



Cerence Signs Largest Contract in Company History with Premier Global Automaker for Connected Conversational AI

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\$149 million contract for Cerence cloud-based offerings to accelerate global expansion ambitions for large European OEM

BURLINGTON, Mass., Dec. 23, 2021 (GLOBE NEWSWIRE) -- [Cerence Inc.](#) (NASDAQ: CRNC), AI for a world in motion, today announced it has signed the largest contract in the company's history.

Cerence has signed a contract with a valuation of \$149 million with a large European automaker for its connected, conversational AI automotive assistant products. This contract is significant for the company both in its size and as a validation of continued OEM partnership and commitment to deeply integrated, custom-branded in-car assistant experiences.

"This milestone deal marks another important moment for Cerence as we accelerate growth and sustain momentum with automotive customers," said Stefan Ortmanns, CEO, Cerence. "It is gratifying to see how Cerence innovations play such a fundamental role in our customers' strategic ambitions. I'm incredibly proud of our passionate, dedicated global team that is taking Cerence to new heights and look forward to ongoing partnership with automakers worldwide for a safer, more enjoyable journey for everyone."

To learn more about Cerence, visit www.cerence.com, and follow the company on [LinkedIn](#) and [Twitter](#).

About Cerence Inc.

Cerence (NASDAQ: CRNC) is the global industry leader in creating unique, moving experiences for the mobility world. As an innovation partner to the world's leading automakers and mobility OEMs, it is helping advance the future of connected mobility through intuitive, powerful interaction between humans and their cars, two-wheelers, and even elevators, connecting consumers' digital lives to their daily journeys no matter where they are. Cerence's track record is built on more than 20 years of knowledge and more than 400 million cars shipped with Cerence technology. Whether it's connected cars, autonomous driving, e-vehicles, or buildings, Cerence is mapping the road ahead. For more information, visit www.cerence.com.

Forward-Looking Statements

Statements in this press release regarding Cerence's future performance, results and financial condition, expected growth and innovation and our management's future expectations, beliefs, goals, plans or prospects constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that are not statements of historical fact (including statements containing the words "believes," "plans," "anticipates," "expects," "intends" or "estimates" or similar expressions) should also be considered to be forward-looking statements. Although we believe forward-looking statements are based upon reasonable assumptions, such statements involve known and unknown risk, uncertainties and other factors, which may cause actual results or performance of the company to be materially different from any future results or performance expressed or implied by such forward-looking statements including but not limited to: the highly competitive and rapidly changing market in which we operate; adverse conditions in the automotive industry or the global economy more generally; our ability to control and successfully manage our expenses and cash position; our strategy to increase cloud; escalating pricing pressures from our customers; our failure to win, renew or implement service contracts; the loss of business from any of our largest customers; the inability to recruit and retain qualified personnel; cybersecurity and data privacy incidents; fluctuating currency rates; and the other factors in our Annual Report on our most recent Form 10-K and other filings with the Securities and Exchange Commission. We disclaim any obligation to update any forward-looking statements as a result of developments occurring after the date of this document.

Bookings and Backlog

The contract represents a booking valuation of \$149 million. Bookings represent the estimated gross revenue value of transactions under the contract at the time of contract execution. This figure is an estimate and is based on the existing customer contract and management estimates about future vehicle shipments. The revenue that we actually recognize from a booking or our overall backlog is subject to several factors, including the number and timing of vehicles our customers ship, potential terminations or changes in scope of customer contracts and currency fluctuations. Because of the inherent estimates required to determine bookings and the fact that the actual resultant revenue may differ from the initial bookings estimate, the company considers bookings one indicator of potential future revenue and not as an arithmetic measure of backlog.

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