Cognizant to Expand Expertise in Autonomous, Connected and Electric Vehicles with Acquisition of ESG Mobility

Acquisition will extend Cognizant's capabilities in digital automotive engineering R&D, including in smart, connected mobility; global market for connected cars estimated to exceed $225 billion by 2027

TEANECK, N.J., March 25, 2021 /PRNewswire/ -- Cognizant (Nasdaq: CTSH) today announced that it is acquiring Munich, Germany-based ESG Mobility, a digital automotive engineering R&D provider for connected, autonomous and electric vehicles. ESG Mobility is a wholly-owned subsidiary of ESG Elektroniksystem - and Logistik - GmbH, a privately-held technology consultancy for the design, integration and operation of complex, security-related electronic and IT systems. Upon the close of the acquisition, approximately 1,000 engineering R&D specialists will join Cognizant in the automotive innovation hubs of Germany, the US and China.

Acquiring ESG Mobility will expand Cognizant's automotive engineering expertise, particularly in connected vehicles. The global connected car market was valued at approximately $63 billion in 2019, and is projected to reach more than $225 billion by 2027, according to Allied Market Research. Among the growth drivers is the European Commission's Third Mobility Package, which requires development of safe, clean, connected cars and autonomous and electric vehicles, as well as all new vehicles to be connected to the internet by 2022.

"The automotive industry is undergoing a fundamental shift, embracing new mobility concepts that rely heavily on software, connectivity and artificial intelligence," said Malcolm Frank, President of Digital Business and Technology, Cognizant. "Our priority is providing clients with the capabilities they need to compete as modern digital businesses, and ESG Mobility is a natural complement to our existing connected mobility offerings and global delivery model. This acquisition will empower our clients to innovate more quickly in shaping the future of transportation. We look forward to welcoming ESG Mobility's talented team to Cognizant."

Cognizant and ESG Mobility together, upon the close of the acquisition, will provide engineering services to eight of the world's top 10 automotive original equipment manufacturers (OEM).

ESG Mobility provides services across the automotive software stack with key strengths in electrical and electronic systems and connected vehicle applications, as well as emerging capabilities for autonomous and electric vehicles.

"We have built a world-class team of engineering R&D and technology consultants who deeply understand our automotive clients in Germany and around the world," said Jörg Ohlsen, Chief Executive Officer, ESG Mobility. "By joining Cognizant, we can provide a higher quality of service, build more innovative products and support a broader range of digital initiatives for our current and future customers. We look forward to using our vast automotive industry experience to create a more connected, mobile world."

The transaction is expected to close in the second quarter of 2021, subject to the completion of closing conditions. Upon completion, ESG Mobility employees will become part of Cognizant's Internet of Things (IoT) and Engineering Services Practice. Financial details were not disclosed.

The ESG Mobility transaction marks Cognizant's fourth acquisition in 2021, and 13th acquisition since January 2020, further expanding its capabilities in key digital focus areas of cloud, data and artificial intelligence, digital engineering and IoT.

Learn More
ESG Mobility website
Cognizant IoT Solutions website

About ESG Mobility

ESG Mobility has been providing know-how to automobile manufacturers and suppliers with locations around the world for almost 30 years. The starting shot in the automotive industry was given in 1984. This was followed by the consistent expansion of the automotive division with projects for BMW and other well-known German OEMs. Long-term partnerships connect us to the present day. Even today, the technology transfer between the industries distinguishes us and provides the decisive competitive advantage. In automotive, the focus is on highly complex technologies and increasingly networked systems. We will continue to expand this lead in the future and be an engineering partner, process know-how carrier, technology consultant and IT expert all rolled into one.

About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision,

build and run more innovative and efficient businesses. Headquartered in the US, Cognizant is ranked 194 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us @Cognizant.

Forward-Looking Statements

This press release includes statements which may constitute forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the accuracy of which are necessarily subject to risks, uncertainties and assumptions as to future events that may not prove to be accurate. These statements include, but are not limited to, express or implied forward-looking statements relating to expectations regarding the anticipated closing of the acquisition of ESG Mobility and the impact of the acquisition of ESG Mobility on the business and prospects of Cognizant. These statements are neither promises nor guarantees but are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Factors that could cause actual results to differ materially from those expressed or implied include general economic conditions, changes in the regulatory environment, including with respect to immigration and taxes, and the other factors discussed in our most recent Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. Cognizant undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities law.

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