

Digital voice assistant: CARIAD takes over AI specialist paragon semvox

- With the planned acquisition, CARIAD strengthens its expertise in the development of digital voice assistants based on artificial intelligence
- CARIAD CTO Lynn Longo: "We are pursuing the strategy of developing key technologies ourselves and are consistently expanding our expertise for this purpose. The digital customer experience is one of our strategic priorities."

Wolfsburg/Delbrueck | December 1, 2022 - CARIAD, the software company of the Volkswagen Group, plans to acquire AI specialist paragon semvox and today signed the corresponding purchase agreement with automotive supplier paragon. With the acquisition, CARIAD is strengthening its competencies in the field of digital voice assistants based on artificial intelligence. CARIAD is already working on a digital assistant that will offer Volkswagen Group customers a personalized and attractive digital experience in the car. The closing of the transaction is still subject to various conditions, in particular the reservation of antitrust approvals, and is expected in spring 2023.

"The car of the future will be automated and connected. The digital experience inside the car is therefore becoming increasingly important," says Lynn Longo, Chief Technical Officer at CARIAD. "In the future, an intelligently interacting voice assistant will be the central touchpoint for the Group brands to their customers and will play a major role in the user experience. paragon semvox is a proven specialist in voice technology. With the planned acquisition, we are therefore systematically expanding our internal expertise. After all, we want to develop key technologies ourselves that differentiate the Group brands from the competition. The digital customer experience is one of our strategic priorities."

"With today's signing of the purchase agreement regarding our software subsidiary semvox, paragon is focusing on solutions in the field of automotive electronics, body kinematics and electromobility, as planned, following the sale of its stake in Voltabox AG last year," said Klaus Dieter Frers, Founder and CEO of paragon GmbH & Co. KGaA, explaining the strategic reasons. "In addition, we are sustainably strengthening paragon's financial power with the

proceeds from the sale." CARIAD and paragon agreed on a purchase price in the mid double-digit million range.

paragon semvox offers AI-based solutions for voice control and human-machine interaction and has been supplying the Volkswagen Group as its main customer for years. The acquisition strengthens CARIAD's development expertise in this important area. CARIAD is developing a digital assistant for the Volkswagen Group brands that customers can control using spoken words and that will also interpret and respond to facial expressions and glances in the future. Thanks to artificial intelligence, the assistant will proactively speak with customers and anticipate their wishes. When customers get into the car in the morning, for example, the digital assistant can proactively offer to navigate them to work, make a coffee stop, dial into the first meeting, play their favorite music or entertain their children with games.

paragon semvox becomes a 100% subsidiary

After completion of the acquisition, paragon semvox GmbH will become a wholly owned subsidiary of CARIAD SE. Currently, more than 140 employees work at the semvox sites in Limbach and Nuremberg. All jobs will be retained. The paragon development teams in India and China will also continue to support semvox.

Dr. Norbert Pflieger, CEO of paragon semvox and one of its founders, emphasizes: "The past four years in the paragon group have already enabled us to grow strongly. However, the acquisition by CARIAD now allows us to shape the next generation of AI assistants at an even greater speed. For our employees, this provides continuity as well as the opportunity to work with CARIAD on one of the most exciting digital ecosystems for the automotive sector. Our current business relationships with our customers are not affected by the transaction and will remain in place."

CARIAD is pursuing the goal of developing key technologies itself: "On our growth path, we are gradually expanding our expertise in strategically important and competitively relevant areas. In addition to recruiting tech talent, we are focusing on acquisitions and partnerships," says Thomas Sedran, Chief Financial Officer at CARIAD. "With the acquisition of semvox, we are continuing this strategy. As a tech partner, we enable the Group brands to offer their customers an attractive digital experience in the software-defined car and to shape it in a target group-specific way."

CARIAD SE

CARIAD is an independent automotive software company in the Volkswagen Group that is consolidating and further expanding the Group's software competencies. The company is developing the leading technology stack for the automotive industry with the mission to make the automotive experience safer, more sustainable and more comfortable for people. Established in 2020 under the name Car.Software Organization, CARIAD has more than 5,000 experts today working on a unified software platform for all Volkswagen Group brands, comprising an operating system, a unified architecture and an automotive cloud. The new software platform is to be used for the first time in the middle of the decade. The company is also developing digital functions for the vehicle, including driver assistance systems, a standardized infotainment platform, software functions for linking powertrains, chassis and charging technology, as well as the new digital ecosystem and digital services in and around the vehicle. CARIAD has software competence centers in Wolfsburg, Ingolstadt, the Stuttgart region, Berlin and Munich. In spring 2022, CARIAD also launched a development team in China. CARIAD works closely with the Volkswagen Group's international development team in the USA.

For more information, visit <https://cariad.technology>.

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paragon GmbH & Co. KGaA

Listed on the Regulated Market (Prime Standard) of Deutsche Börse AG in Frankfurt a.M., paragon GmbH & Co. KGaA (ISIN DE0005558696) develops, produces and distributes pioneering solutions in the fields of automotive electronics, body kinematics and electromobility. The portfolio of the market-leading direct supplier to the automotive industry includes innovative air quality management, modern display systems and connectivity solutions, as well as high-end acoustic systems in the electronics segment. In the mechanics segment, paragon develops and produces active mobile aerodynamic systems. In the fast-growing automotive market for battery systems, paragon now operates independently with its power business unit following the sale of the Voltabox investment.

In addition to its headquarters in Delbrück (North Rhine-Westphalia), paragon GmbH & Co. KGaA and its subsidiaries have sites in Suhl (Thuringia), Landsberg am Lech and Nuremberg (Bavaria), St. Georgen (Baden-Württemberg) and Limbach (Saarland), as well as in Kunshan (China), Bengaluru (India) and Oroslavje (Croatia).

For more information on paragon, visit www.paragon.ag.

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