



Cerence Signs Largest Contract in Its History for Voice- and AI-based Automotive Assistants

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\$125 million contract with large European OEM is significantly higher than prior contracts for Cerence

BURLINGTON, Mass., March 04, 2020 (GLOBE NEWSWIRE) -- [Cerence Inc.](#) (NASDAQ: CRNC), AI for a world in motion, today announced it has signed the largest contract in its history.

In fiscal Q2 2020, Cerence signed a global contract with a valuation of \$125 million with a large European car manufacturer for its industry-leading voice- and AI-based automotive assistants. This contract is significant for the company both in its size and as a validation of OEM partnerships for integrated, branded and differentiated voice assistants and technologies.

"This is a tremendous milestone for Cerence and further evidence of strong momentum in our business," said Sanjay Dhawan, CEO of Cerence Inc. "We are proud and grateful for the continued trust that our automotive customers have placed in the Cerence team and our products as we create a safer, more enjoyable journey for everyone."

About Cerence Inc.

Cerence (NASDAQ: CRNC) is the global industry leader in creating unique, moving experiences for the automotive world. As an innovation partner to the world's leading automakers, it is helping transform how a car feels, responds and learns. Its track record is built on more than 20 years of knowledge and almost 325 million cars on the road today. Whether it's connected cars, autonomous driving or e-vehicles, 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 \$125 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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Source: Cerence Inc.