance, cost and reliability. And there are many companies that would actually stretch out in one of these areas. They would work on high performing lidars or earlier on people thought that the solid-state lidar could be super reliable. So these are only one pillar or one factors of the overall package. And what we have done? The MMT technology is striking the balance between performance costs and reliability and that's a huge enabler to have the commercial design win. So I'm happy to share more details, but I hope that I covered a lot of aspect of your perhaps simple question.

<<Jeffrey Osborne, Analyst, Cowen Inc.>>

Absolutely. And maybe two more on my end and I'll turn it over to Josh. But as an optics engineer, as you were starting Cepton, I'm sure you've tried a lot of things that you then canceled and put on the back shelf and never revisited. And so maybe you could just walk through the journey of where – how you come, where you are, did you start ever pursue 1550 versus 905 time of flight versus FMCW maybe some of the challenges that you had with those different technologies. And then following up on that, maybe just define what MMT is, that seems to be your secret sauce.

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Yes.

<<Jeffrey Osborne, Analyst, Cowen Inc.>>

But I would love to hear about the history and why you chose the path you did, and then define what MMT is and how that's moving forward?

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Yes. Thank you for that, asking that question, you're far right into my backyard there. Indeed at the beginning of the company, unlike many other Silicon Valley startups that you have a technology looking for application, or you have an invention looking for a place to use, we started with a market focus. We want to make a ADAS lidar for everyday consumer vehicles. So that's actually a market focus driving all the subsequent activities. And with that thought, we actually indeed spent a lot of times like how we're going to make the lidar. And lots of them are luckily thought experiments, not actually spending money, doing the experiments and very structure thinking what actually put the three decisions ahead of us. You need to decide, which illumination that you want to use for lidar 905 or 1550. You want to decide what kind of detection you want to use, time of flight or FMCW. And lastly, you want to actually decide how you make a one point measurement into an image of the world. So the imaging or proliferation of your lidar measurement around environment is the third column that you have to decide.

We really have considered the first two columns, illumination and detection. These two wheels, if I may call them, already invented. So for us, we chose 905 as the illumination, because the – it is a silicon-based technology, extremely mature, decades old, and it cost a little over a dollar, a piece for the laser diode and it is already automotive grade.

The second column, the detection, the time of flight was even invented, even earlier, right after laser was actually discovered in the 1960s. And now the avalanche photo diode that we use cost less than a dollar automotive grade, very mature technology. So these two wheels have been invented and they solve the problem already. So, if – of course, there are fancy words, like 1550, FMCW, you always ask yourself, well, whenever you're facing a new technology, what problem it solves. Okay, now comes down to last portion, which is the imaging. That's where most of the lidar companies should and are actually investing and trying to come up with the most efficient way of doing imaging.

A dozen years ago, Velodyne started the first imaging lidar that is actually spinning lidar. So spinning mechanism itself is an imaging mechanism that is very, very crude, but it was effective as a hobby project. When it comes to automobile applications, quite a few years back people talk about solid-state scanning, people talk about flash lidar. And there are a number of notable companies using MEMs mirror as the scanner to scan the beam. So all of these are imaging mechanisms that Cepton Technologies, we ourselves have considered very, very carefully and quite a number of them are thought experiments. As I mentioned, we really considered the flash lidar being – not being able to see very far just from all – back of the envelope calculation, unless the cost is escalated to astronomical high for space station. Docking is a flash lidar, but that's a few million dollars, a piece. And then the MEMs mirror has a fatal reliability issues that we could not resolve with our ability.

So after all, it came down to this one mechanism that we eventually invented the Micro Motion Technology, MMT, which utilizes a very old technique, voice coil. So it's just like you are loud speaker. It has a voice coil inside and loud speaker, your flow current through the voice coil, it actually moves slightly. And this motion, if you attach a paper cone, it will generate sound and that becomes your loud speaker. It is a very old technique, very reliable. In your cars, they are plenty of loud speakers and they all work and they outlast their car. So we adopted that. So instead of putting a paper cone on top of the voice coil, we put an optical array, and then we flow current through this voice coil and it moves, moves at microscopic rate. Micro Motion Technology, MMT, that's where it came from. And it moves in optical array and this motion of the array translating into a beam steering after lensing going out.

So this type of micro scanning does not involve any mirrors. So it's very, very simple, highly efficient mechanism. And it does not have any friction like the motor and shaft, that will work here. So all of these are coupled together. It became an elegant solution that is low cost, highly reliable and preserved the performance of 905 laser and detector. So that's the core of MMT and that's really the enabler from the technology perspective that give us the largest design win in this business.

<<Jeffrey Osborne, Analyst, Cowen Inc.>>

Well, excellent. Josh, did you have anything on your side, on the ASIC or any of the other technologies?

<<Joshua Buchalter, Analyst, Cowen Inc.>>

Yes, sure. I guess one quick clarification on MMT. In our past conversations, you've described it as when I asked whether it was solid state or non-solid state, you explained, I think very elegantly that it's not as binary as that. I think it would be helpful for investors if you walk them through that conversation, because some do get – in many of the – guys – we form our framework get caught up in solid state or mechanical. Yes, thank you.

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Okay, great. I'm glad you remind me of that conversation that solid state was a big word. And then I asked you what exactly – how do you define solid state. And people's conception of solid state is there is no moving parts. That is more or less true. However, as a scientist or technologist looking at the world, I don't view things black and white. It is – if you imagine yourself, if you have a microscopic eye that you can see motion in nanometers or micrometers, everything around you is actually moving, you puff in the air, your desk will actually move a little bit, but you just cannot see because it's in nanometer scale. And the same thing with solid state versus non-solid state. It's really a definition of what the motion scale is.

So a natural question is do you consider loudspeaker a solid-state device? Some say – would say, yeah. If I look at it, it doesn't move. Well, that's a tweeter. Really you cannot see any motion even when it's making sound. But when you look at a subwoofer, it actually moves and moves by quite a bit when it generates loud sound. So there's a gradual scale from your subwoofer to your mid-range to your tweeter. And that's how a non-solid state evolves into a solid state. As I mentioned, our MMT falls right in between this. It's actually just like a mid-range loudspeaker. So I can ask everyone here to make your own judgment, whether you call a mid-range loudspeaker, a solid-state device or not. That's how your view MMT.

<<Joshua Buchalter, Analyst, Cowen Inc.>>

Thank you. And then switching gears, how – can you talk about your ASIC, what design implementations went into that? And how important is that to the perception when combined with your software? Are your key customers using you primarily to gather the data in a cost effective way? Or are they utilizing your solution because of its ability to perform perception on the device?

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Yes. Again, thank you. That's a wonderful question. When I actually talked about MMT, I talked about the voice coil moving, I talked about the transmitter sending out laser and the scanner actually scans the beam, all of these seemingly rather straightforward and simple, but the actual coordination of all these activities are rather complicated, just taking the receiver end when the light pulse comes back to you, you have to amplify it, you have to digitize it, you have to calibrate it, and then you have to pump out the last bit of data with the correct point called information. So all of these are actually carried out with our ASIC chip that we call a single chip lidar engine that we spent the last three years to develop.

This is an automotive grade chip that actually can take all of these tasks. And it is a sesame-sized chip that costs a little over a dollar, another great enabler for us to have the largest design win is this chip. Only with this type of cost we can get down to the level that a mass deployment is possible.

Now, further to this as a company, we started with a lidar building block, the MMT. We also actually constructed multiple variations of MMT lidar and one of which is going to be in the consumer vehicles at General Motors down the road. But we do have a plan and execution working not only the raw point cloud, but also turning these raw point cloud or the raw data, I may say, into a more perceptive – perceived data, more abstract data, when you drive out there, I can tell you, X, Y Z position has a dot. You have to know there is an open road, there is a tree, there is a dog. All of these are abstract perceived information that we are working on to turn them into some more useful information to our customers.

So we're moving up in this value chain, adding additional software content to our ASIC chip to start with and follow the additional processing platforms to our customers. Well, depending on who the customer is and their level of interest, we are actually very flexible in terms of – you can just take our raw point cloud and go with our sensor only, all the way that you can take our perceived data and use only the abstract format. So we're – we already have a perception software suite called Helius. That's used for non-auto applications. We're working on the auto applications and it is a long journey but we're on our way.

<<Joshua Buchalter, Analyst, Cowen Inc.>>

That's helpful. I guess, shifting gears to the commercial aspect, can you talk about your partnership with KOITO? How did that come about? And what does that bring to the table as you go talk to your end customers?

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Yes. Well, first of all, KOITO and us actually are together that captures the General Motors design win. So we actually observed a very strict supply chain relationship that we're the tier 2 partners. So we supply KOITO with our technology and with critical components like our ASIC and some MMT critical components. And KOITO would actually manufacture these by assembling them together and vouch for their quality and reliability, and eventually vouch for the liability to the end customer. So this is a classical supply chain. And I consider lidar being such a safety critical component must observe this strict supply chain rule.

How did we and KOITO come together? Well, KOITO is this 100-year-old company that they're really successful being the largest headlamp supplier of the world and that's their past 100 years. And now, well, a few years ago, they're looking to their future by establishing field offices in Silicon Valley, in Europe doing technology scouting. This is actually looking at a technology that can be related to headlamps, or can be not related to headlamps. It's just what the future of KOITO is. They have the aspiration of extending the lifetime and also a dominate the auto supply chain in many other areas. Long story short, we came together because of their desire to advance their technology. We came together because we want a tier 1 to support us in terms of deploying our technology to everyday consumer vehicles. So that's how we came together. Well, our relationship is not mutually exclusive. We're non-exclusive to each other. So we actually have a multiple OEM engagement and multiple tier 1 engagement, but the most notable one obviously is KOITO and the General Motors design win.

<<Jeffrey Osborne, Analyst, Cowen Inc.>>

Just...

<<Joshua Buchalter, Analyst, Cowen Inc.>>

Oh, go ahead, Jeff.

<<Jeffrey Osborne, Analyst, Cowen Inc.>>

I am just going to ask a quick follow-up and then I'll turn it back to you, Josh. Is the GM design win, will the lidar unit not be in the front grill, but it will be in the headlamp or just has nothing to do with their headlamp business?

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Okay. So our lidar is one of the most compact lidar in terms of this form factor and does have low power consumption that enables it to be either inside the headlamps or in the grill or behind the windshield. The General Motors implementation is something that I cannot disclose, but I've already...

<<Jeffrey Osborne, Analyst, Cowen Inc.>>

That's right.

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Yes.

<<Jeffrey Osborne, Analyst, Cowen Inc.>>

That's correct. Thanks much.

<<Joshua Buchalter, Analyst, Cowen Inc.>>

Hey, I'm going to try a different way. Are you able to share what types of applications its enabling for the GM vehicle or anything else you can share? And correct me if I'm wrong, but I believe it is sole-sourced, is it correct?

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Yes, it is. Okay. So I will say more generically about what the lidar is used for the ADAS function. And the first and foremost is actually additional level of safety. Once you have people's hands off the steering wheel, once you have possible pedestrians walking in front of the car that you need the automatic emergency breaking, the AEB system to function correctly with confidence with no false positives and all of those things the lidar is serving as a critical function in providing reliable data that – a noise free data that you can actually execute. Of course, this is – General Motors already has a Super Cruise ADAS function. And obviously, this deployment, there will be a next generation at a much higher level and it will enable the cars to go into the roads that could not go before with the ADAS function enabled. So it does not limit it to only the highways or with clearly markings under good sunlight, under good lighting conditions. It actually just opens up the horizon for the ADAS application to other areas. So safety...

<<Winston Fu, Chief Financial Officer>>

So actually sorry to interject, Jun. I mean, I think that's a question you should direct at GM. But I think Jun's answer was kind of – just want to make clear, Jun's answer was kind of more general in terms of what our lidar enables. So we don't want to get anything specific into GM's intent.

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Yes.

<<Joshua Buchalter, Analyst, Cowen Inc.>>

Okay, understood. Last one from me, I'll turn it back to Jeff. You've mentioned a couple times that your system is designed explicitly for ADAS and I think implied in that is that some of your peers are going after more full autonomy. What is there to be glean from that on the cost side? I guess, is your solution priced below many of your peers? And if so, how are you able to do that? What about your architecture?

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Yes, obviously, as I mentioned, the three pillars, performance, cost, reliability has to be balanced, and you cannot just emphasize on one and forget the other. And whoever worked with OEMs auto manufacturer or tier 1s will know the importance of cost. So, we're looking at below \$1,000 lidar at the moment with the goal of reaching below 500 in large volume. So these are the ballpark numbers that I get to say and certainly is – these are very, very attractive good numbers. Just ask yourself if you can promote your safety from 90% to 99% with extra \$500, would you do it? The answer is yes for many. And how did we do it? Yes. Okay, go ahead. Sorry, Winston.

<<Winston Fu, Chief Financial Officer>>

Yes, I just want to touch on something to make clear. Our view and we have a rich product roadmap. Our view is the road to autonomy is first through ADAS and Level 2+. And you deploy it and you go down the cost curve and the volume curve with ADAS and then you add additional lidar content to get the 29s, 39s, 49s of reliability. And so you're able to add more LIDAR content because the cost – you've gone down the cost curve and continue to innovate on the technology front.

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Let me just wrap it up by saying how we got there. And you probably already sensed when I talk about our technology, how we selected the illumination, the detection, and how did we arrive at MMT. Cost is in everywhere. We chose the simplest laser diode that we chose the simplest APD. And then we actually used a loudspeaker technology, ask yourself how much is a loudspeaker and the voice call is such a mature thing that the cost is all over the place, unlike the expensive MEMS device or mirrors or God forbid, flash lidar with special semiconductor processes. We just use off-the-shelf components mature technologies, and put them together in an elegant way that it becomes a low cost and effective solution.

<<Joshua Buchalter, Analyst, Cowen Inc.>>

Thank you. I'll take it back to you Jeff.

<<Jeffrey Osborne, Analyst, Cowen Inc.>>

Yes, thanks, Josh. And for the investors tuning in, I would definitely encourage you to check out the Cepton Twitter feed from early April, great post on Tesla. I'm not a fan of Tesla's approach and their anti-lidar stance, but I think you guys had a great rebuttal on what cameras are good at, what lidar is good at and why both can co-exist. So congrats on that post. Very detailed. Maybe a couple other things I was hoping to get at the final three minutes here.

So as you've got now the SPAC merger deck out, your S-4 is filed which is great to see. How would you answer the question that we get almost about every SPAC as it relates to revenue visibility? Some – the perception is a lot of these SPACs are sort of sticking their finger up and saying up into the red as fast as possible. So, obviously, GM now is out in the public domain with the S-4, but how do you answer what's visible? What sort of near-term possibility versus maybe more of an ambitious still on the come type of thing? I don't know Hull if that's in your camp or whoever wants to address that?

<<Winston Fu, Chief Financial Officer>>

Let me start. And so our forecast is bottoms up and as you alluded to, the foundation of our forecast is the large production award from GM. And there is information in the S-4 that talks about how we've looked at the forecasts. We use third-party data to look at the exact models that we've been awarded to look at the overall volumes and then we judge that down and estimate an attach rate for lidar in those models. And so some luxury models are going to have 100% percent attach rate, some of the mid-runners, but very high volume runners are going to have a smaller attach rate based on option packages.

And so, we take a balanced approach there. And then we – there is upside if there is of course more aggressive marketing by our OEM, and then there is another set of – so that's the awarded part. And then the next part of our sales funnel, we are engaged with all the top 10 OEMs worldwide and then also trucking OEMs. And so, they include affiliates and other OEMs that we've been engaged with for many years. So we give an estimate based on kind of what's OEM design win cycles are, but we certainly feel like GM is a leader and GM is a leader in ADAS. And the fast followers, the cycle time could be faster and theoretically should be faster.

<<Jeffrey Osborne, Analyst, Cowen Inc.>>

Absolutely. Maybe one, I know we're out of time, but one quick clarification on GM and it might be in the S-4 in the deck, but I forget. Do we have a sense of what model year or what the SOP is of when that starts? Is that something you can share or no?

<<Jun Pei, Chief Executive Officer and Co-Founder>>

2023.

<<Jeffrey Osborne, Analyst, Cowen Inc.>>

2023.

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Starting...

<<Jeffrey Osborne, Analyst, Cowen Inc.>>

Starting the production. Okay.

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Yes.

<<Jeffrey Osborne, Analyst, Cowen Inc.>>

Perfect.

<<Hull Xu, Vice President of Finance and Strategy>>

Yes, there is a lot more information in S-4 that was filed a couple of days ago. So I encourage people to take a look at that in terms of the award and the platform and the models. It'll be on.

<<Jeffrey Osborne, Analyst, Cowen Inc.>>

Excellent. Well, gentlemen, thanks so much for taking time. I appreciate your insights.

<<Joshua Buchalter, Analyst, Cowen Inc.>>

Thank you very much.

<<Jun Pei, Chief Executive Officer and Co-Founder>>

Thanks, Josh.
