Annual Report

2023

Contents

European single electronic reporting format and PDF version
This document is the PDF version of the Annual Report 2023 of TomTom N.V. and has been prepared for ease of use. The European single electronic reporting format (ESEF) package is available on the company's website and includes a human readable XHTML version of the Annual Report 2023. In case of discrepancies between this PDF version and the ESEF package, the latter prevails.

The Annual Report 2023 was made publicly available pursuant to section 5:25c of the Dutch Financial Supervision Act (Wet op het financieel toezicht) on 2 February 2024 and was filed with Netherlands Authority for the Financial Markets (AFM) in ESEF at the same time.

We are TomTom

KEY FIGURES

€491 million

Location Technology revenue (2022: €436 million)

€2.5 billion

Automotive backlog[1] (2022: €2.4 billion)

€32 million

Free cash flow[1] (2022: -€29 million)

1. Non-GAAP measure, refer to page 142

Dear Stakeholders,

We delivered on our strategic priorities in 2023. We launched our new TomTom Orbis Maps which are built on an industry standard we are setting. Our Location Technology business showed good growth and we made important steps in improving our profitability. This is a testament to the enduring commitment of all TomTom'ers, whose dedication and hard work were vital in achieving these important milestones.

The successful launch of our new TomTom Orbis Maps in 2023 is the result of a multi-year journey that saw us overhaul our mapmaking platform from the ground up. Our mapmaking capabilities are now founded on a common standard and we can integrate quality-controlled open and third-party datasets, publish the data as a consistent map, and expose the map to applications.

This provides a scalable way to collect and manage location data, allows us to create greatly improved maps that are growing faster than any other, and gives customers and partners the ability to add their own data to these maps. As such, we are now better able to create value for customers and their end-users and drive business growth.

We also forged a growing alliance of organizations that support and promote the universal standard our maps are built on. The Overture Maps Foundation we founded with Amazon Web Services, Meta, and Microsoft is governed by the Linux Foundation guidelines for open-source projects.

This year, the foundation has been joined by large companies like ESRI and Hyundai Motor Group. Together, we are creating an ecosystem to which everyone can add and benefit from.

Location technology serves as a catalyst for both environmental and social impact. As such, the impact of our technologies extends beyond our customers and partners, to the broader society. We help reduce emissions by optimizing drivers' routes, supporting the transition to electrified mobility, and enabling optimized resource management. In addition, our technologies promote road safety and allow for the democratization of access to accurate and valuable location data, making social impact.

As a pioneer in mapmaking, we are harnessing the transformative power of generative AI to improve efficiency, foster innovation, and add value. We have equipped our teams with the tools and knowledge for effective and responsible AI usage. The past year saw us delivering AI-based products, ranging from a state-of-the-art voice assistant for automotive to the world's first location plugin for ChatGPT.

While we expect our TomTom Orbis Maps and new innovations to support long-term growth, we were able to accelerate revenue growth in our Location Technology segment in 2023, with our Automotive business consistently performing better than overall car production trends in our core markets.

Automotive Backlog increased to a record of €2.5 billion, underlining the confidence carmakers have in our ability to support them in their transition to the software-defined vehicle.

Our Enterprise business showed resilience, expanding our Road Analytics offering to the Microsoft Azure Marketplace and making further inroads in the US location analytics market with our class-leading historical and live traffic data. We expect that the further roll-out of our new maps will enable us to power new use cases in Enterprise, opening up a broad range of growth opportunities. Commercially, our sales organization has a promising funnel of prospects, whom we aim to gradually convert into customers over time.

I'm convinced that TomTom is positioned extremely well to cater to the needs of the industry, with our new maps powering a wealth of location technology-based applications, both today and tomorrow. I would like to sincerely thank all our stakeholders, including our people, our customers, and our shareholders, for their support during the year.

HAROLD GODDIJN
Chief Executive Officer, TomTom N.V.

The location technology specialist

TomTom has been helping people and business find their way in the world for more than three decades. We are a diverse team of 3,700 talented individuals, working across offices in 22 countries to shape the future of mobility.

Bridging billions of data points, millions of sources, and hundreds of communities, we create the location technology to power ever more sophisticated use cases. Our application-ready maps, routing, real-time traffic information, application programming interfaces (API), and software development kits (SDK) are relied upon by millions of customers, partners, and end-users around the globe.

Our journey started in 1991, with the development of software for business-to-business mobile applications, and led to the creation of a new product, the portable navigation device (PND). The TomTom PND became one of the fastest-selling consumer technology devices in history, making our name synonymous with navigation.

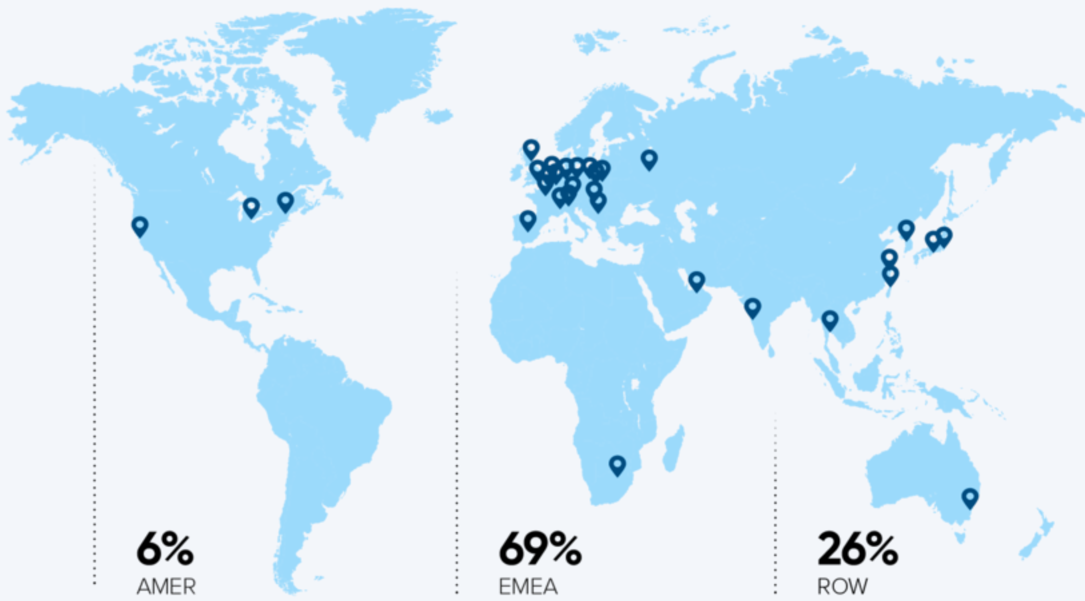
Thirty years and billions of kilometers down the road, our journey has evolved into an unwavering focus on creating the world's smartest map. Capitalizing on our decades of experience, we are embracing open data and promoting a mapmaking standard to enable collaboration and innovation. Our mapmaking platform, inherently compatible with this standard, automatically ingests all relevant data, creating the maps that answer the needs of today and tomorrow. On top of this, we provide the ability and tools necessary for customers to innovate on and work with our maps.

Today, we stand as the leading independent location technology specialist, and as the demands and requirements for location technology continue to grow, we are excited to seize the opportunities that lie ahead.

Our people and offices

Offices in
22 countries

Workforce of
3,700 employees



Our business

Location Technology
With two sales channels
> Automotive > Enterprise

Consumer

Our products

Application layer
> Services > Development solutions

Geographic data
> Maps

Setting the industry standard for maps

We are at the forefront of an industry shift. 2023 saw the launch of our new TomTom Orbis Maps. They are built on a universal standard and integrate open data in a quality-controlled manner, offering the richness, accuracy, and versatility the market demands.

There is an ever-growing demand for location technology. Whether operating an automated vehicle, managing a fleet of trucks, or delivering a meal, location technology is critical. The number of applications powered by location technology is only growing. Importantly, these applications are becoming increasingly advanced, leading the requirements for location technology to increase continuously.

At the same time, there is a large volume of location data produced in every instance. This includes automated signals from phones and cars, and contributions from communities like OpenStreetMap (OSM). The OSM community built a rich database over the years, has unmatched editing capabilities, and continues to grow at an accelerated pace.

This data holds great potential, but bringing it together is hard. The data is non-standardized and the available maps are built on proprietary formats and systems. This means that businesses and developers who want to use all data or stitch things together lack a single solution for all their needs.

The future of location technology demands a standardized approach, and we are at the forefront of this shift. Together with industry partners, we have crafted a universal map standard that provides a scalable way to collect and manage location data. This allows us to create greatly improved maps that are growing faster than any other, and gives customers and partners the ability to add their own data to these maps. As such, we are now better able to create value for customers and their end-users and drive business growth.

We co-founded the Overture Maps Foundation to promote this standard specification for maps, bringing uniformity and consistency across data and applications, and allowing companies to easily exchange location data.

The Overture Maps Foundation is governed by the Linux Foundation's guidelines for open-source projects. Large technology companies, including Amazon Web Services (AWS), Meta, and Microsoft have adopted the Overture standard, and adoption has grown throughout 2023.

TomTom's new mapmaking platform is inherently compatible with this standard and automatically ingests all relevant data. This means we can leverage data from the OSM community and from the companies contributing data through the Overture Maps Foundation. These open data sources are supplemented by our proprietary data, to create maps that answer the needs of today and tomorrow. With this new approach to mapmaking, we aim to provide a canvas for others to build on and add content to.

We started the rollout of TomTom Orbis Maps in 2023 and aim to expand geographical coverage and features, supporting increasingly sophisticated use cases. Our approach offers the industry a much-needed, scalable way to collect and manage geospatial data and a richer map with better coverage and more data types. A map that is growing faster than any other map and offers the flexibility to add proprietary data.

We expect the rollout of TomTom Orbis Maps to further improve our competitive position in Automotive and to support new opportunities in Enterprise. We aspire to foster growth and achieve scale and operating leverage that will take us on a path to profit and cash generation.

We strive to deliver superior, sustainable long-term value to our customers and shareholders, while acting responsibly towards the planet and society, in partnership with all our stakeholders. To this end, we have deployed a comprehensive set of commitments across all environmental, social, and governance (ESG) dimensions that guide the execution of our strategy.

Creating sustainable long-term value

We are navigating a world increasingly reliant on location technology. Our unique market position as an independent, global mapmaker allows us to address the needs of today and tomorrow.

Our strategy centers around our collaborative approach to mapmaking and innovative mapmaking platform, which integrates a vast array of data sources in an automated and standardized manner. This includes signals from phones and cars, contributions from communities like OSM, and data from companies that have adopted the common standard for location data we are promoting through the Overture Maps Foundation. This integration of open-source and proprietary data gives rise to our expansive, rich, and fresh TomTom Orbis Maps that provide meaningful customer value.

Within the location technology value chain, we are both a data gatherer and aggregator, as well as a value creator. We gather data from various upstream sources, including our customers, the OSM community, and companies contributing data through the Overture Maps Foundation.

Downstream, we serve customers from various sectors, including technology companies, carmakers, and developers, who use our maps to add content and enhance their services. Our products and services are distributed through various channels, including live information feeds, ensuring our location technology reaches end-users in a way that greatly enhances their location-based experiences.

Importantly, our approach to mapmaking is not just about creating smarter maps – it's about establishing a universal language for maps. By promoting a standard specification for maps, we enable easy exchange of location data across different applications and companies. This uniformity facilitates the creation of a shared and inclusive mapmaking ecosystem. We provide a canvas for others to build on, empowering customers and partners to enrich the maps we all use, fostering increased innovation.

As such, our location technology's impact does not stop at our customers, but extends to broader society. It serves as a catalyst for both environmental and social impact.

By optimizing drivers' routes, supporting the transition to electrified mobility, and enabling optimized resource management, we facilitate emissions reductions. In addition, our technologies promote road safety and allow for the democratization of access to accurate and valuable location data, resulting in important social impact. In short, our work stretches beyond creating innovative products and services to shaping a more sustainable, dependable, and equitable world.

We're committed to continual improvement. As such, while the basis of our value creation model remained in place, we matured our collaborative mapmaking approach this year. Further, we listen to our people and encourage them to drive location technology forward, learn from our partners' input to enhance our products and services, and take stakeholder feedback to heart. By doing so, we intend to expand the value we create and the contribution we make to an increasingly connected and sustainable world.

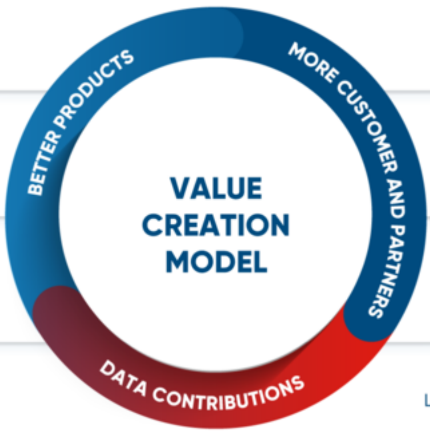
RESOURCE INPUT

People
3,700 employees
27% women (2022: 27%)

Intellectual
€359 million R&D spend
Advanced and inclusive mapmaking platform

Data
Vast partnerships and data sourcing capabilities
Strategic alliance to develop open data standard
Constructive collaboration with open data communities

Financial
€304 million net cash position[1] at the beginning of the year



VALUE OUTPUT

People
Engagement score of 76 (2022: 75)
7% voluntary turnover (2022: 16%)

Intellectual
Launch of TomTom Orbis Maps
Introduction of several new SDKs and APIs
Pioneering of AI-driven location-based applications

Data
Further maturing of collaborative mapmaking approach
Launch and continued adoption of open data standard
Good corporate membership of the OSM community

Financial
Location Technology revenue of €491 million (2022: €436m)
Automotive backlog[1] of €2.5 billion (2022: €2.4 billion)
FCF[1,2] of €32m (2022: -€29m) and equity FCF yield[1,2] of 3.8% (2022: -3.4%)

IMPACT

Social
Putting our people first and fostering an inclusive, equitable culture through various initiatives.

Attractive benefits and support for TomTom'ers, encouraging them to, for instance, volunteer for important causes.

Products and technologies that promote road safety and enable emission reductions.

Environmental
Formalized decarbonization plan, including a green building program, sustainable travel initiatives, and renewable energy purchases.

Governance
Strong focus on privacy and security, responsible use of AI, and constructive community interactions and partnerships.

[1] Non-GAAP measure, refer to page 142

[2] FCF (free cash flow) excludes restructuring charges related to the Maps realignment announced in June 2022

Capturing value from the trends shaping and transforming industries

MARKET OPPORTUNITIES

Location technology holds unique power to unlock new business models, revolutionizing existing industries and igniting the creation of entirely new ones. Continually updated location data, richly detailed maps, and intelligent routing algorithms are altering the way we perceive and interact with the world around us. They serve as the driving force behind a plethora of use cases across a variety of sectors.

Fleet managers, logistics companies, and infrastructure planners use location data to drive operational improvements or enhance decision-making, while industries like travel and social media can employ maps to enhance their offerings. The potential applications for location technology are vast and growing, as it continues to drive a competitive edge.

Simultaneously, the automotive industry is witnessing a shift towards electrification, automation, and software-defined vehicles. This evolution is challenging and reshaping conventional thinking about navigating, fueling, and the very act of driving itself. Carmakers are rethinking the way cars operate. To drive future differentiation, they are prioritizing software that better addresses the interdependencies between the digital and the physical world, supporting seamless user experiences and enhanced automation. Location technology plays a pivotal role in this.

Reliance on location technology is set to rise as new use cases gain wider adoption. Demand and expectations for location technology are growing. At the same time, the amount of location-related data being generated is quickly expanding. To meet these evolving needs, we bring this data together on a standard that we have co-created, thereby fostering an open and inclusive ecosystem.

This collaborative mapmaking approach not only allows us to serve a significantly larger addressable market but also adds more value to our partners. It underlines our commitment to harnessing the full potential of location technology, driving innovation, and shaping the future of mobility.

OUR CUSTOMERS

As the leading independent location technology software company, we play a central role in advancing location technology. Our maps, software, and services are leveraged by customers across a variety of industries. We define two customer segments, Location Technology and Consumer.

LOCATION TECHNOLOGY

To maximize our ability to capture market opportunities and better serve our customers, we distinguish between two sales channels within Location Technology, Enterprise and Automotive. Both business are projected to exhibit robust growth in the coming years.

Enterprise

Our Enterprise business helps make companies more competitive through location technology, driving adoption and strong market growth. It enables organizations to streamline their operations, leading to operational excellence. Location technology can also be utilized to enrich companies' products and services.

TomTom's Enterprise customers include some of the world's largest and most innovative technology companies that use our products such as maps and traffic in their operations. At the same time, we serve a vast array of small businesses and developers through easily integrable online services, delivered through APIs and SDKs.

Our collaborative approach to mapmaking and advanced mapmaking platform enable us to add more value to a significantly larger part of the market. We aspire to double our market share within existing growth segments, such as logistics and on-demand markets, as we will be able to significantly increase the value we bring to our partners. With our improved maps, we are also entering into new market segments that we haven't addressed so far.

Our investments in the application layer, meanwhile, have led to improved APIs and enhanced SDKs. These enable us to tap into a broader target audience of developers, whom we will support in building their businesses. Our relationship with the developer community will help us gain valuable insights in their needs and enable us to capture potential and generate leads.

Automotive

Our Automotive customers, including carmakers and Tier-1 suppliers, are leveraging location technology as a key enabler for improved in-car software experiences. Drivers increasingly expect a seamless experience from the software in their car, in terms of software updates, access to their digital life, and the availability of myriad applications. In addition, the shift toward cars being increasingly reliant on software allows OEMs to monetize connectivity and generate recurring revenue from the dashboard, with features like on-demand, in-vehicle commerce and subscription-based feature packages.

We serve Automotive customers with our comprehensive map-based products and a range of Automotive-specific products, catering to over 50 Automotive brands. Carmakers integrate our products into their vehicles' application systems, including the digital cockpit, navigation system, and location-based vehicle automation and advanced driver assistance systems (ADAS). Owing to their modular structure and standardized nature, Automotive customers can integrate any combination of our products and services into their cars.

CONSUMER

Our Consumer business equips drivers with navigation solutions, offering directions, guidance, and information about the road ahead. We offer consumer products in the form of portable navigation devices (PNDs) and mobile applications, enhancing the driving experience with greater ease, efficiency, and safety.

Charting new paths with smarter maps

OUR TECHNOLOGIES

Our technology supports our key activities. These include the creation of geographic data, such as our maps and real-time traffic, as well as the provision of customer-facing online services, such as map updates, online routing, and others. Lastly, our technology supports us in developing and releasing device software.

Creation of geographic data

Our geographic data is created continuously by processing and integrating data from a broad variety of sources. The promotion of a universal standard for location data and use of extensive partnerships make it possible to pool all relevant data on a common basis. In this way, community-sourced data, data from partners, floating car data (FCD), sensor-derived observations (SDO), data from our mobile mapping (MoMa) vehicles, and other public and commercial sources, can be combined into one global map.

To integrate this data, we have invested in proprietary software systems, chief among which is our advanced mapmaking platform. To enable greater throughput and higher and more repeatable and reliable quality, we have automated our mapmaking processes to a large extent. Data is quarantined before it is integrated into the map, in order to validate and quality-check all signals. In addition, we often integrate overlapping sources to provide a more accurate representation of reality than could be provided by each individual source. In the geospatial context, this is called conflation.

We continuously update our maps to reflect a constantly changing reality. Next to keeping our maps up to date, we define and create new types of geographic data, such as lane-level geometry to support automated driving.

Real-time traffic data, for instance, is inherently volatile. Hence, our traffic creation application system creates a new traffic feed every 30 seconds.

Provision of customer-facing online services

To allow customers to leverage our geographic data, we create software and tools for easy implementation. Location technology is often implemented as an online service or as a package of multiple online services.

Customers can leverage our software and content feeds through APIs. They may leverage any combination of products in their mobile, vehicle, or server-side application systems, such as OEMs integrating up-to-date maps, real-time traffic feeds, and navigation software into their digital cockpits.

We have technologies in place to create these expansive software libraries to power diverse sets of applications. In addition, our technologies enable ingestion of FCD and SDO data provided by our customers, as well as any data they would like to add to the maps they are using themselves.

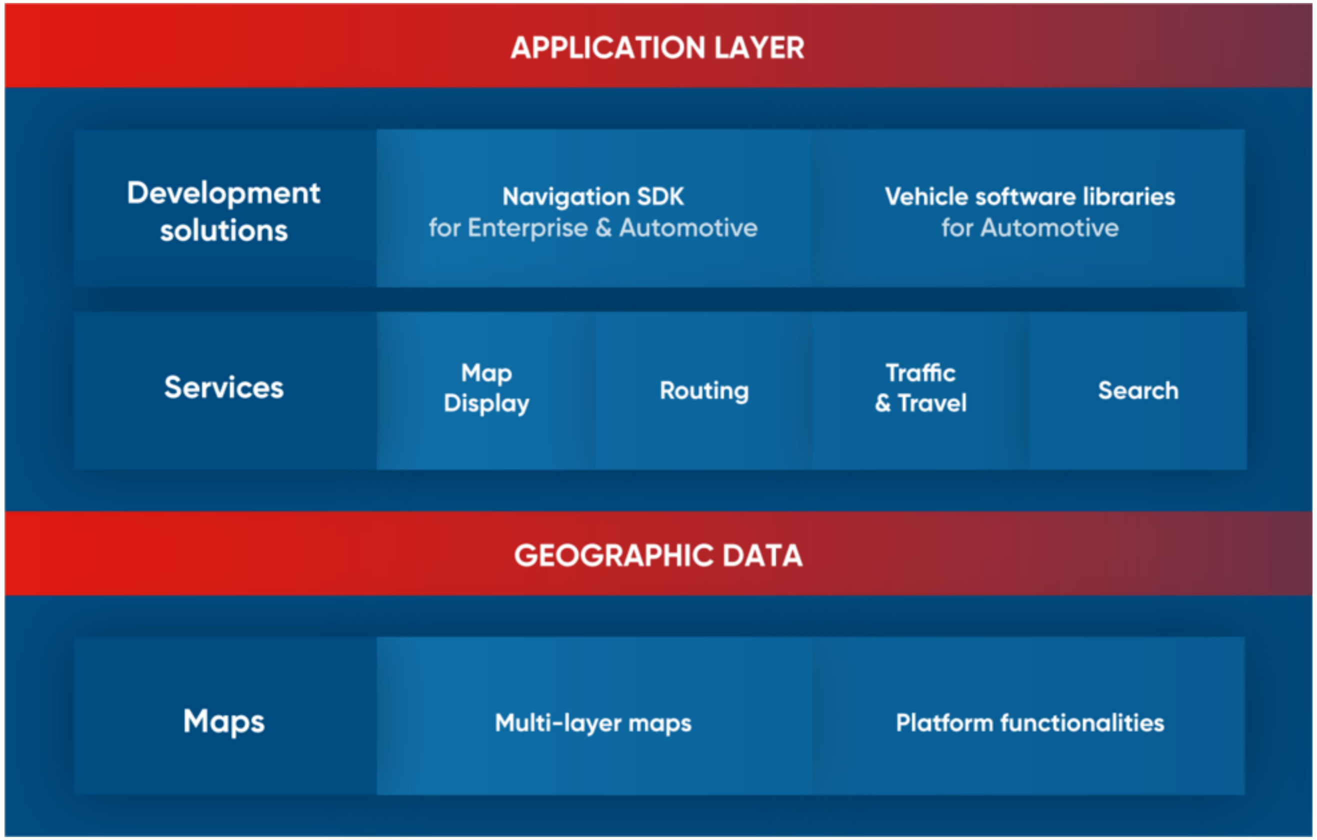
Development and release of device software

We develop device-side software for web developers, mobile app developers, and vehicle-integrated systems, which we deliver as SDKs.

Our device software consists of Maps SDKs, vehicle software libraries, and the TomTom Digital Cockpit. Maps SDKs serve as a more productive way for developers of web and mobile applications to use our Maps APIs. In addition, they support developers in implementing device-side functions that they would otherwise have to develop themselves.

Vehicle software libraries are geared toward OEMs, and typically involve software for use of both onboard as well as online maps. A fully integrated example of these libraries is the TomTom Digital Cockpit.

Our Maps SDK, vehicle software libraries, and TomTom Digital Cockpit framework of libraries include software that supports device-side application use cases, as well as software that implements the user interface, capitalizing on the user experience design capabilities we have developed as a consumer electronics company.



OUR PRODUCTS

Our product portfolio follows from our unique technologies and capabilities to create meaningful geographic data, provide customer-facing online services, and develop and release device software.

In essence, our product portfolio is a reflection of these capabilities. Its foundation is our geographic data offering, which includes our highly detailed, accurate, and fresh maps as well as our customer-facing mapmaking functionalities. On top of this geographic data, we provide an application layer, enabling the easy integration and leveraging of our smart maps and location-related data.

Geographic data

Our geographic data offering is the cornerstone of our product portfolio. It includes our multi-layer maps and the extended functionalities of the TomTom Orbis Platform.

Importantly, in 2023, we launched TomTom Orbis Maps, representing a step change in the quality and versatility of our maps.

Our multi-layer maps consist of a base map and value-add layers. The base map contains the core features of the world – the road network, borders, buildings, and points of interest (POI). Atop these base layers, other features are built, including TomTom's value-add layers.

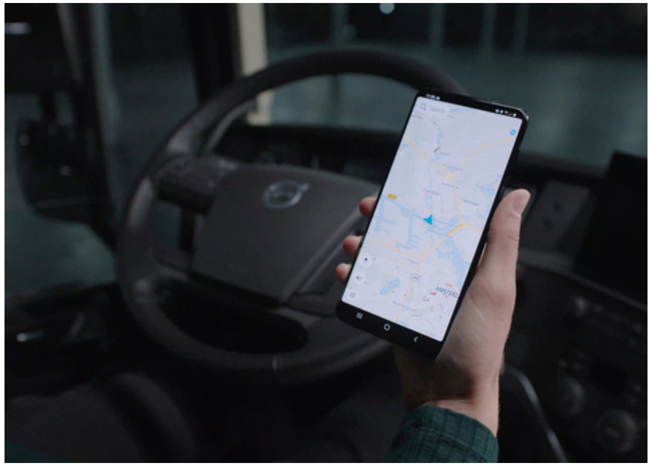
Value-add data layers are built using TomTom's sources. They range from information on speed restrictions, lanes, and turn restrictions on particular road segments to highly detailed information for advanced display and specialized routing use cases. This data is typically used by larger companies who integrate the data into their solutions. This creates a deep dependency on critical data to power their applications.

An important part of our geographic data relates to road networks, from highways to residential streets. Our road network data is used for search, vehicle navigation, location-dependent ADAS functions, and automated driving.

In addition, our multi-layer maps contain information on traffic and travel-related matters, including static and dynamic data related to off-street parking, on-street parking, fuel stations, electric vehicle (EV) charging points and speed cameras. Examples of dynamic travel information data are availability of parking spaces, fuel prices, and EV charging station occupancy. This data is available to customers as historic data for analysis and decision-making and offered in real-time, as one of our services.

Our multi-layer maps are offered as a variety of different products, each one being geared toward a different use cases. These include our SD (standard definition) map, our ADAS and HD (high definition) road network map, and our traffic and travel-related data and service, providing information on traffic flows and a variety of incidents including jams, closures, and roadworks. These maps are available in a variety of formats, from uncompiled data to easy-to-leverage Maps APIs. The latter are part of our service offering, as discussed on the next page.

Our collaborative approach to mapmaking and advanced mapmaking platform ensure that our map data conforms to a common standard, so that customers can easily contribute their own data to the map and run map analytics. These additional functionalities are offered through our mapmaking platform and bolster collective innovation.



SD Map

Our SD Map is designed to meet application functions to display a map, search for a location, and navigate to the location, including support for routing, directions, and turn-by-turn guidance. It describes the road network, including street names, addresses, and much more.

Natural features, such as coastlines, rivers, and land use are also available, as well as building footprints, country borders, and several categories of POIs.

Traffic & Travel

Our traffic data includes our real-time traffic and speed profiles for predicting expected travel times. Our onboard and online routing software uses our traffic data for finding the fastest route and providing more accurate expected travel times, which navigation application users experience as a more accurate estimated time of arrival (ETA). In addition, our traffic data is used in our Road Analytics product suite, which is discussed below.

ADAS and HD Maps

Our ADAS Map provides road network data required by location-dependent ADAS functions. The ADAS road network data is a subset of the data in our SD Map and includes road geometry and ADAS attributes, such as road curvature and gradient.

This information is used to advance vehicle autonomy and driver comfort. For example, a car's ADAS systems may allow it to save on fuel by using our gradient information to avoid changing gears near the summit of a hill.

Our HD Map also provides road network data, including three-dimensional lane geometry and road sign geometry, with greater location precision than our SD and ADAS Map. This supports automated driving applications such as automatic lane keeping and localization, whereby map data and sensor data are being matched to accurately determine the position of the vehicle.

Services

To allow for easy integration and leveraging of our geographic data offerings, we offer various services, often made available through APIs. These include tools for map display, routing, and search, as well as tools to easily leverage our traffic and travel-related information. As regards the latter, we offer an integrated suite of Road Analytics products, offered through our portal and APIs, to provide the insights needed to make smarter mobility-related decisions.

These tools play a pivotal role in making the connection between our content and the applications that they power, whether through routing, search, or traffic. The services provide low-friction access to our products and software. For more details, please refer to our developer portal.

Solutions

To maximize the value we bring to customers, we also provide ready-made software packages for customers to integrate at once into their products. For instance, our modular Navigation SDK for Mobile enables developers and businesses to build on top of navigation software and content. It combines all of TomTom’s location APIs with turn-by-turn navigation to create an effective toolkit for developers. Further, the TomTom Digital Cockpit provides OEMs with an extensive framework of software libraries, significantly reducing the development time and effort in bringing a vehicle digital cockpit to market.

Growth in Location Technology revenue yields 5% free cash flow margin

(€ in millions, unless stated otherwise)	2023	2022	YoY change
Location Technology	490.7	436.4	12%
Consumer	94.1	99.9	-6%
Revenue	**584.8**	**536.3**	**9%**
Gross profit	**495.8**	**449.7**	**10%**
Gross margin (%)	85%	84%	
EBITDA[1]	23.6	-40.9	
EBITDA margin (%)[1]	4%	-8%	
Operating result (EBIT)[1]	**-20.0**	**-97.6**	
Operating margin (%)[1]	-3%	-18%	
Net result	**-21.0**	**-102.7**	
Free cash flow (FCF)[1, 2]	**32.0**	**-29.2**	
Free cash flow as a % of revenue	5%	-5 %	

1. This is a non-GAAP measure and is further explained on page 142.
2. Free cash flow excludes restructuring charges related to the Maps realignment announced in June 2022.

Revenue

Group revenue was €585 million, 9% higher compared with 2022. Location Technology, consisting of Automotive and Enterprise, showed 12% year-on-year revenue growth.

Automotive reported a considerable revenue growth of 32% compared with last year. The increase in revenue is driven by increased car production volumes, take rates, and market share gains. This was complemented by a positive impact from a change, made in 2022, to the way we identify performance obligations for new map subscriptions and the related timing of revenue recognition, aligning with the evolving nature of our products and services. Excluding the impact of the latter, year-on-year revenue growth for Automotive is estimated at 16%. Automotive operational revenue increased by 16%, outperforming the year-on-year growth of car production volumes in our core markets of 11%.

Enterprise revenue showed a 16% year-on-year decrease. This decrease was in line with our expectations and reflects the renewal of certain contracts at lower contract values in combination with unfavorable foreign exchange movements.

Consumer revenue was €94 million in 2023, 6% lower compared with last year.

From a regional perspective, 60% of 2023 revenue was generated in Europe (2022: 59%), 23% in North America (2022: 26%) and 17% in the rest of the world (2022: 15%).

Gross profit

The gross margin for the year was 85%, an increase of 1 percentage point due to higher proportion of high-margin Location Technology revenue compared with 2022. The gross profit for the year was €496 million, 10% higher than in 2022.

Operating expenses

Total operating expenses for 2023 were €516 million compared with €547 million in 2022. Both 2023 and 2022 included restructuring charges with a net effect of €8 million and €26 million respectively. Excluding these restructuring expenses, total operating expenses decreased from €521 million in 2022 to €508 million in 2023.

R&D operating expenses decreased by €18 million due to a combined effect of the efficiency gains resulting from last year's Maps realignment and lower amortization.

Sales and Marketing expenses increased by €7 million, among others, due to a ramp up of our sales activities to drive further growth.

General & Administrative expenses excluding restructuring charges, showed an year-on-year decrease of €2 million.

Net result

The total net result for the year was a loss of €21 million (2022: loss of €103 million).

Balance sheet

Total assets decreased by €12 million, from €808 million at the start of the year to €796 million at the end of December 2023. This decrease mainly reflects further amortization of our map database (€19 million) and the divestment of our equity interest in Cyient Ltd (€14 million), partly offset by an increase in cash.

Deferred revenue of €433 million decreased marginally compared with the €439 million at the end of last year. The movement reflects lower deferred revenue across all units.

Cash flow

Total cash flow from operating activities in 2023 was an inflow of €33 million, an increase of €64 million compared with last year (outflow of €31 million in 2022). The year-on-year increase is mainly the result of higher EBITDA.

Total cash flow from investing activities in 2023 was an outflow of €54 million compared with an outflow of €31 million in 2022. Cash flow from investing activities includes the movement of cash placed in fixed-term deposits. Next to that, it included the divestment of our equity interest in Cyient Ltd. this year, resulting in proceeds of €15 million. Excluding both items, cash used in investing activities amounted to €12 million, an increase of €2 million compared with previous year (2022: €10 million), mainly due to investments related to our office buildings.

Free cash flow[1] was an inflow of €21 million compared with an outflow of €42 million in 2022. Free cash flow[1] excluding the cash-out related to Maps reorganization as announced in June 2022, was an inflow of €32 million, which represents 5% of group revenue (2022: -5%).

Cash and liquidity

The cash flow from financing activities for the year was an outflow of €23 million compared with an outflow of €10 million in 2022. The year-on-year increase is explained by a €12 million outflow relating to our share buyback program.

In 2023, 49 thousand options (2022: 519 thousand options) were exercised resulting in a €0.4 million cash inflow for the year (2022: €4.1 million).

At the end of 2023, TomTom had no outstanding bank borrowings and reported a net cash[1] position of €315 million (2022: €304 million).

Outlook

For 2024, our projections are cautiously optimistic. Based on our current strategic plans and the solidity of our business model, we expect continued growth in our Location Technology revenue, along with an improvement in our free cash flow.

We expect group revenue in 2024 to be between €570 and €600 million. Location Technology revenue is expected to be between €490 and €520 million. In addition, free cash flow[1] is expected to exceed 5% of group revenue.

We will continue to invest to improve our competitive position and capture market opportunities. We forecast for 2024 a modest increase in our cash spend compared with 2023.

The total number of employees in 2024 is expected to be comparable with the end of 2023.

1. Free cash flow (FCF) and net cash are non-GAAP measures and are further explained on page 142.

Record Automotive backlog

Location Technology

- Automotive backlog increased to €2.5 billion (2022: €2.4 billion). The year-on-year improvement of the backlog was the result of a strong order intake, partly offset by some customers' revisions of near-term car production volumes.
- Location Technology generated revenue of €491 million in 2023, a 12% increase year on year.
- Automotive revenue was €342 million in 2023, 32% higher compared with last year. This increase includes the impact of a change, made in 2022, to the way we identify performance obligations for new map subscription contracts, reflecting the evolution of our products. Excluding this net year-on-year impact of around €40 million, the year-on-year revenue growth for Automotive is estimated at 16%.
- Automotive operational revenue in 2023 was €343 million compared with €296 million in 2022, an increase of 16%. The year-on-year increase in car production volumes in our core markets was 11%. We define our core markets as Europe (excl. CIS) and North America.
- Enterprise revenue for the year was €148 million, 16% lower compared with 2022, mainly as some contract renewals reflect decreased usage and therefore lower contract values in combination with weakening of the U.S. Dollar.
- EBITDA and EBIT improved year on year reflecting higher revenue.

(€ in millions, unless stated otherwise)	2023	2022	YoY change[1]
Automotive	342.3	260.0	32%
Enterprise	148.4	176.4	-16%
Total revenue	**490.7**	**436.4**	**12%**
EBITDA[2]	**31.1**	**-15.6**	
EBITDA margin (%)	6%	-4%	
Operating result (EBIT)[2]	**-11.3**	**-71.2**	
EBIT margin (%)	-2%	-16%	

1. Change percentages and totals calculated before rounding.
2. The EBIT and EBITDA measure and the reconciliation to the income statement is further explained in note 5 of the consolidated financial statements.

Consumer

- Consumer generated revenue of €94 million in 2023, a 6% decrease year on year, in line with our expectations given the declining PND market.
- EBITDA and EBIT improved slightly year on year as the decline in revenue was offset by improved product margins.

(€ in millions, unless stated otherwise)	2023	2022	YoY change[1]
Consumer products	86.0	92.7	-7%
Automotive hardware	8.1	7.2	12%
Total revenue	**94.1**	**99.9**	**-6%**
EBITDA[2]	**7.8**	**7.4**	
EBITDA margin (%)	8%	7%	
Operating result (EBIT)[2]	**6.9**	**6.5**	
EBIT margin (%)	7%	6%	

1. Change percentages and totals calculated before rounding.
2. The EBIT and EBITDA measure and the reconciliation to the income statement is further explained in note 5 of the consolidated financial statements.

2023 operational highlights

Location Technology deals

In 2023, we were awarded several Location Technology deals, building on existing customer relationships and forging new ones.

For example, we expanded our partnership with SAP, providing our services to SAP's suite of software products worldwide. TomTom Maps APIs are now integrated with the cloud-based solution SAP HANA Spatial Services, providing companies with faster routing, search, and map display without the need for in-house map expertise.

Moreover, we were successful in the location analytics space. Analytics provider Alteryx, for instance, now integrates TomTom data and Maps APIs into its new cloud-based analysis tools, enabling users to apply more advanced analytical techniques and easily visualize their analyses. Integrated TomTom data amplifies analysis by adding more than 50 layers of cartographic data, such as roads, waterways, parks, and more.

In addition, we secured deals for our Traffic product with location analytics providers StreetLight, Flow Labs, and PTV Group.

The Traffic deal with StreetLight, in the US, involves the integration of our historical and real-time traffic data. Streetlight executes thousands of monthly analyses for transportation professionals and will integrate our global data into its growing line of cloud-based products.

Flow Labs, a leader in transportation software specializing in artificial intelligence (AI) and transportation data integration, meanwhile, will incorporate TomTom Traffic data into their AI applications that support transportation agencies with real-time optimization and insights, for any road, at any time.

PTV Group's new automated transport modeling solution, PTV Model2Go is integrating TomTom Traffic data to significantly reduce the time and effort it takes to model transportation patterns in entire cities or regions. This new cloud-based solution delivers automated network and demand transportation models in as little as one week, leveraging TomTom data.

Further, we announced a multi-year contract with Bridgestone Mobility Solutions to support businesses in optimizing their fleets. As part of the extended relationship, Webfleet incorporates TomTom's latest EV data and routing products into their solutions, allowing them to support customers in accelerating their transition to electrified mobility while safeguarding cost-effectiveness and reliability.

Products and Milestones

We launched our new TomTom Orbis Maps across our core markets of North America and Europe. Drawing on the power of AI and machine learning, TomTom Orbis Maps taps into the richness of OpenStreetMap, combining this 'super source' with many others to create a rich and near real-time map that can power the most advanced use cases ranging from on-demand services to automated driving.

To ensure customers can tailor our maps to fit any brand, we introduced Map Maker, a cloud-based and highly customizable tool that enables businesses and developers to design, test, and publish maps for various use cases like in-car navigation, browsing, and data display.

We further leveraged the recent advances in generative AI, and large language models (LLM) in particular, to develop the TomTom plugin for ChatGPT. This first-of-its-kind LLM plugin for location technology enables subscribers of ChatGPT Plus to use AI to plan trips and discover and explore new places.

In addition, by leveraging Microsoft's advancements in AI, we developed a fully integrated, AI-powered conversational automotive assistant that enables more sophisticated voice interaction with infotainment, location search, and vehicle command systems. Drivers can converse naturally with their vehicle and ask the AI-powered assistant to navigate to a certain location, find specific stops along their route, and vocally control onboard systems.

We also introduced new Live Speed Restrictions as an addition to our ADAS portfolio. The solution captures dynamic and temporary speed limit information along a driver's route to increase speed limit accuracy and improve road safety. By enabling safer driving, it also helps OEMs deliver on Intelligent Speed Assistance (ISA) requirements.

In terms of milestones, we more than doubled our ADAS installed base thanks to our strong product offering, combined with increasing take rates due to heightened safety requirements. We now serve over 30 automotive brands with our ADAS solutions, with over one-third of all new automated vehicles coming equipped with an ADAS map supported by TomTom.

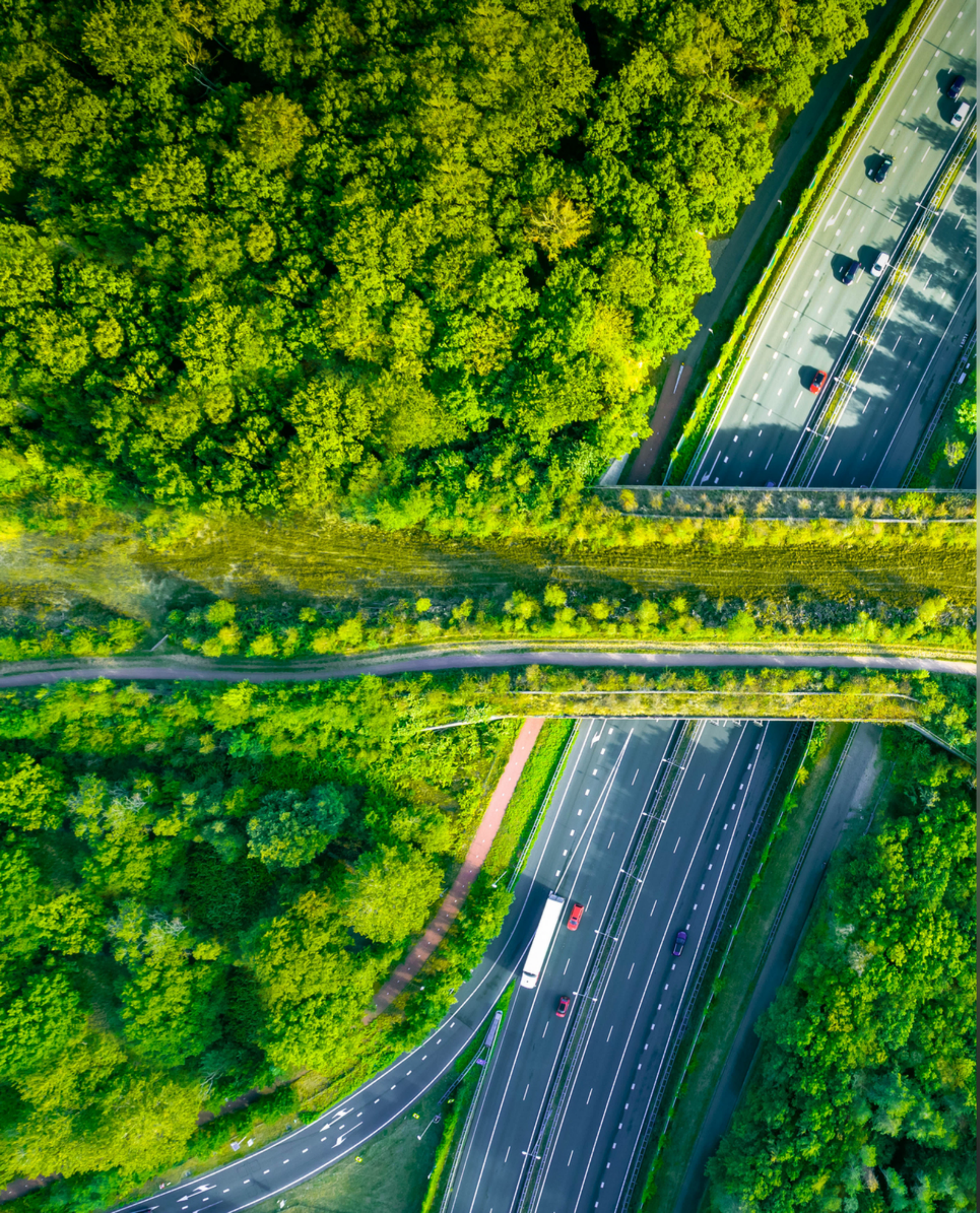
The introduction of the new Peugeot E-3008 marked a fresh highlight in our long-standing relationship with Stellantis. The new electric fastback SUV is built on Stellantis' next-generation platform and features TomTom's full stack of location-based products.

Collaborations

The Overture Maps Foundation founded by TomTom, AWS, Meta and Microsoft welcomed 13 new contributing and general members, in its continued effort to promote a technical standard for mapmaking and build open map datasets. Throughout the year, the Overture Maps Foundation established its data schema and Global Entity Reference System, and released several open datasets.

For more information

tomtom.com/company/press-releases/



Sustainability

TomTom's commitment to sustainability

At TomTom, we are dedicated to creating long-term value and are committed to doing this in a sustainable manner. We firmly believe that these two objectives go hand in hand, as future sustainability is essential for the success of our business as well as the well-being of our stakeholders.

Our commitment to sustainability is reflected in the positive impact we make through product and service innovation, as well as our efforts to minimize the negative impact of our operations.

We enable businesses to make smarter decisions, support governments planning infrastructure investments, help drivers avoid congested roads, and so much more. Our products and services help reduce mobility emissions and advance road safety. Beyond our products and services' immediate sphere of influence, we strive to inspire the next generation of tech talent and innovators, and regularly organize initiatives that give back to the communities in which we operate.

At the same time, we seek to minimize any negative effects originating from our operations, and are committed to operational sustainability. This is promoted through our company policies and programs, in which sustainability considerations play key roles. Our Green Building Program, for instance, ensures the energy efficiency of our workplaces, while our Travel Program encourages sustainable travel, such as by train. Ultimately, these policies and programs codify the sustainable business practices we champion.

Our efforts are also directed towards managing risks and opportunities associated with sustainability-related matters that might materially impact our business and our stakeholders.

We recognize that by optimizing long-term value creation in a sustainable fashion, we are able to provide lasting benefits to our shareholders, employees, customers, partners, and communities, while also safeguarding the health of our planet.

Our company impact activities are focused on five United Nations Sustainable Development Goals (SDGs) that align closely with TomTom's vision. These goals are SDG 4: Quality Education, SDG 5: Gender Equality, SDG 11: Sustainable Cities and Communities, SDG 13: Climate Action, and SDG 17: Partnerships for the Goals.

EVOLVING OUR ESG STRATEGY

Over the past years, we have significantly evolved the ways in which we assess and boost our positive impact as an organization. We have made good progress on our ESG efforts, and have established a comprehensive ESG strategy that guides our efforts and initiatives.

In 2023, we continued to advance our ESG strategy in various areas. This included making enhancements to our governance structure, our process of assessing material topics, and our process of managing impacts, risks, and opportunities associated with the identified material topics. For each of the topics we assigned responsibility to the respective business process owners, agreed on the required actions, and set the KPIs, metrics, and associated targets, where possible. We will periodically monitor and report on our progress toward those targets. For an overview of how we manage the identified topics, reference is made to the sections on each topic in this chapter.

In addition, we proactively started preparing for compliance with the Corporate Sustainability Reporting Directive (CSRD), and its detailed applications as incorporated in the European Sustainability Reporting Standards (ESRS), which will apply to us from reporting year 2024 once it is transposed into Dutch law.

Sustainability governance

Our company's governance structure ensures effective oversight of sustainability-related matters. The Supervisory Board is responsible for the oversight while our Management Board is accountable for setting and executing strategies and serves as the highest governing body in the organization. As part of our enhanced governance structure, we established an ESG Committee this year. This committee plays a crucial role in advising the Management Board on sustainability strategies and monitoring their operational execution. In advising on these strategies, the ESG Committee takes into account insights from the company's engagements with stakeholders and their input.

Led by a member of our Senior Leadership Team, who also acts as the executive sponsor, the ESG Committee consists of senior management from different areas of the business. Within the committee, various sustainability-related matters are discussed, and progress updates are communicated to both the Management Board and the Supervisory Board on a quarterly basis.

CSRD readiness

In preparing for CSRD compliance, we conducted a materiality analysis, incorporating the principle of 'double materiality' described in the ESRS. This enabled us to identify material topics as well as the material impacts, risks, and opportunities associated with them. To ensure tangible progress, we have initiated the process of defining concrete actions and setting targets for each topic.

These actions and targets have been discussed with and assigned to process owners across different areas in our organization. In addition, we have assessed the availability of data points required to be disclosed under ESRS standards.

For an overview of how we manage impacts, risks, and opportunities, reference is made to the sections on each topic in this chapter. These reflect the topics, actions, and approaches we have defined to date, and which we will continue to further mature and expand on in 2024.

STAKEHOLDER ENGAGEMENT

Stakeholder	Engagement	Themes
Customers	• Continuous communication through account and product management, as well as engineering and customer support • Collecting market intelligence to better understand customer needs	• Ease of use of products • Data privacy • Products and technologies that reduce emissions and increase road safety • Secure products
Employees	• Constant dialogue between employees and management about contribution and development • Bi-annual engagement survey to gather employee feedback • Regular consultations with the Works Council	• Employee engagement • Diversity, equity and inclusion • Opportunities for training and development • Flexibility at work (work-life balance) • An innovative work environment
Investors	• Several recurring events, such as the Annual General Meeting and Capital Markets Day • Regular meetings with investors, analysts, and proxy organizations (e.g., VEB, Eumedion, ISS), and regular attendance at investor conferences	• Our commitment to create value • Timely and accurate updates on how we track against our goals • Sustainable practices
Suppliers	• Contracting discussions handled by our centralized procurement and legal organizations, which engage with suppliers on their CSR policies	• Long-term commitments • Acceptable payment terms • Compliance with the core principles of data protection and cyber security
Society	• Monitoring of public perception of TomTom, on social media for example • Discussions with local governments • Participation in discussions and initiatives where our technologies have a role to play	• Responsible remuneration • Tax compliance • Ethical business practices • Products and technologies that reduce emissions and increase road safety
Data communities and partners	• Engagement and communication with data communities such as OSM • Organization of mapmaking gatherings for location data enthusiasts	• Constructive collaboration • Adherence to community guidelines and frameworks

MATERIALITY ANALYSIS

We have performed our materiality analysis based on the reporting requirements of the Global Reporting Initiative (GRI). As part of our efforts to initiate our alignment with the requirements of CSRD, we conducted a materiality analysis in 2023 following the concept of ‘double materiality’ inspired by the principles described in the ESRS. Under this concept, a topic is considered material if our impact on people or the environment is material (impact materiality), or if the topic gives rise to risks and opportunities that can have material consequences for our (future) financial performance or position. To identify these material topics, we engaged with and gathered input from various stakeholders.

Our stakeholders

Central to our approach to sustainability lie the interests of our stakeholders. By engaging with them in a collaborative way, we build strong relationships and promote an open dialogue, through which there is room for stakeholders to raise their concerns, that bolsters sustainable long-term value creation and informs our sustainability strategy.

In identifying relevant stakeholder groups, we considered all actors in our value chains, as well as those impacted by our activities. Our employees, investors, customers, suppliers, local communities and governments (society), and data communities and partners were identified as relevant stakeholder groups. An overview of our regular engagement with these stakeholders is provided in the above table.

Double materiality assessment

Having identified the most important stakeholder groups, we assessed which sustainability topics could be relevant to them. In performing this assessment, we created an extensive list of potentially relevant topics which was narrowed down to a shorter list of topics that stakeholders were asked to score on materiality. We used different sources as input to our lists of topics, including the input from our regular interactions and previous surveys we conducted with various stakeholder groups, as well as topics listed in the ESRS, suggested topics for our industry by the Sustainability Accounting Standards Board, and those mentioned in analysts reports and sustainability benchmarks.

As noted, our regular interactions with stakeholders are instrumental as input to our sustainability strategy. Through continuous dialogue, we aim to have a dynamic materiality process through which we can quickly identify any emerging topics that are relevant for our business.

For each topic deemed relevant for inclusion, we assessed the impacts, risks, and opportunities on the short-, medium- and long-term, as well as their respective materiality. The materiality of a potential impact is assessed based on its severity, irremediability (if negative in nature), and likelihood. In this assessment on impact, we also took into account potential impacts on human rights. Conversely, risks and opportunities are assessed based on their anticipated size and likelihood to materialize.

This assessment was carried out with input from senior management and internal subject matter experts who regularly engage with respective external stakeholders and represent their perspectives. We leveraged the input provided by stakeholders in 2022 and as part of our regular interactions, and further engaged with representatives of certain stakeholder groups to gather perspectives on certain topics that required an updated examination. Our assessment resulted in the material topics presented in the matrix to the right. The topics which received an average score higher than three on any of the axes, as per the shaded areas in the matrix, are considered material for reporting purposes as they impact the company's strategy, influence stakeholder expectations, and are likely to become increasingly material in the future.

By addressing the identified topics, we demonstrate our commitment to transparency, trust, and responsible corporate citizenship.

While most of the material ESG topics remain unchanged from the prior year, we have identified two additional ESG topics that require attention because of changes in the industry and our strategy over the past year. These material topics include data sourcing and partnerships, and responsible AI and automation.

Furthermore, we have now identified people development as a distinct topic, which was previously included within employee engagement. The topic Technologies that reduce emission and improve road safety is now covered as part of Climate change actions topic. The outcome of this materiality assessment as well as the material impacts, risks and opportunities of each material topic, were discussed within the ESG Steering Committee, approved by the Management Board and communicated to the Supervisory Board.

SETTING CLEAR TARGETS

The advancement of the identified sustainability themes is crucial in order to fulfill our shared value ambition. The Management Board has established appropriate key performance indicators (KPIs) and corresponding targets for the majority of the identified topics, while KPIs and targets on remaining topics are forthcoming.

At the same time, we have bolstered our reporting efforts, enabling us to obtain limited assurance on all the sustainability information in this chapter and the accompanying metrics on pages 119 and 120, with the exception of the EU Taxonomy disclosure.

REPORTING ON OUR IMPACT

With our ESG strategy aligned with our stakeholders' perspectives and interests, we continue to drive improvements in our reporting.

The identified material topics are categorized into three categories, being Social, Environmental, and Governance. Each category, along with its topics, is discussed in subsequent sections. For more details on our ESG reporting practices in relation to the outlined themes and the related KPIs, reference is made to the Non-financial information chapter.

MATERIAL TOPICS

	Topic	KPI	Target
Social	Employer of choice	1. Employee Engagement Score	1. Employee Engagement Score that is equal to or higher than the benchmark score by 2025
	People development	1. Percentage of employees making use of development leaves	1. No specific target set yet
	Diversity, equity, and inclusion	1. Gender diversity ratio at company and senior management level 2. Belonging Score	1. 30% female representation at company level and 20% for senior management by 2025 2. No target on Belonging Score set yet
Environmental	Climate change actions	1. CO_2e emissions across Scopes 1, 2, and 3 2. Renewable electricity usage as a percentage of total electricity consumption	1. 55% reduction of 2022 Scope 1 and 2 emissions by 2026, and carbon neutral on Scope 1 and 2 by 2030 2. 95% renewable electricity used in our offices by 2025
Governance	Data security and privacy	1. Percentage of engineers certifiably trained on data security	1. 75% of engineers certifiably trained by 2025
	Data sourcing and partnerships	1. No specific KPI yet	1. No specific target set yet
	Responsible AI and automation	1. No specific KPI yet	1. No specific target set yet

BASIS OF PREPARATION

Our sustainability information has been prepared with reference to the GRI. As part of our efforts to align with the upcoming CSRD, we started to incorporate relevant reporting requirements of ESRS, where applicable and possible.

Unless otherwise indicated, the reports include the data on the company and all its subsidiaries ('the group') included in the company's consolidated financial statements and cover the same annual reporting period as the consolidated financial statements (1 January to 31 December) that were authorized for issue on 2 February 2024.

A list of all subsidiaries included in the consolidated financial statements and their countries of operation is included in the Supplementary information section.

The sustainability information includes data from the upstream and downstream value chain of each of our group segments, being Consumer and Location Technology, where such information is relevant and material for the group. This includes data relevant to Scope 3 emissions from purchased goods and services.

In preparing the information, management made use of assumptions, judgments, and estimates that affect the amounts reported, especially in relation to the group's Scope 3 emissions. There is therefore an inherent uncertainty in our calculations. Such estimates and underlying assumptions are reviewed on an ongoing basis and any revisions may impact the reported amounts.

For more information on estimates and assumptions applied, reference is made to the disclosures in the subsequent sections in this section, as well as the Non-financial information chapter. The group has not made any restatements in the current reporting period as part of preparation with reference to the GRI.

For inquiries or further information, please refer to the contact details at the back of this Annual Report.

Assurance
EY provided limited assurance on all the sustainability information in this chapter and the accompanying metrics on pages 119 and 120, with the exception of the EU Taxonomy disclosure. The limited assurance report can be found on pages 133 and 134.

Our people drive our impact

Doing good is more than good business at TomTom. It's in our DNA. We are committed to driving positive social impact. Impact is defined by the technology TomTom'ers create, making driving safer while saving people time. Impact is also found in the way TomTom'ers contribute to local communities and volunteer for causes that matter.

Our Social Impact Framework guides our actions and impact. Social impact is founded upon our culture and values, and starts with our people, and with their growth, development, and ownership of their career.

That is why, in 2023, we drove impact further by advancing the topics that improve TomTom'ers' well-being, including providing attractive employment, increasing development opportunities, and fostering greater diversity, equity, and inclusion.

EMPOWERING OUR PEOPLE

From creating impactful technologies to leading an inclusive culture, our people drive our impact. It is only by engaging, supporting, and ensuring TomTom'ers can bring their whole selves to work that we continue to be successful together.

To attract, retain, and engage the right talent, we aim to deliver what TomTom'ers want and need – flexibility, an impactful and stimulating role, and the opportunity to contribute to innovative technologies. We are supporting our talent through shared principles around leadership and development, and consistent and appealing benefits.

Choosing to lead

At TomTom, we believe that leadership is for everyone. Leadership refers to how TomTom'ers act, view themselves, and are perceived by others. Leadership means looking at situations positively, taking initiative, and driving solutions.

We introduced our Leadership Foundation in 2021 to encourage all TomTom'ers to take ownership of their growth and success, creating opportunities for them to make a greater impact and inspire others. We continue to reinforce the set of behaviors, principles, and values that, if embodied, lead to outstanding leadership.

Empowering growth

Being a leader also means taking ownership of your growth and success. To support this, we created empowering and enabling initiatives that give TomTom'ers the time and resources to achieve their learning goals. From mentorship, coaching, and sponsorship, to training opportunities and tools, and even paid leave and a new dedicated budget for growth and development, TomTom'ers are enabled to take time and get in the driving seat of their development.

Additional initiatives at TomTom include company-wide sessions on feedback culture, as well as collaborations with external partners to organize inspirational sessions on a range of topics, including high-performing teams, resilience, and change management.

Enhancing global benefits

Besides providing our people with tools and resources to lead and take ownership of their own development, we continue to provide appealing benefits.

Our benefits structure is designed to be fair and equitable, ensuring that all employees, regardless of their gender or the nature of their employment, are treated equitably. We ensure the benefits in each country meet all legislative requirements. Unless legislation or local practices dictate otherwise, all full-time employees, excluding interns and contingent workers, are given equal opportunity to take advantage of our benefits offerings in each country. This approach underlines our commitment to providing a supportive and inclusive work environment.

We recognize that time and flexibility play an important role in helping people to be at their best, and introduced paid caregiving days, paid volunteering days, and flexible public holidays for TomTom'ers, as well as global parental leave benefits for parents.

Beyond these benefits, we hosted well-being activities throughout 2023, including talks and workshops at our offices during Health Week. Further, TomTom featured in the news for breaking down taboos around menopause by hosting a menopause awareness and education session with a women's health charity.

Taking on board TomTom'ers' feedback

We continuously listen to TomTom'ers and take their feedback to heart. We regularly take in feedback, both in unstructured as well as structured form, through engagement surveys, and encourage TomTom'ers to speak up through our Open Ears Procedure. We received six reports through our Open Ears Procedure in 2023. The reports have been related to claims of breaches of internal procedures and inappropriate behavior. All reports were duly investigated and cases which we could substantiate have been followed up in accordance with our policies.

ACHIEVING MORE, TOGETHER AS WE ARE

The impact our people can make is driven by our collaborative and inclusive work culture. We believe our differences are one of our greatest strengths. Together, we are addressing the most complex location-related challenges by combining our diverse perspectives and worldviews, inventiveness, self-expression, and talents.

Diversity goes hand-in-hand with inclusion and psychological safety. Our people drive our impact and, to do so, they need to feel comfortable being themselves at work. We strive to ensure a safe, supportive environment for all. We drive diversity, equity, and inclusion forward, so that we can all share in the excitement for the journey ahead.

MAKING IMPACT THROUGH VISION

With ambitious programs to deliver in 2023, every single TomTom'er was crucial to our efforts. To help drive engagement and retain talent, we increased our focus on inspiring and engaging our people around our vision.

To boost excitement within the business for TomTom's future, we increased our company-wide vision-sharing content, with videos from teams involved in major projects, live sessions with Product teams, hands-on demos, and a countdown to the release of TomTom Orbis Maps.

Importantly, our vision extends beyond our technologies, to the way in which we make broader social impact. We do this by supporting local communities, promoting quality tech education, volunteering for causes that matter to us, and so much more.

"Thanks to TomTom's volunteering benefit and the encouragement from my colleagues, it's much easier to dedicate time to helping people in need as part of my country's Mountain Rescue Service."

Miljan, Software Engineer II

OUR SOCIAL IMPACT

By sharing their expertise, skills, time, and funds, TomTom'ers around the world supported local communities and the global OSM community.

Mapping efforts in earthquake aftermath
Early 2023, a horrific earthquake struck Turkey and Syria. TomTom'ers mapped impacted areas to help support humanitarian efforts. More than 3,800 buildings and 50 km of roads were updated on the Humanitarian Open Street Map. To aid further, TomTom contributed €10,000 towards the Giro555 fund for earthquake victims.

When another earthquake shook Morocco in September 2023, TomTom'ers also united to support those in need. Together, TomTom'ers made 65,292 edits and added 9,940 buildings to Humanitarian Open Street Map projects related to the earthquake.

Making tech education accessible
Technology continues to evolve and solve new problems every day, playing a role in billions of people's lives. Yet not everyone has the same access to quality tech education.

As a global technology company, we have an opportunity to make a difference by taking collective action for inclusive tech education. That's why we partnered with like-minded organizations, like Codam Coding College, a free peer-to-peer engineering school, and Katalyst, a local NGO in India that supports the economic empowerment of young women.

Volunteering initiatives
In 2023, we supported underprivileged individuals through technical, mentoring, and financial support. Initiatives like TomTom Codam Fellows and OSM mapping parties helped students develop their technical and soft skills.

TAX PRINCIPLES

TomTom's approach to tax is published on our website. TomTom has committed to the Dutch Tax Governance Code for multinational companies, as coordinated and published by VNO-NCW in 2022. TomTom complies with the requirements of this Code, with the exception of reporting on a legal entity basis. Instead, TomTom voluntarily reports its tax payments on a regional basis.

TomTom views taxation as an important contribution to a sustainable society, as they are a source of funding for public services in the countries where we operate.

Corporate income taxes are paid based on taxable profits and borne by TomTom as a taxpayer. TomTom's taxable profits are calculated in accordance with TomTom's OECD based transfer pricing model and local tax rules. Corporate income taxes include withholding taxes deducted by customers on TomTom's invoices and withholding taxes on distribution of dividends.

In addition to income taxes, which are due by TomTom as a taxpayer, our local business activities also create a responsibility to collect and pay other types of taxes like payroll taxes and indirect taxes. By collecting and paying these taxes to local authorities, TomTom provides a meaningful contribution to the countries in which it operates.

Payroll taxes are paid by TomTom to authorities in the form of wage taxes and social security contributions, for example. These payments partly consist of employer's contributions, but the majority is withheld from wages paid to employees and are as such remitted on behalf of TomTom's employees.

Indirect taxes such as value added tax (VAT) are consumption taxes which are levied on the added value and have an output and input element. The overview to the right shows TomTom's net VAT amounts paid, being the balance between output VAT and input VAT.

In addition to the taxes mentioned above, TomTom also contributes to society by means of other types of taxes such as customs duties, packaging taxes, environmental taxes, and batteries taxes. These other taxes are not included in the overview to the right, as they are not material for TomTom.

The following table provides an overview of TomTom's net payments of taxes. As is reflected, taxation is an important part of our business and taxes are paid in the regions in which we operate.

(€ in thousands)	2023	2022
Europe[1]	6,580	1,999
North America	2,225	1,244
Rest of world	2,026	1,840
Total corporate income taxes	**10,831**	**5,083**
Europe	115,569	99,762
North America	10,417	9,170
Rest of world	6,602	8,434
Total payroll taxes[2]	**132,588**	**117,366**
Europe	14,650	15,748
North America	605	1,160
Rest of world[3]	-163	94
Total value added taxes (net)	**15,092**	**17,002**

1. Amount includes withholding tax paid in jurisdictions outside Europe. The lower 2022 amount is mainly due to refunds.
2. Higher payroll taxes in 2023 for Europe and North America are attributable to restructuring-related payments.
3. The negative amount in 2023 is due to input VAT being higher than output VAT.

Employer of choice

KPI
1. Employee Engagement Score

Target
1. Employee Engagement Score that is equal to or higher than the Glint Technology Industry benchmark score by 2025

Performance
1. Employee Engagement Score of 76 (2022: 75), as compared to the Glint Technology Industry benchmark score of 78 (2022: 78)

A reputation as an employer of choice makes us more appealing to potential employees, as well as customers and partners. Such a reputation, however, is not only important in attracting the right talent, but also in engaging our talent to achieve greatness in their work and drive TomTom forward. Prioritizing our employees' needs and well-being fosters a culture of innovation and collaboration.

Supporting TomTom'ers' whole self is essential in achieving our strategy. To continue attracting, retaining, and engaging TomTom'ers, we have formulated a people strategy, around which we have set clear objectives. As we move forward, we remain committed to listening to feedback from our TomTom’ers, relentlessly improving our practices, and sustaining our open culture.

We recognize the positive impact we have on our people's well-being. Ultimately, our goal is to ensure that every TomTom’er feels valued, heard, and excited to contribute to our shared success.

Our people drive our success. As such, being an employer of choice is crucial. We put people first, offering an inspiring and intellectually challenging work environment, along with competitive rewards and benefits, work flexibility, and development opportunities to ensure we attract and retain the right talent.

BENEFITS THAT BOOST ENGAGEMENT

We offer a comprehensive rewards and benefits package that is designed to attract and retain talent while also fostering performance and engagement within TomTom.

Our employee engagement survey, conducted via Glint, gives us crucial insights into employee happiness. Along with our turnover ratio, it enables us to gauge how the work experience is perceived by TomTom'ers, and helps us identify areas of improvement. We strive to achieve an Employee Engagement Score that is equal to or higher than our industry's benchmark. This target reflects a change from our previously communicated target, resulting from our updated people strategy.

We listen to TomTom’ers' feedback to guide our actions. In 2023, we introduced empowering and enabling initiatives. These included Grow and Develop benefits, which bolster development opportunities that can be read about in the section on People development, as well as Support for Your Whole Self benefits, which are touched upon below.

TAILOR-MADE WORK EXPERIENCES

We believe it is important to support TomTom'ers' well-being and work-life balance by offering a flexible working program and extended location flexibility. In addition, we recognize that time flexibility plays an important role in helping our people be at their best. Our Support for Your Whole Self benefits include We Care days, which entail paid caregiving days and paid volunteering days, as well as flexible public holidays and enhanced global parental leave benefits.

The success of these initiatives is measured by our employee engagement score. We also continue listening to TomTom'ers' feedback and monitor the use of special leaves, including We Care and enhanced parental leaves, though we do not have specific targets on these metrics.

ENGAGING AND RETAINING TALENT THROUGH VISION

Besides enhancing our benefits, we launched several initiatives throughout 2023 which aimed to further empower TomTom'ers to make an impact. Following insights from our employee engagement surveys, we organized Ask Me Anything sessions and regular question-and-answer panels with our leadership team, allowing us to better listen to, respond to, and enthuse our teams.

Importantly, in October 2023, we achieved record attendance numbers at our online and in-person TomTom Orbis Maps launch events. Being a significant milestone that each and every TomTom’er contributed to, these high attendance rates showed the level of company-wide interest in and excitement for our vision and shared success.

OUR PERFORMANCE IN 2023

The response to our new benefits and initiatives throughout 2023 has been overwhelmingly positive, with our Employee Engagement Score rising from 75 in 2022 to 76 this year. This follows from the two Glint engagement surveys we carried out over the year, one in April and another one in October. For the former, we achieved a score of 77, while we achieved a score of 75 for the latter. In comparison, the Glint Technology Industry benchmark score was 78 (2022: 78).

Please see the Non-financial information chapter for further details on our performance.

People development

KPI
1. Percentage of employees making use of development leaves

Target
1. No specific target yet

Performance
1. 11% of employees made use of development leaves, for an average of 4.2 days per employee.

The continuous development and growth of our people plays a crucial role at TomTom. It is the driving force behind our adaptability, innovation, and ultimately, our success.

As such, investments in employees' growth should extend beyond imparting technical skills. Growth is also about nurturing a culture of continuous learning, personal growth, and improvement that permeates every level of our organization. We are committed to creating a culture where continuous learning and improvement are not just encouraged but celebrated.

As we believe every TomTom'er has the potential to perform at their best in the right job, with the right support, and the right management and coaching, we are focused on providing learning resources and support that enable them to design their own learning journeys. Through this approach, we aim to advance the positive impact on our employees' development.

We want to provide fair and equitable growth and career opportunities to all TomTom'ers. Having a skilled group of employees leads to increased performance, productivity, adaptability to change, innovation, and creativity. As such, we continue to elevate the learning and development opportunities available to TomTom'ers.

ENABLING LEADERS AT EVERY LEVEL

We believe that every TomTom’er, regardless of their position or tenure, can grow into a leader. We introduced the Leadership Foundation to support them in doing so. The Leadership Foundation promotes a set of behaviors, principles, and values that lead to outstanding leadership. TomTom’ers are encouraged to take ownership of their development and performance. They create opportunities for more significant impact, increase their knowledge, raise their performance levels, and use their expertise to influence and inspire others.

In 2023, we worked on further embedding the principles of the Leadership Foundation within our performance management and hiring processes.

We measure the percentage of employees with regular performance or career development reviews, by category and gender, to gauge to what extent TomTom'ers are able to take charge.

DEDICATED TO CONTINUOUS PEOPLE DEVELOPMENT

With every TomTom'er in charge of their own development, we feel it is important to support them in meaningful ways. As such, we launched our Grow and Develop benefits in 2023. These benefits offer a dedicated development budget and paid development leave, giving employees the freedom to tailor their growth paths to their needs and desires.

The number of employees that make use of development-specific leaves, and the number of hours spent on those leaves, provide us with meaningful insights into how our benefits help TomTom'ers achieve their growth and development goals. Though we have not set specific targets on this metric, we continue to encourage TomTom'ers to take advantage and further their development.

FURTHER EMPOWERING GROWTH

To further support our employees' learning journeys, we have several initiatives and benefits in place. From mentorship, coaching, and sponsorship to training opportunities and tools, TomTom'ers are enabled to get in the driving seat of their development through our range of offerings that we continue to expand.

In 2023, we hosted company-wide information sessions and worked with external partners to organize inspirational sessions on topics including high-performing teams, resilience, and change management. Further, we offered a wide range of on-demand learning resources, so TomTom'ers are able to design their own learning journeys as they expand their growth and development at TomTom.

The success of our learning offerings is measured by the average number of learning hours per employee, by gender. We do not yet have specific targets on this metric, except for certain specific, topical trainings.

OUR PERFORMANCE IN 2023

Our continued people development-related efforts have yielded meaningful results. The launch of our new Grow and Develop benefits, for instance, led to a four-point increase in the score TomTom'ers give to the available development opportunities available to them in our engagement surveys.

We also saw strength in the extent to which TomTom'ers made use of their development leaves. In 2023, 11% of our employees (as a percentage of average headcount) already made use of their development for an average of 4.2 days per employee.

The growing adoption of the Grow and Develop benefits is a testament to our employees' positive reception of our learning and growth opportunities. TomTom’ers value our new growth and learning opportunities, as well as the encouragement to dedicate more time to their personal development. On top of this, through their feedback, we found that most TomTom’ers agree that the Leadership Foundation supports them in their professional development and performance.

Please see the Non-financial information chapter for further details on our performance.

Diversity, equity, and inclusion

KPIs
1. Gender diversity ratio at company and senior management level
2. Belonging Score

Targets
1. 30% female representation at company level and 20% for senior management by 2025
2. No specific target yet

Performance
1. 27% female representation at company level (2022: 27%) and 18% for senior management (2022: 17%)
2. Belonging Score of 74 (2022: 73)

Diversity, equity, and inclusion (DEI) drive innovation, enhance problem-solving, and promote a healthy working environment. A diverse team brings together a range of perspectives and talents, fostering creativity and allowing for complex challenges to be addressed more effectively. Strengthening DEI ensures that everyone feels valued, included, and empowered to perform at their best.

We believe in the power of diversity to solve complex mapping use cases and strive to maintain an inclusive and safe work environment. Our Diversity, Equity, and Inclusion Policy and DEI Advisory Council help optimize our initiatives, which relate to all aspects of our business, including our practices and policies for talent recruitment, compensation and benefits, professional development and training, promotions, and work flexibility.

We encourage all TomTom'ers to join us in advancing DEI and our positive impact, thereby creating a work culture in which everyone feels at home and can excel.

We are proud to have 3,700 unique, curious, and passionate problem-solvers from more than 80 different countries. By combining our diverse backgrounds, perspectives, and talents, we are addressing complex challenges. As such, the advancement of diversity, equity, and inclusion (DEI) is crucial for our collective impact.

A FORMALIZED APPROACH

We have a Diversity, Equity, and Inclusion Policy in place that guides our actions. In 2023, we formalized our leadership's commitment towards DEI by forming the TomTom DEI Advisory Council, which advises on and advocates for DEI.

ATTRACTING AND RETAINING DIVERSE TALENT

As diversity helps us drive our collective impact further, we seek to improve representation of underrepresented groups through targeted recruitment practices and learning and development programs. In 2023, with the support of the DEI Advisory Council, we reviewed and standardized our hiring practices and policies, enabling us to be more intentional in improving representation. Further, to help us attract top talent, we continued to work with partners such as myGwork, the global recruitment and networking hub for LGBTQIA+ professionals. We also piloted a sponsorship program for the development of women in technology who show great potential for growth, whose impact and success led us to incorporate sponsorship as a key component of our learning and development offering.

We monitor our effectiveness in driving diversity by measuring the distribution of employees by gender, by country, type, and seniority, as well as the distribution of employees by age. These metrics are reported in the Non-financial information chapter. Specifically related to gender diversity, we aim to achieve 30% female representation as well as 20% female representation for senior management, defined as roles at director level or above, by 2025.

AN EQUITABLE WORK ENVIRONMENT

We recognize the importance of equity in TomTom'ers' well-being. Our goal is to ensure an equitable work environment in which each and every TomTom'er can thrive, work collaboratively, and drive shared success.

In monitoring our progress, we pay special attention to the broader equitability of our benefits, as well as the annual total compensation ratio of the highest-paid individual to the median annual total compensation. The latter metric is reported in the Non-financial information chapter.

CHAMPIONING A MORE INCLUSIVE CULTURE

Representation goes hand in hand with inclusion and psychological safety. To drive our collective impact, our people need to feel comfortable being themselves at work. We strive to ensure a safe, supportive environment for all.

Importantly, as inclusion is a shared responsibility, we aimed to increase ownership of DEI across TomTom. We launched the TomTom Inclusion Advocates Network, enabling TomTom'ers to stay up to date on priorities and initiatives, and encouraged TomTom'ers to join various employee-led communities, including several launched in 2023. To further champion an inclusive culture, we continued to recognize important moments of awareness and celebration at TomTom. In addition, our flexible holidays benefit enables TomTom'ers to celebrate the moments that matter to them.

The score assigned to employees' sense of belonging in our engagement surveys serves as a good indicator of inclusion.

OUR PERFORMANCE IN 2023

In 2023, female representation at company level remained constant at 27% (2022: 27%). For senior management, female representation was 18% (2022: 17%), which translates into 29 females and 128 males. Due to us primarily hiring for tech roles, for which the candidate pool may be less diverse than for other roles, we experience challenges in moving the needle on female representation. Initiatives such as our sponsorship program should help enhance representation. Importantly, the scores TomTom'ers attribute to their sense of belonging rose from 73 to 74, on a scale of 1 to 100.

In 2024, we will continue working towards greater representation by growing and retaining our employee base and continuing to attract top talent.

Please see the Non-financial information chapter for further details. The diversity policy in relation to our Management Board is included in the Management Board section.

Promoting environmental sustainability

As a forward-thinking technology company, we acknowledge the urgent need to address climate change and the responsibility we have in promoting environmental sustainability. Our dedication to reducing emissions and enhancing operational sustainability is strong. We are committed to continually identifying and minimizing our impact on the environment through responsible and innovative business practices, while helping others to operate more sustainably.

MINIMIZING OUR FOOTPRINT

We recognize that our environmental impact starts with ourselves, and the adverse impact our operations might have due to their associated emissions. As such, we are working on minimizing our footprint by increasing our operational sustainability.

Our Environmental Policy serves as a guiding framework for our sustainability efforts. As a primary measure of our performance, we consistently report our direct and indirect emissions, as per the Greenhouse Gas (GHG) Protocol. For 2023, we are pleased to report a further decrease in our Scope 1 and 2 emissions, thanks to the execution of a wide range of ongoing initiatives aimed at fostering an environment-conscious mindset across our organization. The launch and successful continuation of initiatives like our Green Building Program and environmental awareness campaigns help us operate more sustainably.

These initiatives are part of our decarbonization plan, which includes the ambitious goal to achieve carbon neutrality in Scope 1 and 2 emissions by 2030. As part of our decarbonization plan, we are increasing our purchases of renewable energy, promoting electrified mobility in our vehicle fleets, and increasing the energy efficiency of our operations, lowering our overall energy demand.

Our decarbonization plan calls for a continuous reduction in our emissions from 2022's levels. We use 2022 as a base year, because it reflects the post-pandemic work situation. Our targets are not yet science-based, though we view them as good starting points for further improvement. We will continue to mature our efforts and targets, exploring and implementing diverse initiatives to limit our environmental footprint as we proceed toward a more sustainable future.

PROMOTING SUSTAINABLE MOBILITY

Beyond our operational sustainability, we recognize the role our products and technologies play in enabling smarter mobility decisions for individuals, governments, and businesses, thereby making a positive impact.

Features such as jam tail warnings contribute to road safety by alerting drivers that a traffic jam might be approaching. This allows them to ease up on the gas earlier and avoid harsh braking, diminishing risks of rear-end collisions and smoothing traffic waves. In addition, our technologies enable emission reductions by offering drivers options for more ecological routes, and supporting the move to electrified mobility. As regards the latter, our EV Routing and Range products help drive EV adoption, considering factors like driving speed, traffic, road type, and elevation for efficient route planning and precise range predictions.

We continually strive to maximize the positive impact of our offerings, improving road safety and supporting the transition to more sustainable transportation solutions.

SUSTAINABILITY AS A KEY CONCERN

Our steadfast commitment to environmental sustainability permeates every aspect of our business, from our day-to-day operations and company culture to the design and development of our cutting-edge products and technologies.

Climate change actions

KPIs
1. CO_2e emissions across Scopes 1, 2, and 3
2. Renewable electricity usage as a percentage of total electricity consumption

Targets
1. 55% reduction of 2022 Scope 1 and 2 emissions by 2026, and carbon neutral on Scope 1 and 2 by 2030
2. 95% renewable electricity procurement by 2025

Performance
1. 1,979 tCO_2e Scope 1 and 2 emissions (37% lower than 2022), 18,957 tCO_2e Scope 3 emissions
2. 86% renewable electricity used in our offices (2022: 69%)

At TomTom, we recognize the significant risk climate change poses to society and the environment.

We are committed to reducing our emissions by enhancing operational sustainability, thereby mitigating our negative impact. To do so, we cultivate a sustainability-focused culture among TomTom'ers by providing training, resources, and opportunities for active participation in our environmental initiatives. We believe that empowering our workforce to take ownership of our collective sustainability goals is crucial in driving meaningful and lasting change.

Furthermore, we have taken a proactive approach in developing technologies that facilitate smarter mobility decisions. Our products and services contribute to emission reductions and enhance road safety, thus making a positive environmental and social impact.

We are dedicated to lowering emissions through both our offerings as well as enhanced operational sustainability.

MONITORING EMISSIONS AND SETTING TARGETS

We adhere to the GHG Protocol to systematically report on our direct and indirect emissions. To accurately measure our emissions, we have established rigorous data collection and analysis processes across our operations.

In 2022, we set the long-term target to become carbon neutral on Scope 1 and 2 (market-based) by 2030. In 2023, we set intermediate targets, as part of our decarbonization plan, to support our long-term target. By 2025, we now aim to purchase renewable electricity for at least 95% of our global office operations following the RE100 technical criteria. And by the end of 2026, we target a 55% reduction in Scope 1 and 2 (market-based) emissions from 2022 levels.

Our Scope 1 and 2 emissions decreased year on year, reflecting the effectiveness of our ongoing initiatives, such as our Green Building Program and fleet electrification. In addition, we started reporting on all relevant categories of Scope 3 this year. The Non-financial information chapter includes an emissions overview and further information.

GREENER BUILDINGS

Our Green Building Program plays a pivotal role in reducing our footprint. We actively strive for certifications from widely recognized rating systems like BREEAM (Building Research Establishment Environmental Assessment Method) and LEED (Leadership in Energy and Environmental Design).

In 2023, we achieved LEED Gold certification for our Berlin office, securing high marks for energy efficiency. Furthermore, our eye for sustainability in the renovation of our Amsterdam headquarters led our BREEAM In Use rating to rise to Very Good. Today, 50% of our offices hold a valid green building certification.

In addition, we worked on sourcing renewable electricity for our offices. In 2023, we acquired unbundled Renewable Energy Certificates (REC) for eight of our office locations, promoting future wind, solar, and hydro energy production in the region. These RECs elevated our overall renewable energy utilization to 86%, from 69% recorded in 2022.

MORE SUSTAINABLE TRAVEL

To minimize the adverse impact of our travel, we adhere to a sustainability-focused Company Car Policy and Travel Policy. Belgium, home to our largest company car fleet, saw the launch of the new Company Car Policy. Eligible employees can now choose between an EV with charging station or a mobility budget. This shift led to a year-on-year increase in the number of fully electric vehicles, from 3% of our global fleet in 2022 to 19% in 2023.

Further, to address Scope 3 emissions, we analyzed our business travel habits and associated impact. This resulted in a reviewed sustainability-centric Travel Policy introducing five mandatory international rail routes and promotion of electric rental cars, fuel-efficient airliners, and eco-certified hotels. We choose direct flights where possible.

MITIGATING RISKS AND CAPTURING OPPORTUNITIES

In addition to minimizing our footprint, we actively seek to mitigate the risks climate change poses to our business and capture opportunities for positive contributions. We are currently in the process of assessing physical risks from climate change and business and operational risks from the transition to a low-carbon economy. Please refer to the Risk management and control section for more details.

This transition also brings about significant growth of sustainability-related use cases and associated opportunities for us. Our products and technologies facilitate smarter mobility decisions, enhancing road safety, and enabling a reduction in mobility-related emissions. For example, our annual Traffic Index provides insight into congestion, delays, and emissions from traffic across the globe.

If consumer behavior changes, such as a shift from internal combustion to electric vehicles or from vehicle ownership to other transportation models, we aim to be well-positioned to capture these trends. TomTom is constantly exploring opportunities to innovate and address emerging customer needs. Our EV Routing and Range product, for instance, plays into the large and growing interest in EVs.

We are committed to maximizing our positive impact and continuously encourage our team to innovate in ways that contribute to a more sustainable world.

Making impact, responsibly

Our commitment to making a significant difference for all stakeholders is supported by a comprehensive governance structure that emphasizes sustainable long-term value creation, ethical business practices, and a values-driven culture. By conducting business in a transparent, ethical, and accountable manner, we aim to build and maintain trust with our stakeholders, including customers, employees, investors, and the communities we operate in.

ETHICAL BUSINESS PRACTICES

Our Code of Conduct serves as the foundation of our ethical business practices, guiding our employees in their work and interactions with external stakeholders.

Our Code of Conduct training and awareness program and control mechanisms play a pivotal role in preventing bribery, corruption, and other misconduct at TomTom. The program is designed to instill an awareness of everyone's responsibility to uphold TomTom's business principles and speak up in case of misconduct. The program includes gamified trainings, interactive refresher sessions, tailored communication, and custom-made campaigns on specific topics like human rights, safe working environments, anti-bribery and corruption, security, confidentiality, and our Open Ears Procedure. Outside of this program, our policies are available to all employees through our internal network. No anti-corruption or bribery-related KPIs were set for 2023.

Our Open Ears Procedure encourages stakeholders, including employees in specific, to anonymously report potential misconduct without fear of retaliation. All reports are reviewed and duly followed up on. This reflects our commitment to fostering a culture of openness, trust, and accountability, where stakeholders feel empowered to speak up and contribute to the continuous improvement of our business practices. As such, the procedure is reviewed and updated on a regular basis in consultation with relevant stakeholders. For instance in 2023, we updated the policy following updated EU Whistleblower regulations.

We are also deeply committed to respecting human rights and promoting fair labor practices across our operations. Our labor principles cover a wide range of issues, including freely chosen employment, respect for age requirements, non-discrimination, and freedom of association. We recognize that these principles are not only essential for the well-being of our employees but also for the long-term success and sustainability of our business. Our Slavery and Human Trafficking Statement, under the UK Modern Slavery Act, summarizes our actions to address the risk of modern slavery within our operations and those of our suppliers. No human rights-related KPIs were set for 2023.

Further, we believe it is imperative that our suppliers integrate fundamental human rights, safety, and sustainability into their operations as well. Suppliers should adhere to our Supplier Code of Conduct and are asked to acknowledge our Environmental Policy. We also work proactively with major suppliers, like our cloud providers, to identify and limit our footprint. Specifically related to the manufacture and shipment of our navigation devices, we have a Corporate Environmental Product Compliance program in place.

Each of our policies, upon creation or revision, is approved by the Management Board, being our highest governing body. In our pursuit of continuous improvement, we regularly review and enhance policies, risk management processes, and KPIs related to environmental impact, human rights, and anti-corruption and bribery. This ongoing effort ensures that our business remains resilient.

INFORMATION SECURITY AND DATA PRIVACY

Safety, security, and privacy are top priorities at TomTom, and we are dedicated to ensuring that our customers can trust our products and services with their personal data. We follow a safety-, security-, and privacy-by-design approach, which means that we carefully consider data privacy, security, and proper management of data throughout the entire design, engineering, and operations process.

Data privacy is a fundamental aspect of our business, and we adhere to the EU General Data Protection Regulation (GDPR) on a global scale. This enables us to offer a high level of protection to our users worldwide, as we can only use their data when strict regulations are met. We invest in comprehensive training programs for our employees to ensure they are fully aware of data privacy and security requirements. These training programs include company-wide e-learning sessions and targeted trainings.

DATA SOURCING AND PARTNERSHIPS

We recognize the importance of responsible data sourcing and the establishment of strategic partnerships in our quest to drive innovation. We collaborate with partners to access the latest advancements in data collection, processing, and analysis. Our commitment to responsible data sourcing ensures we adhere to the highest ethical standards when obtaining and utilizing data, while safeguarding the privacy and security of our users. By forging strong partnerships, we can leverage synergies, share knowledge, and develop cutting-edge solutions for a more sustainable world.

RESPONSIBLE AI AND AUTOMATION

As a technology company, we are at the forefront of leveraging AI and automation to enhance user experiences and improve efficiency. We are committed to the responsible development and application of AI and automation technologies, ensuring that they are aligned with our values and ethical principles. This includes prioritizing transparency, fairness, privacy, and security, as well as addressing potential biases and unintended consequences.

We actively engage with stakeholders to understand their perspectives and concerns and collaborate with industry experts and researchers to stay informed about best practices and emerging trends. By incorporating these principles into our technology, we strive to create innovative solutions that not only drive our business forward but also contribute to the greater good of society.

Information security and data privacy

KPI
1. Percentage of engineers certifiably trained on security

Target
1. 75% of engineers certifiably trained by 2025

Performance
1. 19% of engineers certifiably trained at year-end (2022: 9%)

As a software company, information security and data privacy have always been a priority at TomTom. We focus on giving everyone the right to privacy when using our technology.

TomTom follows a safety-, security-, and privacy-by-design approach to ensure the entire life cycle of our products and services is designed to enable user privacy, user control over their data, and strong data security. As part of this approach, we consider data privacy, security, and the proper management of data from the start of design through the entire engineering and operations process.

Our core values emphasize the importance of treating personal data with the utmost care, ensuring that our products and services protect user privacy while delivering the best experience possible. Through this approach, we seek to mitigate risk of potential negative impacts on our employees, customers, partners, and broader society.

We are deeply committed to developing and maintaining a secure, ethical, and controlled digital environment where our users can confidently engage with our technology, knowing their personal information is protected and managed responsibly.

SECURITY AND PRIVACY AS CORE PRINCIPLES

Our approach to information security and data privacy is rooted in fundamental human rights, which we use as core guiding principles. We prioritize the right to privacy and strive to create a culture of awareness and continuous improvement. By implementing stringent global regulations, such as the GDPR, we demonstrate our dedication to upholding the highest standards in data protection.

Furthermore, our focus on employee training and education ensures that TomTom'ers are aligned with our mission to safeguard user data, and contribute to developing secure, innovative, and privacy-focused products and services.

Importantly, information security and data privacy are also essential elements of the responsible usage AI. As such, our security and privacy governance frameworks guide how TomTom maximizes the experienced benefits of AI while managing possible risks, including security and privacy. For more information on our approach to AI, please refer to the Responsible AI and automation section.

STRENGTHENING SECURITY

In 2023, we continued to strengthen our certified Information Security Management System (ISMS). TomTom achieved ISO 27001:2022 certification, becoming one of the first organizations to be certified based on this latest standard. This accreditation distinguishes us from competitors and demonstrates our commitment to continuously improving security – safeguarding data, protecting systems and networks, and maintaining information confidentiality, integrity, and availability.

TomTom also achieved an accreditation as Trusted Information Security Assessment Exchange (TISAX), covering our Automotive business. This label meets our customers' high demands for information security and data privacy.

We have also launched the Security Champions Program, a network of employees passionate about learning, promoting, and driving security in their respective areas. These champions are force multipliers for promoting security and will play a critical role in scaling security initiatives and helping to implement security requirements across TomTom.

TomTom continued implementing the security education program, launched in mid-2022, and targets certifiably training over 75% of engineers on security by 2025.

MONITORING INTENSIVELY AND RESPONDING QUICKLY

We have developed and implemented comprehensive information security and safety dashboards. These provide transparency, visibility, and easy access across the organization's information security and data privacy status and KPIs, which we follow and report regularly.

We also monitor information security and data privacy progress and status by conducting regular internal and external assessments and through our 24/7 monitoring and external security researcher program.

We continued to monitor the progress of employee training initiatives to ensure our team was well-equipped to handle information security and data privacy challenges.

OUR PERFORMANCE IN 2023

Throughout the year, we made solid progress with our information security and data privacy efforts. Our ISO27001-certified ISMS continued to serve as a cornerstone of our commitment while getting the TISAX L3 label exceeded expectations and demonstrated the maturity of our ISMS.

Further, we strengthened our continuous security monitoring and security incident response capabilities and managed all security incidents without any business impact.

As regards our goal of training our engineers on security, we note that, at year-end, 19% of our engineers were trained (2022: 9%). We aim to ramp up our training efforts over the coming two years.

For more information

How we use our customers' data:

Privacy at TomTom

Data sourcing and partnerships

KPIs, targets, and performance
We are in the process of developing measures that give us insight into our success in responsibly sourcing data and establishing constructive partnerships.

Since the development of relevant and reliable measures is ongoing, we have not yet set specific KPIs or targets on this topic.

Building a global map that is richly detailed, highly accurate, and always up-to-date requires the ingestion of vast amounts of data. Our mapmaking platform brings together location-related data from various sources, including open sources such as the OSM community, our customers and partners, and ourselves.

We recognize the importance of responsibly sourcing this data and establishing partnerships built on trust, transparency, and a shared set of values, thereby advancing our partners' goals. As such, our approach to data sourcing and partnerships is focused on ethical business practices, respect for user privacy, and the delivery of high-quality products and services.

We firmly believe that the establishment of collaborative partnerships, and specifically those geared toward the exchange of standardized location-related data, is crucial in revolutionizing location technology. At the same time, we are mindful to protect proprietary data and technologies to maintain our competitive edge.

Our strategy involves bringing together data from a wide range of sources to create a smarter map of the world. This requires strong collaboration with our data providers and partners, as well as attracting other parties to be part of our common data standard and ecosystem.

FOSTERING COLLABORATION

A key aspect of our approach is fostering collaboration with OSM and other partners. We believe in uniting all data on a common standard to create and sustain an up-to-date map of the world. As a good member of the OSM community, we adhere to their guidelines and support their goals of promoting diversity and inclusion within the fields of GIS, mapping, and technology.

In 2023, our Community & Partnerships team worked closely with OSM communities worldwide. We collaborated with organizations like Meninas De Geo and Geo Chicas in Latin America, providing training, resources, and ongoing support to empower women in mapping and technology. Through initiatives like these, we aimed to bridge gaps in undermapped regions and contribute to humanitarian efforts, such as those led by HOTOSM (Humanitarian OSM).

To that end, we actively engaged with local OSM communities throughout 2023, in places like Ghana, Poland, Brazil, India, Egypt, and Thailand. These collaborations facilitated map quality improvement efforts and supported educational initiatives. We also played a vital role in humanitarian mapping endeavors, particularly in response to emergencies like the February 2023 earthquakes in Turkey. Our contributions of thousands of map changes aided in rescue efforts.

Besides these collaborations with OSM communities, we also worked with authorities, helping them to leverage OSM. In Italy, for instance, our Community & Partnerships team worked with local authorities to enhance emergency response by incorporating missing street and mountain path details into OSM, thereby benefiting both residents and tourists. These efforts have not only improved emergency routing but also serve as a model for other communities to follow.

ROBUST DATA GOVERNANCE

To protect both our proprietary data and that of other parties, we prioritize the implementation of robust data governance protocols. We govern the ingestion of third-party data through contractual terms on data sources, ensuring compliance and safeguarding proprietary information. We maintain a vetted restriction list for suppliers to ensure that data from trusted sources is used.

Further, to maintain data integrity and quality, we review product configuration at the creation level. We ensure that there is no unintentional mix of OSM and proprietary data, guaranteeing the accuracy and reliability of our maps.

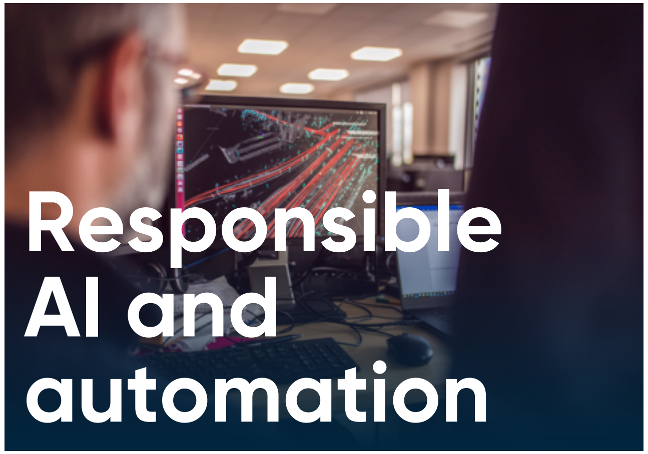
In 2023, our data governance protocols were put into action through rigorous analysis of source data. We analyzed the quality and accuracy of the data to ensure that it met our standards. This meticulous process helped us maintain the integrity and reliability of our maps.

ATTRACTING AND ONBOARDING NEW PARTNERS

In order to expand our map platform ecosystem, we develop strategies to attract and onboard new partners. We highlight the benefits and value proposition of joining our ecosystem and the data standard promoted through the Overture Maps Foundation, showcasing the advantages of collaborating with TomTom.

NURTURING SHARED SUCCESS

Through collaboration with OSM and other partners, including those within the Overture Maps Foundation, we unite data on a common standard. This way, we create rich, accurate, and fresh maps. Further, by attracting and onboarding new customers and partners to mapmaking ecosystem, we continue to enhance our data sourcing capabilities and provide customers and their end-users with high-quality, reliable, and impactful location technology.



Responsible AI and automation

KPIs, targets, and performance

We are in the process of formalizing our AI and automation strategy, which includes the development of measures that provide insights into our success in responsibly deploying these technologies.

Since the development of relevant and reliable measures is ongoing, we have not yet set specific KPIs or targets on this topic.

The integration and utilization of AI enables computer systems to perform tasks that typically require human intelligence. As such, AI and automation can be integral to business operations within the technology and software industry.

TomTom embraces the transformative power of AI and automation to redefine our industry, foster innovation, and unlock new opportunities, thereby advancing our positive impact. By prioritizing responsible AI and data governance, we ensure that our AI technologies are developed and utilized in an ethical and transparent manner so as to mitigate any potential risks and negative impacts associated with the use of AI.

Through our commitment to education, training, and support for our employees, we empower them to make the most out of AI and drive their personal development as well as our collective success.

In the rapidly evolving technological landscape, we recognize the importance of harnessing the power of generative AI to unlock new possibilities, foster innovation, and stay at the forefront of location technology. We are committed to responsibly infusing AI into our products and operations, while prioritizing data governance and adhering to ethical standards.

HARNESSING AI TO ADVANCE INNOVATION

We actively promote and support our tech teams in leveraging the capabilities of generative AI to foster innovation. We provide our teams with the necessary resources, including access to advanced AI tools, datasets, and computing infrastructure. We encourage cross-functional collaboration, enabling our engineers to work together and leverage their collective expertise in developing AI-driven solutions.

Our collaborative embrace of and approach to AI and automation allow us to push the boundaries of what is possible and deliver cutting-edge, value-add products and services to our customers

BOOSTING OUR IMPACT

We recognize the potential of AI technology to significantly boost our engineers' effectiveness and impact. To achieve this, we support the use of AI tools such as GitHub Copilot and Office 365 Copilot. In addition, we also invest in developing proprietary AI-driven tools tailored to TomTom'ers' specific needs, including internal LLMs, to safeguard privacy and security.

These tools enable teams at TomTom to streamline their workflows, automate repetitive tasks, and enhance their overall productivity. By incorporating AI into our day-to-day operations, we empower our employees to enlarge and enhance their impact.

EMPOWERING OUR PEOPLE

At TomTom, we understand that effective and responsible utilization of AI requires a knowledgeable workforce. To empower our employees, we provide comprehensive training programs and workshops on AI technologies, including machine learning, deep learning, and natural language processing. These programs are designed to cater to employees at all levels, from technical specialists to non-technical staff, ensuring that everyone has a foundational understanding of AI concepts and their potential applications.

Additionally, we organize knowledge-sharing sessions where employees can learn from experts within the organization and stay updated on the latest industry trends. Our newsletters and internal forums provide a platform for employees to discuss AI-related topics and share their experiences and insights.

By investing in the education and upskilling of our workforce, we foster a culture of continuous learning and enable our employees to leverage AI technologies effectively. This not only enhances their professional growth but also ensures AI is utilized responsibly and ethically throughout TomTom.

RESPONSIBILITY AND DATA GOVERNANCE

Data governance and responsible AI principles are a top priority for TomTom. We strive to adhere to all legal and ethical standards, ensuring the protection of sensitive data and user privacy. Transparency is key to our approach, and we are committed to promoting AI ethics education within our organization. By prioritizing robust data governance and responsible AI practices, we ensure that our AI technologies are developed and utilized in a manner that is trustworthy and beneficial to all stakeholders.

EU Taxonomy reporting

The EU Taxonomy establishes an EU-wide classification framework intended to provide businesses and investors with a common language to identify and report on to what degree economic activities can be considered environmentally sustainable through the creation of activity-specific sustainability criteria.

Under the requirements of the EU Taxonomy, companies currently in scope of Directive 2014/95/EU on the disclosure of non-financial information, which has been implemented into Dutch law through the Decree disclosure on non-financial information ('Besluit bekendmaking niet-financiële informatie'), need to disclose the proportion of their activities that are taxonomy-eligible and taxonomy-aligned in terms of their turnover, Capital Expenditures (CAPEX) and Operating Expenses (OPEX) including certain qualitative information.

From reporting year 2022, we have been assessing the extent of eligibility as well as the alignment of our economic activities with the environmental objectives: Climate change mitigation and Climate change adaptation. Additionally for reporting year 2023, we are also required to assess the eligibility of our activities against the remaining four environmental objectives as defined by Article 9 of the Taxonomy Regulation: Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, and Protection and restoration of biodiversity and ecosystems

Our assessment on the eligibility and alignment of our business activities with the Taxonomy is made based on EU Delegated Acts. For the assessment of eligibility, we consider the NACE macro sectors and activities listed in the Annexes for all the above-mentioned objectives, as published by the EU. Given the nature of our activities and industry, we did not identify any economic activities that can be considered as eligible activities for the four environmental objectives mentioned above.

For an assessment of eligibility and alignment with Climate change mitigation and Climate change adaptation objectives, our conclusion for the turnover remains unchanged compared with 2022. Our revenue-generating activities still do not fall under any of the activities described in those Annexes as they mostly apply to specific sectors with high CO_2 emissions. Consequently, the proportion of our current revenue that can be considered as Taxonomy-eligible and Taxonomy-aligned is 0% for both 2023 and 2022. The applied denominator for EU Taxonomy turnover is defined as Revenue as disclosed in note 6 to the consolidated financial statements. Further disclosures as well as the applied accounting policy can be found in the same note.

More information on our product offerings and their contribution in making a positive impact on the environment can be found in the Environmental section of this chapter.

For the CAPEX and OPEX KPIs, our efforts to make our offices and facilities more sustainable through activities such as the implementation of energy management systems and energy efficient lighting, can be considered as eligible activities.

Based on our assessment we identified 6.6% of CAPEX to be eligible, and 1.4% to be aligned (2022: 0.2% eligible and aligned). For OPEX, 0.08% is eligible and 0.02% is aligned (2022: 0.02% eligible and aligned). In the Non-financial information chapter on pages 125 to 127, we present the outcome of our assessment in more detail.

For assessing the extent of alignment we reviewed the criteria in article 3 of the Regulation (EU) 2022/852 and the associated technical screening criteria included in the Delegated Acts. We identified the portion of our eligible activities that meet all technical criteria, and can thus be considered as Taxonomy-aligned activities. Such activities are included as part of the numerators of the respective KPIs. We ensured that expenditures are not double counted and are only allocated once to each of the KPIs.

The denominator for the CAPEX KPI includes additions in Intangible assets, Property, plant & equipment (PP&E), and Lease assets, including reassessment. Refer to note 14-16 of the financial statements for more information on the additions to the above-mentioned assets as well as the related accounting policies. The denominator for the OPEX KPI is determined based the EU Taxonomy definition which covers direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets or property, plant and equipment. This differs from the total of operating expenses in our financial statements.

Our assessment is based on our interpretations of how the regulation applies to our business activities and the impact thereof on eligibility and alignment. We will continue to assess our eligibility and the extent of EU Taxonomy alignment in 2024. Future guidance could result in more accurate definitions and altered decision-making in meeting reporting obligations that may come into force, which could impact future EU Taxonomy reporting.

Governance

Committed to conducting an ethical, transparent, and accountable business

At TomTom, we foster sound corporate governance. Our governance framework is driven by five themes.

Culture

Our people and culture are fundamental to our success. Innovation is not only present in our technology, but is also part of who we are, both as individuals and as a global collective of over 3,700 people. Together we think big, share, learn fast, and support each other's growth and development. We have an agile work culture with an entrepreneurial spirit, where talent makes an impact. More information is provided in the Sustainability chapter.

Responsible business practices

We develop location technologies to overcome our customers' mobility challenges, accelerating the future of mobility. We embrace our responsibility to not only minimize our negative impact, but also to maximize our positive one. We do so by giving back to the communities in which we are present. Our ethical business practices, including those relating to stringent data privacy, uphold our commitment to transparency. We engage with stakeholders to understand their perspectives and interests. A thorough understanding of our stakeholders' interests gained during double materiality assessment, as well as the refinement on relevant sustainability KPIs and targets and ESG reporting practices will further enable us to move toward a fully integrated ESG strategy.

Compliance with laws and regulations

Our governance structure is predominantly based on our Articles of Association, Dutch Civil Code (DCC) requirements, the updated Dutch Corporate Governance Code (the Code), and is complemented by our Code of Conduct, internal policies, and procedures. Our Compliance Management Framework supports us in continuously assessing, monitoring, and further maturing the programs we have in place to ensure we comply with the Code, applicable laws and regulations, and relevant developments.

Sustainable long-term value creation

We aim to create the most meaningful impact for all stakeholders in everything we do, powered by a robust sustainable value creation model. Together with our people, customers, and partners we are leading progress. We strive to create the most innovative technologies that help advance our vision and business. We allocate capital to those areas we think offer the best prospects for growth and returns. The How we create value section provides more details.

Risk management and internal control framework

Risk management forms an integral part of our governance and business management. The TomTom risk management process is designed to identify and assess opportunities and risks at the earliest stage. We take appropriate measures to seize opportunities and mitigate business losses, aiming to avert risks that could jeopardize our future, thereby strengthening our value creation ability. Our Internal Control framework is designed to maintain integrated management control over the company's operations, principally to guarantee the integrity of our financial reporting and compliance with laws and regulations. More information is provided in the Risk management and control section.

COMPANY STRUCTURE

TomTom N.V. is a public limited liability company incorporated under Dutch law and listed on Euronext Amsterdam in the Netherlands.

TomTom has a two-tier board structure, comprised of a Management Board and a Supervisory Board, accountable to the General Meeting for the performance of their duties.

CAPITAL STRUCTURE

The company's authorized and issued share capital structure on 31 December 2023 is reflected in the table.

Share capital	Type	Nominal value (€)	Number
Authorized	Ordinary	0.20	300,000,000
	Preferred	0.20	150,000,000
Issued	Ordinary	0.20	132,366,672

Substantial shareholdings and short positions

Shareholders owning 3% or more of the issued capital and/or voting rights of a listed company (a substantial shareholding or short position) must report this to the Netherlands Authority for the Financial Markets (AFM) as soon as this threshold is reached or exceeded.

The following shareholders, (in)directly holding 3% or more of TomTom's issued capital and/or voting rights, were registered with the AFM as of 31 December 2023:

Name	% issued capital or % voting rights
Harold Goddijn – Founder	11.7 %
Corinne Vigreux – Founder	11.3 %
Peter Frans Pauwels – Founder	11.1 %
Pieter Geelen – Founder	10.7 %
J.H.H. de Mol	between 5% and 10%
Teslin Participaties Coöperatief U.A.	between 5% and 10%
DNB Asset Management AS	between 3% and 5%
TomTom N.V.	3.6 %

GENERAL MEETING

The General Meeting, held at least once a year, takes place in Amsterdam, the Netherlands and is convened by public notice via our website.

Recurring agenda items include the adoption of the financial statements, the discharge of the Management Board and Supervisory Board from responsibility for their respective duties performed in the previous financial year, and the remuneration of the Management Board and the Supervisory Board.

If deemed necessary for the company's interests, an Extraordinary General Meeting may be convened by resolution of the Management Board or the Supervisory Board.

The minutes and the resolutions of the General Meeting are recorded in writing and made available to shareholders on our website no later than three months after the meeting.

Powers of the General Meeting

The General Meeting has the following rights and powers:

- adopt the financial statements;
- approve amendments to the Articles of Association;
- appoint, suspend, or dismiss members of the Management Board and the Supervisory Board;
- discharge the Management Board and Supervisory Board from responsibility for the performance of their respective duties for the previous financial year;
- advise on the remuneration report of the Management Board and the Supervisory Board;
- approve remuneration policy every 4 years and any amendments to the remuneration policy of the Management Board and the Supervisory Board;
- authorize the Management Board to repurchase or cancel outstanding shares;
- authorize the Management Board to issue, or to grant rights to subscribe for, shares in the capital of the company for general and/or specific purposes (up to 10% of the issued share capital);
- authorize the Management Board to restrict or exclude the preemptive rights of existing shareholders on the issuance of, or right to subscribe for, shares in relation to authority granted, as mentioned above; and
- appoint the external auditor.

Voting rights

Each of our ordinary shares and preferred shares, the latter having not been issued, is entitled to one vote. The voting rights attached to any shares held by the company are suspended while they are held in treasury.

Resolutions of the General Meeting require an absolute majority of the votes cast for adoption, unless a special majority is mandated by Dutch law or the company's Articles of Association.

The company's Articles of Association stipulate the voting percentage required to execute the powers of the General Meeting, in accordance with Dutch Law.

For the following resolutions of the General Meeting, a minimum of 50% of our issued share capital must be represented at the meeting, and at least two-thirds of the votes cast by those in attendance are required:

- cancel a binding nomination for the appointment of a member of the Management Board or the Supervisory Board;
- appoint a member of the Management Board or the Supervisory Board in contravention of the binding nomination by the Supervisory Board; or in case the Supervisory Board did not make use of its rights to make a binding nomination; and
- dismiss or suspend a member of the Management Board or the Supervisory Board.

Regardless of the share capital represented at the General Meeting, the following resolutions require a majority of at least two-thirds of the issued share capital that is represented at the meeting:

- amend of the Articles of Association;
- restriction and exclusion of preemptive rights, or the designation of the Management Board as the authorized body to exclude or restrict such rights;
- reduction of the issued share capital; and
- a legal merger or legal demerger of the company.

Issuance of shares

The Management Board, subject to the approval of the Supervisory Board, is authorized by a resolution of the General Meeting to issue shares, or grant rights to subscribe for shares, limited to 10% of the issued share capital. A separate resolution of the General Meeting is not required for the issuance of shares under this authorization.

The Management Board remains of the view that it is in the company's best interests to be able to react promptly when business opportunities arise that require the issuance of ordinary shares.

The Management Board wishes to be authorized to issue ordinary shares, or grant rights to subscribe for shares, should such a need arise, without the requirement of prior approval from the shareholders at an Extraordinary General Meeting. Such meetings take time to convene and may potentially spark disruptive market speculation.

Treasury shares

TomTom generally uses treasury shares to cover its commitments arising from its long-term employee incentive plans. On 31 December 2023, the remaining number of treasury shares outstanding was 4,717,362, equal to a capital interest of 3.6% of TomTom N.V.

Treasury shares purchased as part of the €50 million share buyback commenced in October 2023 are intended to be cancelled, following shareholder approval.

Preferred shares

Stichting Continuïteit TomTom (referred to as the Foundation) was established in 2005, with a board independent of TomTom. The Foundation's purpose is to protect the interests of the company and all of its stakeholders, and to prevent situations or mitigate circumstances that may threaten the company's continuity or identity.

The Foundation has been granted a call option that allows it to subscribe for preferred shares up to 100% of the aggregate nominal value of the outstanding ordinary shares at the time of issuance, up to a maximum of the number of preferred shares included in the authorized capital at the time of issuance. The Foundation shall subscribe for preferred shares at par value, paying one-quarter of the nominal value immediately after subscribing.

The remaining three-quarters will only need to be paid upon the company's request, in accordance with Article 2:84 of the DCC. The Foundation is entitled to exercise the option right in one or more tranches. The possible issuance of preferred shares to the Foundation will be temporary and subject to the Articles of Association and the legislation on takeovers.

Unless the preferred shares have been issued pursuant to a resolution of the General Meeting, the Articles of Association require that a General Meeting be held within one year after the issue of preferred shares to consider their purchase or withdrawal. If no purchase or withdrawal resolution is adopted at such meeting, a General Meeting will be convened every year thereafter as long as the preferred shares remain outstanding.

To date, no preferred shares have been issued.

2023 General Meetings

During 2023, one General Meeting was held.

The General Meeting was held on 14 April 2023. The key resolution passed by the Annual General Meeting was the reappointment of Taco Titulaer as a member of the Management Board.

The General Meeting also approved the Management Board Investment Plan. This plan allowed the Management Board to forfeit their 2022 bonuses, in full or in part, in exchange for TomTom restricted stock units (RSUs).

An updated remuneration policy of the Management Board and Supervisory Board will be presented for voting at the Annual General Meeting to be held in 2024.

For more information

Corporate Governance

TomTom Shareholder Meetings

Management Board

The Management Board is responsible for the day-to-day management of TomTom's operations. Our Management Board consists of three members.

Harold Goddijn

Chief Executive Officer

Dutch Nationality / Age 63 / Male

Year of first appointment 2001

Term of office 2021 - 2025

Current positions

Member of the Supervisory Board of Coolblue

Former positions

Harold began his career with a venture capital firm. In 1989, he founded and led Psion Netherlands BV, a joint venture with Psion PLC. He also served on the board of Psion PLC. In 1991, he co-founded TomTom together with Corinne Vigreux, Peter-Frans Pauwels, and Pieter Geelen. Harold has been the CEO of TomTom since 2001.

Education

Master's degree in Economics, University of Amsterdam

Taco Titulaer

Chief Financial Officer

Dutch Nationality / Age 52 / Male

Year of first appointment 2015

Term of office 2023 - 2027

Current positions

Member of the Executive Master of Finance and Control Advisory Board, University of Amsterdam, and Member of the Chief Economist Roundtable, Ministry of Economic Affairs and Climate Policy

Former positions

Taco joined TomTom in 2005, holding various senior management positions in Group Control, Treasury, and Investor Relations before his appointment as CFO in 2015. Prior to TomTom, Taco spent eight years with KPN, holding senior management roles in Finance and Investor Relations.

Education

Master's degree in Business Economics, University of Groningen

Alain De Taeye

Management Board Member

Belgian Nationality / Age 66 / Male

Year of first appointment 2008

Term of office 2020 - 2024

Current positions

None

Former positions

Alain founded Informatics and Management Consultants (I&M). In 1989, I&M was integrated into the Dutch Tele Atlas Group. From 1990, Alain headed Tele Atlas, which was acquired by TomTom in 2008. The same year, Alain became a member of TomTom's Management Board. Alain also served as non-executive director of Cyient Limited.

Education

Graduated as engineer-architect, University of Ghent

Composition and appointment

As per our Articles of Association, the Management Board must consist of at least two members, and is jointly (two members acting jointly) authorized to represent the company. Each member is appointed for a maximum period of four years, with the possibility of re-appointment to successive four-year terms in line with the Code.

No member holds more than two supervisory positions at Dutch 'large companies', in accordance with article 2:132a of the DCC.

The General Meeting appoints the members of the Management Board, subject to a binding nomination from the Supervisory Board.

Diversity

The Management Board's composition is based on diversity of experience, background, skills, knowledge, and insights. Our current board composition allows the Management Board to execute the strategy efficiently, supported by our Senior Leadership Team (not deemed an executive committee under the Code).

Currently, TomTom has no women in the Management Board, even though a target was set to have at least one woman in the Management Board.

We recognize that diversity, equity, and inclusion are key drivers of the company's innovation and achievements. After the term of a currently appointed Management Board member has lapsed, the Selection and Appointment Committee will consider and review the reappointment of current Management Board members and, in case of ineligibility for reappointment, consider potential candidates in accordance with the TomTom succession planning strategy to replace this Management Board member considering their individual qualifications and experience.

As our workforce is increasingly composed of highly technical and engineering roles, we acknowledge the complexities involved in reaching gender equality targets. Nevertheless, as part of our wider ambition to take important steps forward for representation, in 2022, we have introduced a target to achieve 20% female representation in senior management, defined as director level and above, by the end of 2025.

More information on diversity and inclusion can found in our revised Diversity, Equity and Inclusion Policy, the Sustainability chapter, and on the TomTom website.

Responsibilities

The Management Board is responsible for the day-to-day management of TomTom and is guided by the company's interests and considers the interests of all stakeholders.

The Management Board's responsibilities involve, among others:

- creating sustainable long-term value by establishing and achieving strategic objectives;
- managing an adequate risk management and internal control framework;
- managing legal compliance and sustainability matters; and
- managing the environmental, social and governance matters relevant to the company.

The Management Board consults with the Supervisory Board on important matters and presents key decisions to the Supervisory Board for its preapproval, as detailed in the company's Articles of Association available on our corporate governance website page. The Management Board is accountable for its actions to the Supervisory Board and the General Meeting.

Risk management and internal control framework

We have a risk management and internal control framework in place. Our risk management strategy is designed to identify and evaluate opportunities and risks at the earliest opportunity, enabling us to take appropriate measures, seize these opportunities, and mitigate business losses. Our Portfolio Management department provides continuous monitoring of strategic risks and opportunities throughout the year.

Our corporate risk management function oversees operational, financial, legal, and compliance risks, and holds regular meetings with our product units to ensure comprehensive reporting on the group's overall risk profile. This group risk profile is considered when establishing our strategy, annual business plans, and budgets. Our internal controls are included and maintained within the Internal Control Framework.

The Audit Committee supports the Supervisory Board in their responsibility to oversee the system of internal control and risk management, including the effectiveness of internal auditors. Further, the Audit Committee monitors ESG reporting and aspects important to our company's performance and ethical standards. For additional information, reference is made to the Audit Committee activities outlined in the Supervisory Board report.

A full overview of the risk management and the internal control framework is provided in the Risk management and control section.

Committees

The Management Board is supported by committees in its day-to-day management responsibilities.

Committees	Composition	Responsibilities
Senior Leadership Team[1]	Chief Product Officer, Chief Revenue Officer, SVP Engineering Maps, SVP Product Engineering, Chief Marketing Officer, and Chief HR Officer	Support the Management Board members with expertise and advice in executing the company's strategy and business priorities.
Technology, Risk & Compliance Forum	Chief Product Officer, SVP Engineering Maps, SVP Product Engineering, Chief Revenue Officer, and representatives from Product Units, Security & Safety, Engineering Departments and Shared Services	i) Establish and maintain an adequate information security management system aligned with the company's priorities and with the Management Board and Senior Leadership Team's decisions on strategy priorities and risks; and ii) report on business-critical compliance matters.
Disclosure Committee	Chief Revenue Officer, and representatives of Business Units, Legal, Group Control, Investor Relations, and Corporate Communications	i) Ensure compliance with the disclosure requirements under applicable laws and regulations; ii) assist and inform the Management Board on the maintenance and evaluation of disclosure controls and procedures; and iii) gather all relevant financial and non-financial information and assess materiality, timelines, and necessity for disclosure of such information.
ESG Committee	SVP Engineering Maps, and senior management representatives of Business Units, Product Units, HR, IT, Marketing, Legal, and Finance	Guide and monitor TomTom's ESG strategy, oversee communications, reporting and disclosures, and consider current and emerging ESG topics.

1. Not deemed to be an Executive Committee, as referred to in best practice provision 2.1.3 of the Code.

Conflicts of interest

Members of the Management Board must report any (potential) conflict of interest to the Chair of the Supervisory Board. The Supervisory Board shall decide whether a conflict of interest exists.

In case of a (potential) conflict of interest, the member of the Management Board shall abstain from participating in discussions and decision-making related to the subject or transaction causing the conflict of interest with the company. Decisions to proceed with transactions that may result in conflicts of interest of material significance to the company and/or to the relevant member(s) of the Management Board require the approval of the Supervisory Board. No such transactions were concluded in 2023.

Additionally, in accordance with provision 2.7.5 of the Code, we confirm that no transactions occurred in 2023 between the company and legal or natural persons who hold at least 10% of the company's shares.

Remuneration

The Supervisory Board determines each Management Board member's remuneration in accordance with the Remuneration Policy. Based on the Shareholders Rights Directive and the DCC, the Remuneration Policy is subject to a binding vote of the General Meeting every four years, with the first vote taking place in 2020.

The application of the Remuneration Policy over 2023 is described in the Remuneration report and is subject to an advisory vote of the General Meeting in 2024. A revised Remuneration Policy will be presented for approval by the General Meeting to be held in 2024.

The remuneration of individual members of the Management Board can be found in the Remuneration report. The Remuneration Policy can be found on our website.

Supervisory Board

The Supervisory Board supervises the Management Board and TomTom's general affairs and supports the Management Board by providing advice. Our Supervisory Board consists of five members.

Derk Haank

Chairman

Dutch Nationality / Age 70 / Male

Date of first appointment 28 September 2018

Term of office 2022 - 2026

Current positions

Chair of the Supervisory Board of Ebusco Holding NV

Former positions

CEO of Springer Science+Nature, CEO of Elsevier Science, Executive Board Member of Reed Elsevier PLC, Vice Chair of the Supervisory Board of KPN, and Non-Executive Board Member at Albelli, member of the SvB of Azerion Group NV

Committees

RemCo, SelCo (Chair)

Expertise

Business leadership, commercial, and transformation

Jack de Kreij

Deputy Chairman

Dutch Nationality / Age 64 / Male

Date of first appointment 1 January 2017

Term of office 2021 - 2025

Current positions

Vice Chair of the SvB and Chair of the Audit Committee of Wolters Kluwer NV, SvB member, Chair of the Audit Committee and member of the ESG Committee of Boskalis, Member of the SvB, Chair of the Audit Committee and member of the Remuneration Committee of ASML NV, Non-Exec Board member of Oranje Fonds, Board member of St. Preferente Aandelen Philips, and Chair of the Board of VEUO

Former positions

Advisory Board member of Metyis, SvB member and Chair of the Audit Committee of Corbion NV, Vice Chair of the Exec Board and CFO of Royal Vopak NV, Senior Partner & Transaction services Territory Leader PwC, and formerly employed with the Dutch Ministry of Finance

Committees

AC (Chair)

Expertise

Finance, audit and risk management, governance, and international business

Michael Rhodin

Supervisory Board Member

American Nationality / Age 63 / Male

Date of first appointment 24 April 2017

Term of office 2021 - 2025

Current positions

Member of the Board of Directors of Santander Digital Consumer Bank and Acoustic, Inc., and International Board of Advisors member of Santander Group

Former positions

Senior Vice President of IBM, Board of Directors member of Precisely Inc., HZO, Inc., Symbotic, Inc.

Committees

AC

Expertise

Technology, innovation, and transformation

Marili 't Hooft-Bolle

Supervisory Board Member

Dutch Nationality / Age 50 / Female

Date of first appointment 24 June 2022

Term of office 2022 - 2027

Current positions

CEO at Trengo, and Board Member of the Prins Bernhard Natuur Fonds

Former positions

COO and Managing Director of InSided, Supervisory Board member of Vonq, COO of WeTransfer, COO of Signal AI, Chair of the Advisory Board of One Planet Crowd and consultant at McKinsey & Company

Committees

RemCo (Chair), SelCo

Expertise

Technology, innovation, and transformation

Gemma Postlethwaite

Supervisory Board Member

British Nationality / Age 47 / Female

Date of first appointment 1 October 2022

Term of office 2022 - 2027

Current position

CEO of Gerson Lehrman Group, and member of the New York Board of the All Stars Project

Former positions

Member of the board of directors of Gerson Lehrman Group, CEO of Arizent, CEO of PIRA Energy Group, formerly employed by Thomson Reuters, Infogroup and Altegrity, and member of the Innovation Board of Wolters Kluwer NV

Committees

AC

Expertise

Business leadership, stakeholder management, and transformation

Composition and appointment

The Supervisory Board is composed of at least three members. The Supervisory Board appointed a Chair and a Deputy Chair from among its members.

	AC	RemCo	SelCo	Appointment date	Term ('23–'27)
Derk Haank (Chair)		Member	Chair	26 Sep 2018	2
Jack de Kreij (Deputy Chair)	Chair			1 Jan 2017	2
Michael Rhodin	Member			24 Apr 2017	2
Marili 't Hooft-Bolle		Chair	Member	24 Jun 2022	1
Gemma Postlethwaite	Member			1 Oct 2022	1

Legend

Chair

Member

Term

The General Meeting appoints the Supervisory Board members, subject to the right of the Supervisory Board to make a binding nomination. The complete procedure for appointment and dismissal of members is explained in article 17 of the company's Articles of Association.

In line with the Code, members may be appointed for a maximum period of 12 years. After four years, members may be reappointed for a second term of four years. Additionally, members may be appointed for two terms of two years each.

Members may retire periodically in accordance with a rotation plan, which is available on our corporate governance website page.

Profile and diversity

The Supervisory Board consists of 2 women and 3 men. The Supervisory Board has established a profile for its size and composition, taking into account the nature of TomTom's business and activities. This ensures that the collective experience, expertise, and diversity of the Supervisory Board members enables the Supervisory Board to effectively fulfill its responsibilities. In accordance with the DCC requirements, the Supervisory Board must maintain a balanced representation of both women and men, with each gender constituting one-third of its members at all times.

As for the areas of expertise, the desired composition includes the following areas of expertise and backgrounds:

- financial administration and accounting, and internal risk management and control systems;
- management strategy and risks inherent to TomTom's business;
- technology, innovation, and transformation;
- (senior) management selection, recommendation, and development; and
- compliance, corporate governance, and company law.

The composition of the Supervisory Board was 40% women and 60% men in 2023. The Supervisory Board deems the current composition balanced and compliant with the gender diversity target of at least one-third male and female representation as laid down in the Act to improve gender diversity in boards of Dutch companies.

The 8-year tenure of Jack de Kreij and Michael Rhodin will expire in 2025. The Supervisory Board intends to nominate a temporary sixth board member at the AGM in 2024 to succeed Jack de Kreij as Chair of the Audit Committee in 2025. A successor for Michael Rhodin is expected to be nominated at the 2025 AGM.

Objectives	
An equal number of men and women during a search, selection, and appointment procedure	Achieved
At least one woman in the Management Board	More to do
At least one-third women and one-third men in the Supervisory Board	Achieved
A Supervisory Board Chair living in the Netherlands	Achieved
At least one member in the Supervisory Board from outside the EU	Achieved

Legend

Achieved

More to do

Role and responsibilities

The Supervisory Board monitors the Management Board in its execution of strategic objectives and operations, including the ESG strategy. It regularly discusses the strategy and the associated risks and supports the Management Board by providing advice. It acts in the interest of the company and all its stakeholders, including employees, investors, customers, local communities, suppliers, governments, and OSM communities and partners, as well as society as a whole and the environment. As outlined in our Articles of Association, certain decisions of the Management Board are subject to the approval of the Supervisory Board. This includes resolutions of the Management Board to issue, or grant rights to acquire, shares or restrict or exclude preemptive rights. For more detail, refer to article 14 of our Articles of Association. A summary of the activities of the Supervisory Board in 2023 can be found in the Supervisory Board report section.

Committees

In line with the Code, the Supervisory Board has established an Audit Committee (AC), a Remuneration Committee (RemCo), and a Selection and Appointment Committee (SelCo). Each committee is staffed by members of the Supervisory Board, and at least one of the members of the AC is a financial reporting expert as per the criteria of the Decree Establishing Audit Committee. A summary of the activities undertaken by each committee during 2023 can be found in the Supervisory Board report.

Audit Committee

The AC prepares the Supervisory Board's decision-making regarding the supervision of the company's financial reporting integrity and quality, along with the effectiveness of the company's internal risk management and control systems. The AC supervises the performance and findings of the external auditor, and the effectiveness of the external audit process, and its independence. Further, the AC oversees ESG aspects crucial to our company's performance and ethical standards. For details on the AC's composition and its responsibilities, refer to the AC Charter.

Selection and Appointment Committee

The SelCo oversees the size and composition of the Supervisory Board and Management Board, succession planning, and the functioning of all members. The SelCo also addresses the training and development of relevant skill sets, including ESG competencies essential for the company. It also pays strong attention to the company's talent management and succession planning for key positions. For details on the SelCo's composition and its responsibilities, refer to the SelCo Charter.

Remuneration Committee

The RemCo prepares the Supervisory Board's decision-making regarding the remuneration of the individual Management Board members and the Supervisory Board. It proposes and evaluates financial and non-financial targets, including ESG aspects. It also ensures the effectiveness, relevance, and implementation of the Remuneration Policy. For details on the RemCo's composition and its responsibilities, refer to the RemCo Charter.

Conflicts of interest

Members of the Supervisory Board, excluding the Chair, must report any (potential) conflict of interest to the Chair of the Supervisory Board. If the (potential) conflict of interest involves the Chair of the Supervisory Board, it should be reported to the Deputy Chair of the Supervisory Board. The Supervisory Board is responsible for determining whether a conflict of interest exists.

The member with a (potential) conflict of interest must not participate in discussions and decision-making relating to a subject or transaction where they have a conflict of interest with the company. Decisions to proceed with transactions in which members of the Supervisory Board have conflicts of interest that are of materially significant to the company and/or to the relevant member(s) of the Supervisory Board, require the Supervisory Board approval. No such transactions were concluded in 2023.

Remuneration

The General Meeting determines the remuneration of the members of the Supervisory Board, including the members of its committees. The Supervisory Board Remuneration Policy is subject to a binding vote of the General Meeting every four years, with the first vote taking place in 2020.

The application of the Remuneration Policy over 2023 is outlined in the Remuneration report, which is also available on our corporate website. This report will be subject to an advisory vote of the General Meeting in 2024.

Detailed information on the remuneration of individual members of the Supervisory Board can be found in the Remuneration report. The Remuneration Policy is available on our corporate website.

For more information

Documents related to corporate governance are available on our website, including but not limited to:

- Articles of Association
- Management Board Remuneration Policy
- Supervisory Board Remuneration Policy
- Supervisory Board Rotation Plan
- Code of Conduct
- Open Ears Procedure
- Diversity, Equity and Inclusion Policy
- Policy on bilateral and other contacts with shareholders
- Stakeholder Engagement Policy
- Inside Information Policy

Message from the Chair of our Supervisory Board

"Our primary responsibility as a Supervisory Board is to supervise, guide, and advise the Management Board as it implements its strategy. As a result, the Supervisory Board will encourage the maintenance of a sustainable long-term business model that seeks to create sustainable value for all stakeholders."

In 2023, TomTom made significant strides in launching TomTom Orbis Maps, growing our Location Technology business, and pioneering innovative products. Our commitment to ESG principles remained strong, with our technologies facilitating positive societal and environmental impacts.

As the Chair of the Supervisory Board, I am proud to reflect on the progress TomTom made in 2023. Our dedicated Management Board has been instrumental in navigating our course, constantly exploring new frontiers as they led our team toward the successful launch of TomTom Orbis Maps, and the establishment of a new location data standard, as promoted by the Overture Maps Foundation.

The development of TomTom Orbis Maps is a testament to our commitment to innovation. It signifies a multi-year journey of hard work and dedication, transforming our mapmaking platform from the ground up. The Management Board has effectively overseen this process, ensuring a smooth transition to a greatly improved, quality-controlled, and scalable map, and an open standard that allows for greater integration and value creation.

Furthermore, the universal standard our maps are built on has attracted a growing alliance of organizations. The Overture Maps Foundation, founded in collaboration with AWS, Meta, and Microsoft, has garnered the support of large companies like ESRI and Hyundai Motor Group. This is a significant accomplishment and a clear indication of the robustness of our strategy.

Our focus on innovation goes hand in hand with our commitment to utilizing generative AI and automation. The Management Board has effectively taken steps in this domain, equipping our teams with the necessary tools and knowledge for effective and responsible AI usage. The results have been evident in our AI-based products, which stand as exemplars of TomTom's commitment to cutting-edge technology.

In this time of growing environmental and social awareness, we are pleased to see our technologies serving as catalysts for positive change. Our dedication to ESG principles is steadfast, and the Management Board has been pivotal in setting the ESG course and ensuring our technologies continue to promote road safety, reduce emissions, and allow for the democratization of access to location data.

The Supervisory Board has a duty to ensure that the Management Board's actions align with the company's strategic priorities and values. I am proud to say that our supervision has been marked by constructive dialogue, rigorous oversight, and mutual respect.

In conclusion, our collective efforts have set a strong foundation for the future. We are confident that TomTom is exceptionally well-positioned to cater to the evolving needs of the industry, with our new maps powering a broadening variety of location technology-based applications.

On behalf of the Supervisory Board, I would like to express our gratitude to all stakeholders for your unwavering support.

DERK HAANK

Chair of the Supervisory Board

SUPERVISORY BOARD MEMBERS

TomTom's Supervisory Board consists of five members. Detailed biographies of the of the Supervisory Board members, as well as the information as prescribed by the Code, can be found in the Supervisory Board section. This section also provides specifics about the Supervisory Board's committees and its members. All current members meet the independence criteria as within the meaning of best practice provisions 2.1.7 through 2.1.9 of the Code.

MEETINGS AND ATTENDANCE

All formal Supervisory Board meetings were held in-person in Amsterdam, with the option for hybrid attendance. The Supervisory Board had its regular meeting every quarter to review the quarter in detail and receive an operational update from the Management Board. In addition, the Supervisory Board held regular conference calls to discuss financial updates and recent company developments. The Management Board members attended all these meetings either in full or in part. The attendance rate for the Supervisory Board members was 100%.

	SB formal meetings	SB update calls	AC	RemCo	SelCo
Derk Haank	6/6	2/2		4/4	4/4
Jack de Kreij	6/6	2/2	4/4		
Michael Rhodin	6/6	2/2	4/4		
Marili 't Hooft-Bolle	6/6	2/2		4/4	4/4
Gemma Postlethwaite	6/6	2/2	4/4		

Attendance is presented as the number of meetings attended out of the number of meetings eligible to be attended.

All members demonstrated their commitment to their Supervisory Board duties by having adequate availability for ad hoc calls, responding promptly to emails, preparing diligently for meetings, and actively participating in discussions during meetings.

The preparation of meeting agendas was collaborative, involving consultation with the Chair, the Management Board, and the Company Secretary. In addition to attending regular meetings, the Supervisory Board Chair kept regular contact with TomTom's CEO. To stay closely informed about the business and TomTom's culture, Supervisory Board members also engaged in informal consultations with members of the Management Board, senior management, and employees beyond the regular meeting schedule.

Committee meetings usually take place before Supervisory Board meetings. The Chairs of these committees work in close cooperation with senior management, holding regular meetings to establish agendas and prepare the necessary information for the committee meetings.

STRATEGIC OVERSIGHT

The Supervisory Board dedicated substantial time to reviewing TomTom's strategy and monitoring progress of its execution. Frequent discussions concerning the strategic objectives of the Location Technology business were held with the Management Board. Throughout these dialogues, the Supervisory Board took the responsibility of challenging and testing the Management Board's propositions to make decisions that would support the company's overall strategy.

The Supervisory Board paid special attention to the development and launch of TomTom Orbis Maps and (cyber) security and safety. They also monitored the effects of macroeconomic conditions on the company's personnel, operations, financial performance, and strategy. No critical concerns were raised.

No separate ESG Committee was established. Instead, ESG elements were incorporated into each quarterly discussion and responsibilities were shared among the Audit Committee, RemCo, and SelCo. The Supervisory Board also discussed the conducted double materiality assessment, and assessed the progress of the ESG strategy and KPI and target setting on a quarterly basis.

Significant time was allocated to reviewing the ever-evolving technology landscape within which TomTom operates and to understand its impact on the company's strategy, including the framework for cyber security.

Each quarter, the Supervisory Board received updates on market trends and their impact on the company's strategic priorities. The Supervisory Board also discussed and assessed TomTom's position in the competitive landscape. An external expert specializing in the automotive industry was engaged by the Supervisory Board to gain an external perspective on industry trends and developments.

The Audit Committee ensured the Supervisory Board was aware of the company's strategic, financial, legal and compliance, and operational risks, as well as the actions taken, and internal control and management systems implemented to manage these risks.

Business review and financial oversight

The Management Board regularly updated the Supervisory Board on commercial opportunities, deals, and partnerships. Every quarter, reports were provided by senior management detailing the developments, achievements, challenges, and opportunities in each market segment, HR, and our technology department.

The Supervisory Board received regular updates on the progress made within our mapmaking and technologies, as well as the market positioning and traction of these technology components. The establishment of the commercial organization was also a topic on which the Supervisory Board was frequently updated.

The company's financial results and cash flows were presented and closely supervised throughout the year. Next to that, the Supervisory Board considered macroeconomic developments and the Management Board's assessment of these during the year. The level of investment in the company's core technologies was thoroughly assessed every quarter. The Supervisory Board reviewed and approved the budget for 2024.

Every quarter, the Supervisory Board was updated on the company's Investor Relations activities, such as share price movements, analysts' research, and communication with shareholders. The quarterly updates and the press releases concerning the full- and half-year results were all reviewed and approved by the Supervisory Board.

Culture and engagement

In order to stay connected with the culture, dynamics, and operational challenges of TomTom, the Supervisory Board consistently engaged with talent throughout the company. Quarterly 'Meet and Greet' sessions were arranged to enable open and transparent discussions on important matters between the SelCo members and selected talent.

The Supervisory Board and the Dutch Works Council conducted two constructive and transparent meetings.

The Supervisory Board was regularly informed about the company's governance and organizational structure.

Succession planning

The Supervisory Board discussed its rotation schedule and succession planning. As the second terms of both Jack de Kreij and Michael Rhodin are due to expire in 2025, the Supervisory Board has actively moved ahead with appropriate succession planning. To ensure a proper handover, a proposal will be made to nominate a temporary sixth member to the Supervisory Board at the AGM in 2024. , This member will be primed to replace Jack de Kreij as Chair of the Audit Committee in 2025. The goal is to nominate a successor for Michael Rhodin at the AGM in 2025. These measures will ensure thorough succession planning and the seamless continuity of the Supervisory Board's duties.

Ample time was spent with the Management Board on the yearly talent review of senior management within TomTom, including succession planning.

Sustainability

An update was provided on the company's progress with its internal program to drive positive impact, as well as its efforts in setting its ESG strategy and commitments. More information can be found in the 'Sustainability' chapter.

REMUNERATION

The remuneration of the members of the Supervisory Board, the additional remuneration of the Chair and the members of its committees, is determined by the General Meeting, last amended in 2020. The Supervisory Board Remuneration Policy will be be submitted for approval in 2024. For more information, see the Remuneration report.

EVALUATION

In principle, the Supervisory Board undergoes an independent assessment by a third party every three years, with the next evaluation scheduled for 2025.

In 2023, the Supervisory Board and its committees conducted a self-evaluation and review of their own performance, the effectiveness of individual members, committee functions, and the Management Board and its members. All members of the Supervisory Board completed an evaluation questionnaire covering various topics, including board composition and expertise, board dynamics, sustainable long-term value creation, the efficiency of the strategic oversight, risk management, succession planning, and human resource management. The questionnaire also touched upon 2023 developments, such as the Management Board Investment Plan 2023 and the share buy-back announcement in October.

The outcome and potential areas for improvement were deliberated among the Supervisory Board members in an evaluation session. It was determined that both the Supervisory Board and its committees perform well and operate efficiently. The appreciated aspects included the productive conduct of meetings, healthy board dynamics, an open speak-up culture, and a strong willingness to collaborate and share information. The Supervisory Board recognizes the value of the time spent on further increasing its knowledge and understanding of (technology) developments relevant to TomTom and its industry, and will continue its approach in 2024.

The Management Board evaluates its own functioning annually. The CEO shares the outcome hereof with the Chair of the Supervisory Board.

AUDIT COMMITTEE

Meetings and attendance

The AC met each quarter throughout 2023. All four meetings were held prior to the publication of the quarterly financial results.

The meetings achieved an attendance rate of 100%. The CFO and the Head of Corporate Accounting and Internal Audit attended all meetings in full. Aside from the regular AC meetings, the AC had several clarification calls on specific topics.

The external auditor was present at each of the quarterly AC meetings in full to report on its audit plan, quarterly procedures, management letter, and the long-form auditor's report. The AC and the external auditor also met separately, without the Management Board, for open discussions on other relevant topics such as the quality of risk assessments and the collaboration between the Management Board and the company.

Other department heads (e.g., Business Finance, Financial Shared Service Center, Investor Relations, IT, Legal and Compliance, Group Control, Sustainability, Privacy and Security, Tax, and Treasury) were invited when the AC deemed it necessary and appropriate.

Financial oversight

The AC supported the Supervisory Board in its duty to supervise the system of internal control and risk management, the effectiveness of the internal auditors, the company's financing, financial statements, and financial reporting process.

Regarding the external auditor, the AC monitored its performance, the effectiveness of the external audit process, as well as its independence.

A fundamental task of the AC was to extensively review the financial reports before they were considered by the full Supervisory Board.

Throughout the year, the AC tracked and reviewed the quarterly financial results and full-year financial statements as presented under IFRS (as adopted by the EU and in accordance with Part 9 of Book 2 of the Dutch Civil Code), including the corresponding disclosures prior to their publication. Guidance to the financial markets was also discussed. Particular emphasis was given to revenue recognition including the deferred revenue position as well as unbilled receivables, the impairment review of goodwill and other intangibles, and the operational and financial implications of geopolitical issues. Other areas of attention were significant estimates, the global tax position, and the status of certain provisions.

Oversight on non-financial information

During 2023, the AC monitored TomTom's progress on preparation of the CSRD reporting, including the outcome of the double materiality assessment, which was discussed in-depth with the AC. Furthermore, the AC reviewed our CSRD roadmap and the steps we will take in 2024 and 2025.

The AC also evaluated the company's ESG reporting for 2023 which will be prepared with reference to the Global Reporting Initiative (GRI) standards, and verified the accuracy and reliability of our disclosures. The AC found the ESG reporting to be adequate.

The AC also discussed topics related to our decarbonization plan, cybersecurity (and the ISO27001 certification), TomTom's third-party cloud platforms, and the implementation of new financial systems.

Monitoring of internal controls

During all quarterly meetings, the AC was updated on the company's management reporting, the maintenance and effectiveness of the system of internal controls, and risk management relating to strategic, financial, operational, commercial, tax, control, and compliance matters. The company monitors its internal controls using a systematic approach supported by tools, a risk management process, and the Internal Audit team. The Head of Internal Audit reports functionally to the AC and administratively to the CFO.

Policy and compliance oversight

The AC discussed items including the company's policies on financing, cash, and foreign exchange management. The AC discussed ongoing tax audits, tax risk management, tax transparency, and the tax strategy/policy. The AC received regular updates about TomTom's compliance programs (including fraud and whistleblower reporting). The AC was given quarterly updates on the company's ongoing effort to maintain the appropriate level of a risk-based information security management program. Time was also allocated to discuss the Compliance Management Framework.

Effectiveness review

The effectiveness of the AC was reviewed as part of the 2023 overall evaluation of the Supervisory Board, which confirmed that the AC continues to operate in accordance with the applicable requirements. During 2023, Jack de Kreij carried on acting as the financial reporting specialist. The role and effectiveness of the Internal Audit (IA) function, including its independence, were regularly discussed and include feedback from the external assessment which is done once every five years. The internal audit plan was approved by the AC. This plan considers the important areas of the business like R&D and operations, but also cyber security and data privacy, important IT projects, as well as the geographical spread of TomTom offices, including local compliance (e.g., finance, HR, and tax controls) and core activities performed.

In consultation with senior management, the IA selects the business areas to be audited during the year. Members of the AC and the Management Board may at any time request the IA or a special consulting service firm to conduct an internal audit. The AC observed a timely follow-up on the recommendations made by the IA. The Head of Internal Audit reported to the AC each quarter.

External auditor

The AC approved the external audit plan, which included the scope, approach, key audit matters and materiality applied. Discussions and reviews took place between the AC and the Management Board on the findings of the external auditor in its management letter and the actions taken to address the recommendations and observations made by the external auditor. The AC confirms that the discussions related to the 2023 financial year did not include any significant items that need to be mentioned in this report.

EY was reappointed as the external auditor by the Annual General Meeting in 2021, for a third term of three years up to and including the financial year 2023. The performance of the external auditor over 2023 was evaluated through a satisfaction survey conducted among the business units and the global corporate departments. This assessment included a review of the quality of the audit work, the audit team's expertise and composition, the audit fee, and the quality control around the audit areas of emphasis.

The Annual General Meeting in 2023 appointed PwC as the new external auditor for a first term of three years, starting in 2024. Throughout this year, the AC has been monitoring the audit transition plan and the process of establishing PwC's independence as our forthcoming external auditor.

Auditor independence

The policy on External Auditor Independence stipulates that the auditor appointed by TomTom is not allowed to perform non-audit services that would i) compromise its independence, or ii) violate any other requirements or regulations affecting its external audit function. The provision of non-audit services by the external auditor, which do not conflict with the auditor's independence, is always subject to pre-approval by the AC.

The AC reviewed the Independence of the external auditor EY, considering qualitative and quantitative factors, and concluded that EY had sufficient objectivity and independence to perform the external audit function. EY confirmed its independence and compliance with this policy to the AC. A summary of services performed by EY, its network affiliates and the fees earned is provided below.

(€ in thousands)	2023	% of total	2022	% of total
Audit – group	547	69%	515	78%
Audit – other entities	65	8%	62	9%
Limited assurance – ESG	138	17%	80	12%
Agreed-upon procedures - subsidies	42	5%	—	—%
Total fees	**792**		**657**	

SELECTION AND APPOINTMENT COMMITTEE

Meetings and attendance

The SelCo met four times throughout 2023, achieving an overall attendance rate of 100%. Alain De Taeye, Chief HR Officer, and Company Secretary also attended all meetings.

Review on HR strategic topics

Quarterly updates were given by the Chief HR Officer on strategic HR topics such as management initiatives related to career development, management and leadership, policies, performance management, employee engagement surveys, and compensation and benefits. These initiatives underscore the company's commitment to talent management: to attract, retain, and develop talent at TomTom.

The SelCo focused on the company's progress in its succession planning for key positions within the company. On a quarterly basis, the committee was updated on the recruitment status of vacant key positions.

Succession planning

As the second terms of both Jack de Kreij and Michael Rhodin are due to expire in 2025, the SelCo proposed to search for a temporary sixth member for the Supervisory Board at the AGM in 2024. This member will be primed to replace Jack de Kreij as Chair of the Audit Committee in 2025. The goal is to nominate a successor for Michael Rhodin at the AGM in 2025. These measures will ensure thorough succession planning and the seamless continuity of the Supervisory Board's duties.

Culture and engagement

The SelCo dedicated significant time to review the results of the two employee engagement surveys conducted in 2023 on the company culture and employee engagement. The SelCo met frequently with works councils and employees, facilitating an open and transparent dialogue.

Environmental, Social and Governance

The SelCo considered the ESG aspects relevant for the company, which included, but were not limited to, the required training and education, necessary skill sets of board members, and diversity, equity and inclusion. Updates and presentations were given by subject matter experts.

REMUNERATION COMMITTEE

Meetings and attendance

The RemCo met four times throughout 2023, achieving an overall attendance rate of 100%. Alain De Taeye, the Chief HR Officer, representatives of HR Rewards, and the Company Secretary also attended each meeting.

Scenario analysis and pay ratio

A scenario analysis was carried out to evaluate the variable components of the Management Board members' remuneration packages, including the short-term incentive (STI) target payout scenarios and value of RSU grants in light of various share price developments and a pay ratio analysis.

Variable remuneration

At the beginning of 2023, the RemCo proposed, and the Supervisory Board approved, the financial performance metrics used in previous year (Location Technology revenue and free cash flow weighted at 40% each) and the non-financial metric (employee engagement score weighted at 20%) to the 2023 STI plan. The RemCo regularly reviewed the Management Board members' progress against those metrics. The RemCo also proposed the allocation of RSUs in April 2023, which subsequently was approved by the Supervisory Board.

The deliberations underlying the decisions made regarding the Short-Term Incentives and the Long-Term Incentives are described in the Remuneration report.

Stakeholder engagement

At the Annual General Meeting in April 2023, a positive advisory vote was cast for the 2022 Remuneration report. The RemCo evaluated and took into consideration the feedback received from stakeholders during the Annual General Meeting and defined actions. It maintained an open dialogue with Eumedion, VEB, ISS, and Glass Lewis in 2023. The response to this feedback is included in the Remuneration report.

2023 Remuneration report

For a comprehensive overview of the Remuneration Policy, its application in 2023, and outlook for 2024, reference is made to the 2023 Remuneration report.

The Remuneration report forms an integral part of the Supervisory Board report and is prepared in accordance with the requirements as laid down in the Dutch Civil Code and best practice provision 3.4.1 of the Code. The Supervisory Board has approved the Remuneration report.

FINANCIAL STATEMENTS FOR 2023

TomTom's annual financial statements for 2023, prepared by the Management Board, have been audited by EY. The financial statements, independent auditor's report, and management letter of the external auditor were thoroughly discussed with the auditors by the Audit Committee in the presence of the Management Board, and by the full Supervisory Board with the Management Board.

The Supervisory Board believes the financial statements for 2023 of TomTom N.V. meet all requirements for correctness and transparency. The Supervisory Board has approved the financial statements for 2023. In accordance with the statutory obligations under article 2:101 (2) of the DCC, all members of the Supervisory Board and members of the Management Board have signed the financial statements for 2023.

The Supervisory Board recommends to the General Meeting to adopt the financial statements for 2023, and requests that the General Meeting discharges the Management Board members' responsibility for the conduct of business in 2023 and the Supervisory Board members' supervision in 2023. The Annual Report for 2023 is available upon request at the company's offices and on the company's website.

The Supervisory Board would like to express its gratitude to TomTom's stakeholders for their trust in the company and its management, and its appreciation to all employees and the Management Board for their ongoing dedication and commitment to the company.

Amsterdam, 2 February 2024

The Supervisory Board

DERK HAANK
JACK DE KREIJ
MICHAEL RHODIN
MARILI 'T HOOFT-BOLLE
GEMMA POSTLETHWAITE

Letter from the RemCo Chair

"We have spent considerable effort in 2023 engaging with our stakeholders and refining our perspective on internal and external expectations. This informed us in the preparation of an updated Remuneration Policy, which we will be submitting to the 2024 AGM."

On behalf of the Remuneration Committee, I am delighted to present the 2023 Remuneration report. This comprehensive report offers detailed insight into TomTom's Management and Supervisory Board remuneration policies and their implementation throughout 2023.

Our Remuneration Policy establishes a detailed framework for performance-based remuneration across the company. This framework aligns with TomTom's strategic goal of long-term sustainable value creation for all its stakeholders, as well as its operational and financial achievements. It aims to attract and retain top-tier talent while ensuring fair, transparent, competitive, and ethical compensation practices.

The Remuneration Policy is grounded in principles that focus on aligning our Management Board's incentives with TomTom's vision and strategy, fostering sustainable long-term value creation, maintaining consistency in pay structures, bolstering competitiveness in executive talent acquisition, considering stakeholder and societal perspectives, and upholding standards of sound corporate governance and transparency.

2023 context and performance

2023 saw TomTom delivering on important strategic priorities. We launched our new TomTom Orbis Maps, built on a unified location data standard that we have pioneered. Through our collaborative approach to mapmaking, we seek to continuously improve our location technology products, bringing more value to customers and partners.

TomTom performed well on key financial and non-financial strategic indicators that drive remuneration. Throughout 2023, TomTom recorded continued revenue growth and significantly improved its free cash flow. In addition, the Employee Engagement Score increased in 2023, as we continued to engage our people through a variety of initiatives.

Listening to our stakeholders

We are committed to enhancing stakeholder support for our remuneration proposals and addressing any concerns that may arise. After carefully considering stakeholder feedback over the years, we have made the decision to intensify our focus on stakeholder engagement. As such, we have implemented a Stakeholder Engagement Policy, which aims, among its other dimensions, to broaden our stakeholder outreach concerning remuneration-related matters.

Throughout the year, we held several meetings with our stakeholders to carefully review our Remuneration Policy, also considering the voting results from the 2023 AGM.

Future outlook

Acknowledging insights from our stakeholders, the Supervisory Board recognized the need to refine the Management Board's remuneration package. To this end, we have decided to conduct a thorough review.

Based on this review, we intend to present an updated Remuneration Policy at the 2024 AGM.

I am looking forward to sharing my insights and perspectives around TomTom's 2023 Remuneration report and the applicability outcome at the 2024 AGM.

MARILI 'T HOOFT-BOLLE

Chair of the Remuneration Committee

Enhancing remuneration transparency

REMUNERATION AT A GLANCE

FIXED PAY AND BENEFITS

Attracts, engages, and retains Board Members to deliver on TomTom's strategic objectives

Harold Goddijn	Taco Titulaer	Alain De Taeye
CEO	CFO	Board Member
Base salary[1]		
€565	€465	€471

Positioned at a median level of peer group benchmark (conducted at least every three years), and reviewed annually

Pension % of base salary		
Waived	20%	20%

Benefits

Items such as medical insurance, death and disability insurance, car allowances, and liability insurance coverage

SHORT-TERM INCENTIVE

Contributes to TomTom's short-term financial and non-financial performance objectives

Harold Goddijn	Taco Titulaer	Alain De Taeye
CEO	CFO	Board Member
Target % of base salary		
80%	64%	64%
2023 bonus assessment		
112%	112%	112%
2023 bonus as a % of base salary		
89%	71%	71%
2023 bonus amount[1]		
€505	€332	€336

2023 performance assessment detail

Metric	Weighting	Outcome
Location Technology revenue	40%	119%
Free cash flow	40%	110%
Employee Engagement Score	20%	100%

LONG-TERM INCENTIVE PLAN

Aligns Board Members' objectives with TomTom's long-term growth strategy and stakeholders' interests

Harold Goddijn	Taco Titulaer	Alain De Taeye
CEO	CFO	Board Member
Target % of base salary		
140%	100%	100%
Grant 2023 RSU value[1, 2]		
€791	€465	€471

RSUs were introduced in 2019. No grant of stock options to Management Board since 2018

RSUs are subject to a three-year vesting period and a two-year holding period. Vesting is conditional upon employment only

Actual grant levels do not deviate from target unless underpin conditions are not met

Shareholding

Target levels, % of base salary at 31 December 2023

3x	2x	2x

Number of times base salary at 31 December 2023

175x	0.7x	5x

1. € in thousands.
2. Value of the 2023 grant in this overview is equal to the number of RSUs granted in 2023 multiplied by the average of the closing prices of TomTom N.V. shares in the 60 days preceding the grant date.

REMUNERATION OF THE MANAGEMENT BOARD

The Supervisory Board ensures that the Remuneration Policy and its implementation are linked to the company's strategic priorities and decides how to reward the successful delivery of the company's strategy by the Management Board.

Our strategy balances growth objectives, financial stability, and investments to position TomTom competitively in the evolving field of location technology. The remuneration of Management Board members is intended to encourage behaviors that drive the generation of both short-term results to ensure ongoing operational improvement and financial stability, and sustainable long-term value by pursuing opportunities for innovation, partnerships, and growth.

INTERNAL ALIGNMENT

The Remuneration Committee reviews the alignment of pay structures within the company by considering the consistency in the approach to setting remuneration components, performing a scenario analysis and evaluating the pay ratio.

Each individual Management Board member shares their view of their own remuneration package with the Chair of the Remuneration Committee at least once per year. The feedback is shared with the Supervisory Board, who together consider all feedback when discussing and evaluating the Remuneration Policy, including its components and outlook.

Scenario analysis

A scenario analysis of the possible outcomes of the variable components and the impact on the Management Board members' remuneration is conducted annually to minimize the risk that the performance criteria lead to inappropriate outcomes. The studied scenarios include minimum, at-target, and maximum variable pay achievement, and share price fluctuations of 20% in both directions. Under all scenarios, the Supervisory Board considered that the range of potential remuneration outcomes falls within the boundaries of what is considered appropriate for that level of performance.

Pay ratio

This calculation of the pay ratio has resulted in the following outcome:

Pay ratio[1]	2019	2020	2021	2022	2023
CEO	27.1	20.1	22.7	23.3	23.5
Management Board	22.2	17.0	19.0	19.3	19.9

1. Excluding the cost of social security.

The pay ratio reflects the average total compensation of the global employee workforce (excluding interns), relative to the total remuneration package of the CEO and the total Management Board. Social security is excluded from the measure of compensation.

Annually, TomTom reviews local competitive dynamics and the livable wage in each of our operating locations. If needed, adjustments are made to ensure employees' compensation is at market and above livable wage levels as part of TomTom's efforts to be a good employer. The outcomes of these reviews contribute to our pay ratio.

The decrease of the pay ratio in 2020 was caused by a zero bonus payout for the Management Board members in combination with the investments made in employees' salaries in the company's key markets. Last year, the Supervisory Board deemed TomTom's pay ratio acceptable, though considering it to be on the low end and warranting further attention. This observation remains valid for 2023 as well. In developing the updated Remuneration Policy, which will be submitted to the 2024 AGM, the internal pay relativities were taken into account.

EXTERNAL ALIGNMENT

At TomTom, talent is key to the delivery of our vision and strategy. It is therefore imperative that our remuneration is competitive with the companies against whom we compete for executive talent and consideration is given to the international markets in which we compete for that talent.

Peer group and benchmark

The remuneration is benchmarked with a peer group at least every three years. This helps determine the overall competitiveness of our Management Board remuneration and gives insights into relevant competitive markets.

In the years for which no benchmark is performed, such as 2023, the Supervisory Board considers the appropriateness of any changes to the base salary based on the market environment as well as on the average salary adjustments for our employees in the Netherlands.

In 2023, as part of the preparation for our upcoming submission of the updated Remuneration Policy, we have commenced an extensive review of the peer group. We aim to present the updated Remuneration Policy for approval by the 2024 AGM.

CONCLUSIONS

The Supervisory Board acknowledges that the Management Board's remuneration package requires further attention. This conclusion is drawn based on both internal and external benchmarks, low pay ratio levels, and the outcomes of the Management Board's benchmark in 2020 (aiming for the third quartile of the benchmark). Additionally, the CEO base salary remains under the median market level, and the remuneration required to attract and retain senior talent continues to confirm the insight that Management Board Long-Term Incentive (LTI) levels are below median.

OVERVIEW OF REMUNERATION

Below follows a detailed overview of the Management Board Remuneration Policy, its application in 2023, and the outcome of variable pay targets. The table below provides an overview of the remuneration of the Management Board in 2023.

		Fixed				Variable			
€ in thousands	Year	Base salary	Fringe benefits	Pension[1]	Other items[2]	Short-term incentive	Long-term incentive[3]	Total remuneration[4]	Ratio of fixed to variable remuneration
Harold Goddijn	**2023**	565	1	—	10	505	775	**1,856**	31% / 69%
	2022	521	1	—	9	487	677	1,695	31% / 69%
Taco Titulaer	**2023**	465	3	93	10	332	514	**1,417**	40% / 60%
	2022	429	2	86	9	320	398	1,244	42% / 58%
Alain De Taeye	**2023**	471	22	94	10	336	499	**1,432**	42% / 58%
	2022	434	22	87	9	325	403	1,280	43% / 57%

1. Gross pension allowance is determined as 20% of base salary in line with the Management Board remuneration policy and can deviate from the actual remuneration.
2. Other items includes social security.
3. Expenses recognized for stock compensation awards are determined in accordance with IFRS 2 and do not represent the amounts paid or payable to Management Board members. For additional information about the stock compensation plans, including employee plans, refer to note 9 Stock compensation in the consolidated financial statements.
4. Remuneration of the Management Board is directly paid by TomTom N.V. and not allocated to any of its subsidiaries.

BASE SALARY

The Supervisory Board, upon the recommendation of the Remuneration Committee, determines the base salary for each of the members of the Management Board. Benchmark data from peer group companies is used as a guide to the competitiveness of the base salary. The internal ratio to total remuneration levels within the company is also considered to ensure alignment throughout the company.

The Supervisory Board considers the appropriateness of any changes based on the market environment. Unless otherwise determined by the Supervisory Board, base salary levels are increased annually in line with the expected average annual increase in the fixed salary of the employees of the company based in the Netherlands.

In 2023, the Management Board members' salaries were assessed against the adjustments for other employees and were adjusted by 8.34%, in line with market movement for employees in the Netherlands.

PENSION AND BENEFITS

Pension can be received through contributions to the company's plan, as a gross pension allowance, or a combination thereof. Members may elect to waive their pension rights. In addition, members may receive additional fringe benefits. An overview of members' elections related to pensions, as well as the nature of fringe benefits, is provided below.

Further information concerning pensions can be found in the above overview of actual remuneration for pension and other items paid in 2023.

€ in thousands	Pension	Benefits[1]
Harold Goddijn	Waived[2]	Medical insurance, death and disability insurance, car allowances[5], and liability insurance
Taco Titulaer	Gross pension allowance and company pension plan[3, 4]	
Alain De Taeye	Gross pension allowance[3, 4]	

1. These benefits are in line with market practice. Furthermore, the company does not provide loans, advanced payments, or guarantees to members of the Management Board.
2. Harold Goddijn opted to waive his pension rights in line with previous years.
3. The company's pension plan is a Defined Contribution plan with age-defined contribution percentages and a salary cap at €128,810 in 2023. Employee contribution is fixed at 6.1% of pensionable salary.
4. Pension contributions for the Management Board are capped at 20% of gross annual base salary.
5. Only applicable for Alain De Taeye.

SHORT-TERM INCENTIVE

Management Board members participate in the short-term, annual incentive plan. The short-term incentive has an at-target payout level of 80% of base salary for the CEO, and 64% of base salary for other members of the Management Board.

On an annual basis, at the beginning of the year, the Supervisory Board determines the performance criteria for the Management Board. These criteria can be financial criteria, non-financial criteria, or other quantitative or qualitative criteria. They are identified based on TomTom's strategy. Further, the Supervisory Board sets challenging yet realistic target levels for each performance criteria, all in accordance with the Management Board Remuneration Policy.

The performance criteria provide the framework for employee incentive schemes, which are cascaded, with modifications, down by the Management Board to the rest of the company.

Once targets are set, they do not change during the year. Performance is reviewed throughout the year and the final assessment against the targets happening after year-end, with any potential payout occurring during the first quarter of the next financial year. A minimum level of performance must be achieved before any payment under the plan will be made and payout is capped at an outstanding level of performance, known as the maximum.

The performance assessment under the short-term incentive plan is based on an evaluation of the past financial year. The Remuneration Committee investigates, deliberates, and determines the annual incentive of each Management Board member. The Supervisory Board assesses whether the outcome of the calculated payout is justified by the overall business performance and considers its fairness in light of provision 2.135 sub 6 of the DCC. In preparation for that assessment, the Chairs of the Remuneration Committee and the Audit Committee review the final outcomes, including any quality of earnings elements and relevant aspects of operational business performance.

Performance criteria and targets for 2023

The financial performance criteria for the 2023 short-term incentive plan were aligned with the financial guidance given to the financial markets. The targets reflect the importance of balancing targeted growth in key areas, the Location Technology business in specific, overall profitability, and the company's continuing ability to attract and retain the talent it requires.

The revenue metric is specific to Location Technology and excludes revenue from the Consumer business. This metric is an indicator of the company's long-term strategic ambition in the location technology market. It reflects how our customers value our products and TomTom as a partner.

The free cash flow of the TomTom group, including the Consumer segment, is considered as an appropriate indicator for profitability. This metric reflects the emphasis on the company's financial stability and ensures that the company is well-positioned for future key investments.

The non-financial performance criteria is driven by the average results of TomTom's Employee Engagement Score (EES), which is measured twice per year in April and October. The EES is also a material ESG theme as described in the Sustainability chapter.

Management Board Investment Plan

The Management Board Investment Plan 2023 was adopted at the 2023 AGM. This plan enabled Management Board members to forfeit a part or all of their 2022 bonus to invest in and receive TomTom RSUs. This opportunity was extended to all eligible employees.

Participants of the plan are entitled to receive additional RSUs, 15% of their original investment, upon completion of the three-year vesting period. Furthermore, if certain company financial performance criteria are achieved in 2025, participants can receive additional RSUs up to a maximum of 80% of the original investment. For more information, reference is made to the footnotes below the RSUs of the Management Board on page 56.

Assessment and outcome

The performance assessment for the Management Board's STI was 112%. The following table summarizes the performance assessment:

Performance metric	Weighting	Minimum performance (0%)	Target 2023 (100%)	Maximum performance (150%)	% of target
Location Technology revenue	40%	€455 million	€485 million	€500 million	119%
Free cash flow[1]	40%	€0 million	€29 million	€44 million	110%
Employee Engagement Score	20%	72	76	78	100%
Weighted achievement					112%

1. Free cash flow is cash from operating activities minus investments in intangible assets and property, plant and equipment

2023 Location Technology revenue was above the target level with an achievement of 119%.

Free cash flow, adjusted for the cash-out related to the realignment of our Maps organization as communicated in June 2022, was above the target, resulting in a 110% achievement.

The Employee Engagement Score is the average of the survey held in April and November. With a score that was equal to the target for 2023, achievement was at 100%.

The following table summarize the outcome of the assessment.

€ in thousands	Base salary	Target % of base salary	Weighted achievement performance metrics	Actual award 2023
Harold Goddijn	565	80%	112%	505 (89%)
Taco Titulaer	465	64%	112%	332 (71%)
Alain De Taeye	471	64%	112%	336 (71%)

In 2023, no discretion, derogation, or clawback was applicable. Please refer to the Governance section of this Remuneration report for more details.

LONG-TERM INCENTIVE

TomTom's current Long-Term Incentive plan is based on RSUs. RSUs are simple and transparent instruments with relatively predictable grant outcomes for both recipients and shareholders. This predictability makes RSUs superior retention instruments for senior leadership. Hence, RSUs are common in the international technology industry. As regards their inclusion in the Management Board Remuneration Policy, internal consistency is facilitated as RSUs are also the prevalent Long-Term Incentive plan instrument for senior leadership within TomTom.

RSUs build alignment with shareholders by enabling management and employees to build up shareholdings in the company.

The RSU grant target value is 140% of base salary for the CEO and 100% for the other Management Board members. Granted RSUs are subject to certain vesting and holding periods.

Vesting and holding periods

The RSUs have a three-year vesting period, conditional on continued employment, followed by an extended two-year holding period.

Under the current Remuneration Policy, vesting is not dependent on performance conditions and therefore does not comply with best practice provision 3.1.2 v) of the Code. This stems from the fact that the rapidly-evolving nature of the technology landscape in which TomTom operates complicates identification and setting of meaningful long-term performance targets. In designing the updated Remuneration Policy, the Supervisory Board took into consideration stakeholders' preference for performance-based Long-Term Incentives.

Performance underpin

The Supervisory Board has the discretion to not award RSUs in case of exceptional market or business circumstances (performance underpin). At the time of allocation, the Remuneration Committee and Supervisory Board assess whether there are circumstances that would justify adjusting the RSU grant. In addition to the overall financial performance of the company, non-financial aspects are taken into consideration. For example, it is considered whether there have been any major risk management failures, reputational issues, or compliance issues. Additionally, the external context and overall shareholder experience are considered.

Outcome

When considering the RSU allocation in April 2023, the Supervisory Board carefully considered the overall performance of the company, the performance of the Management Board, and the impact of market conditions. Specifically, with reference to the performance underpin condition of exceptional market or business circumstances, the Remuneration Committee examined in detail whether the market conditions were such that the awards should be adjusted, whether there was any factor in the performance of the company that would threaten the sustainable long-term value creation, whether the long-term strategy developed in line with expectations, and looked at the correlation between the rewards of the Management Board and the rest of the company. TomTom continued to have a strong cash position with no debt, enabling continued investing in value-creating R&D and executing on its long-term strategy. There were no risk management failures, nor any reputational or compliance issues, which are other factors that might have been relevant. Therefore, the Remuneration Committee proposed to the Supervisory Board to not withhold or reduce the 2023 RSU grant, as there were no reasons to do so. After due consideration and evaluation the Supervisory Board approved this proposal.

The annual grants are set as a percentage of the fixed salary of the Management Board and the following table provides an overview of the RSU allocation in 2023:

	Base salary (€ in thousands)		Target % of gross annual salary		Value in (€) at grant date[1]		Number of RSUs granted
Harold Goddijn	565	X	140 %	/	7.17	=	110,237
Taco Titulaer	465	X	100 %	/	7.17	=	64,764
Alain De Taeye	471	X	100 %	/	7.17	=	65,618

1. The number of RSUs granted is determined on the basis of the average of the closing prices of TomTom N.V. shares in the 60 days preceding the grant date.

The structure of the Long-Term Incentive plans, and details of movements in grants to the Management Board, are detailed in the tables on the next page. Refer to note 9 of the consolidated financial statements for further information about the stock compensation plans, including employee plans.

DETAILS OF THE RESTRICTED STOCK UNITS OF THE MANAGEMENT BOARD

	Main plan conditions				Information regarding the reported financial year					
	Plan	Grant date	Vesting date	End of holding period[1]	Opening	Movement during the year		Closing		
					At beginning of the year	Granted	Vested	At end of the year	Subject to a holding period[1]	Market value of award at year-end (€)[2]
Harold Goddijn[3]	RSU 2020	29-Apr-20	29-Apr-23	29-Apr-25	83,620	—	83,620	—	41,209	263,119
	RSU 2021	29-Apr-21	29-Apr-24	29-Apr-26	88,420	—	—	88,420	—	—
	RSU 2022	15-Apr-22	15-Apr-25	15-Apr-27	94,393	—	—	94,393	—	—
	RSU 2023	17-Apr-23	17-Apr-26	17-Apr-28	—	110,237	—	110,237	—	—
Taco Titulaer[3]	RSU 2020	29-Apr-20	29-Apr-23	29-Apr-25	49,130	—	49,130	—	23,835	152,186
	RSU 2021	29-Apr-21	29-Apr-24	29-Apr-26	51,950	—	—	51,950	—	—
	RSU 2022	15-Apr-22	15-Apr-25	15-Apr-27	55,456	—	—	55,456	—	—
	RSU 2023	17-Apr-23	17-Apr-26	17-Apr-28	—	64,764	—	64,764	—	—
Alain De Taeye[3]	RSU 2020	29-Apr-20	29-Apr-23	29-Apr-25	49,770	—	49,770	—	24,146	154,172
	RSU 2021	29-Apr-21	29-Apr-24	29-Apr-26	52,630	—	—	52,630	—	—
	RSU 2022	15-Apr-22	15-Apr-25	15-Apr-27	56,186	—	—	56,186	—	—
	RSU 2023	17-Apr-23	17-Apr-26	17-Apr-28	—	65,618	—	65,618	—	—
					581,555	**240,619**	**182,520**	**639,654**	**89,190**	**569,477**

1. Once vested, RSUs are subject to a two-year holding period. Reduction from vested numbers to closing numbers reflect shares sold to cover taxation.
2. The market value of an award at year-end is calculated using as the closing share price on 31 December 2023 of €6.39 multiplied by the number of vested outstanding units.
3. Additionally, the Management Board has invested their 2022 bonus partly in RSUs under the Management Board Investment Plan (Harold Goddijn: 13,990 RSUs, Taco Titulaer: 27,980 RSUs, Alain De Taeye: 20,985 RSUs). The number of RSUs can increase by 15% if the vesting period of three years is completed, and can further increase by an additional 80% if certain company financial performance targets are achieved in 2025.

DETAILS OF THE STOCK OPTIONS OF THE MANAGEMENT BOARD

	Main plan conditions					Information regarding the reported financial year						
	Plan	Grant date[1]	Vesting date	Expiry date	Exercise price (€)	Opening	Movement during the year			Closing		
						At beginning of the year	Expired	Vested	Exercised	At end of the year	Outstanding and vested	Market value of award at year-end (€)[2]
Harold Goddijn	Option 2016	10-May-16	10-May-19	10-May-23	7.58	112,500	112,500	—	—	—	—	—
	Option 2017	10-May-17	10-May-20	10-May-24	9.57	165,000	—	—	—	165,000	165,000	—
	Option 2018	2-May-18	2-May-21	2-May-25	8.13	201,500	—	—	—	201,500	201,500	—
Taco Titulaer	Option 2016	10-May-16	10-May-19	10-May-23	7.58	48,500	—	—	48,500	—	—	—
	Option 2017	10-May-17	10-May-20	10-May-24	9.57	85,000	—	—	—	85,000	85,000	—
	Option 2018	2-May-18	2-May-21	2-May-25	8.13	102,800	—	—	—	102,800	102,800	—
Alain De Taeye	Option 2016	10-May-16	10-May-19	10-May-23	7.58	56,500	56,500	—	—	—	—	—
	Option 2017	10-May-17	10-May-20	10-May-24	9.57	100,000	—	—	—	100,000	100,000	—
	Option 2018	2-May-18	2-May-21	2-May-25	8.13	120,000	—	—	—	120,000	120,000	—
						991,800	**169,000**	**—**	**48,500**	**774,300**	**774,300**	

1. RSUs were introduced in 2019. There has been no grant of stock options to Management Board members since 2018.
2. The market value of an award at year-end is calculated as the closing share price on 31 December 2023 of €6.39, less the strike price to be paid, multiplied by the number of vested outstanding options that are in-the-money. All options that have a strike price higher than the year-end share price are considered to be out-of-the-money on 31 December 2023 and are assumed to have no market value.

SHARE OWNERSHIP GUIDELINES

Share ownership requirements have been set to encourage further shareholding by Management Board members so as to align the Management Board's interests with those of the shareholders. Management Board members are encouraged to build up their shareholding through vested LTI.

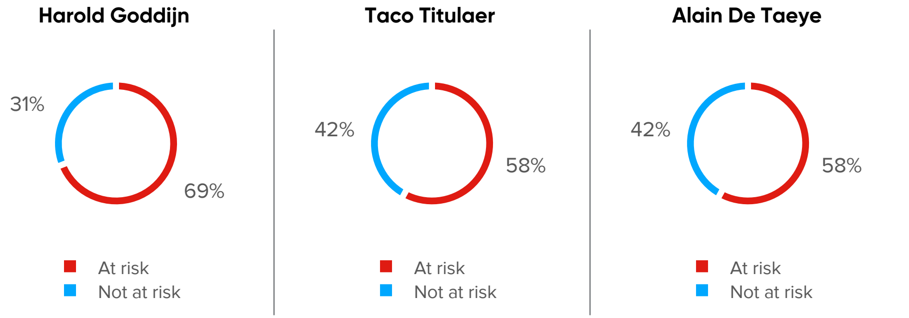
For the CEO, the shareholding guidelines stipulate a minimum of three times the base salary, while for other Management Board members, the minimum requirement is two times the base salary.

Board member	Share ownership guidelines	Shareholding at year-end (number of shares)	Market value of shares at year-end (€ in thousands)[1]	Base salary (€ in thousands)	Number of times base salary
Harold Goddijn	3x base salary	15,452,448	98,664	565	175 x
Taco Titulaer[2]	2x base salary	50,457	322	465	0.7 x
Alain De Taeye	2x base salary	358,650	2,290	471	5 x

1. The market value of shares is calculated based on the closing share price on 31 December 2023 of €6.39.
2. Taco Titulaer started building his share ownership position upon the first RSUs vesting in 2022.

TARGET COMPENSATION MIX

The Remuneration Committee believes that the target compensation mix of Management Board members aligns with the long-term interests of shareholders. The chart below illustrates the target pay that is at risk for the respective Management Board member represented as percentage of the total potential compensation package designed to reward based on company performance.[1]



1. Excluding lease car allowance.

OUTLOOK

The Supervisory Board has been proactive in the monitoring of emerging trends in remuneration, as demonstrated in both the internal and external alignment sections of the Remuneration report.

Specifically, we have been observant of the pay ratio development between the Management Board and the company's senior leadership, and note that the Management Board's total direct compensation persistently remains below the median market level of the peer group. In our discussions in the 2022 Remuneration report and subsequent interactions prior to and following the 2023 AGM, we have acknowledged these observations as well.

Reflecting on these observations, we acknowledge that the remuneration package for the Management Board warrants a more in-depth review and refinement. It is our aim to ensure that our remuneration package serves its purpose of attracting and retaining high-quality executive talent in an effective manner.

To this end, we decided to conduct a thorough review and peer benchmarking exercise, supported by an external advisor. We explored stakeholder views, societal trends, market practices, and Dutch corporate governance, and sought input from Management Board members on remuneration.

Consequently, we will be submitting an updated Remuneration Policy to the 2024 AGM.

FOR MORE INFORMATION

Management Board Remuneration

COMPARATIVE INFORMATION

For the purpose of reviewing the five-year development of Management Board remuneration and company performance, the Remuneration Committee has decided to take the metrics of Location Technology revenue, group free cash flow generation, and the year-end share price as appropriate measures of company performance.

The following table shows the remuneration and company performance over the last five reported years, compared with the immediate preceding years.

Management Board remuneration[1]

€ in thousands and as a % compared to previous year	2019	2020	2021	2022	2023
Harold Goddijn	1,551	1,151	1,356	1,686	1,845
YoY	-2%	-26%	18%	24%	9%
Taco Titulaer	1,095	852	1,009	1,234	1,406
YoY	12%	-22%	18%	22%	14%
Alain De Taeye	1,172	907	1,046	1,270	1,422
YoY	-1%	-23%	15%	22%	12%
Total	**3,819**	**2,910**	**3,411**	**4,190**	**4,674**
YoY	**2%**	**-24%**	**17%**	**23%**	**12%**

Average remuneration[1] **per FTE**

€ in thousands and as a % compared to previous year	2019	2020	2021	2022	2023
Global employees	57	57	60	72	78
YoY	5%	0%	5%	21%	8%

Company performance measures

€ in millions and as a % compared to previous year, unless stated otherwise	2019	2020	2021	2022	2023
Location Technology revenue	426	392	394	436	491
YoY	14%	-8%	0%	11%	13%
Free cash flow[2]	70	-26	24	-29	32
YoY	-52%	-138%	192%	-224%	210%
Share price (€)[3]	9.42	8.44	9.11	6.49	6.39
YoY	19%	-10%	8%	-29%	-2%

1. Excluding the cost of social security.
2. Free cash flow includes cash flows relating to the Telematics segment up to 31 March 2019, the effective date of sale, for 2022 the cash related to our Maps restructuring is excluded.
3. Share price as of 31 December.

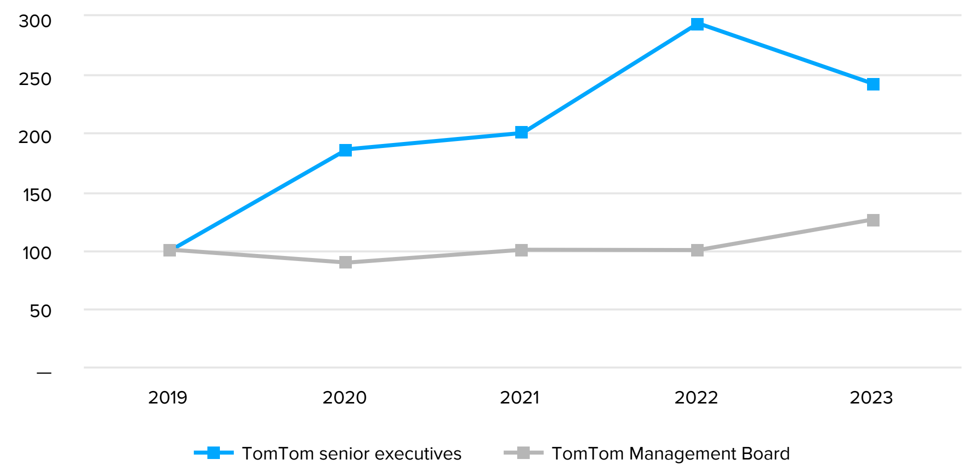
In the period between 2020 and 2021, TomTom's performance was negatively impacted by the global COVID-19 pandemic and semiconductor supply chain shortages, respectively. These especially impacted Automotive revenues and free cash flow generation. Total remuneration of the Management Board developed in line with this. Remuneration per employee remained relatively stable over this period.

In 2022, the remuneration of the Management Board as well as for employees globally, increased as a result of a higher bonus payout. In 2023, remuneration increased mainly as a result of an increase in base pay.

TomTom executives and potential hires

To realize our strategic objectives, TomTom continued to hire executives. Over the past years, we witnessed the competition for talent and candidates' financial expectations growing exponentially, with the Long-Term Incentive becoming an increasingly significant part of senior management remuneration packages. Consequently, while the average RSU grant value per average TomTom executive tripled between 2019 and 2022, the average grant value for the Management Board remained roughly stable. For 2023, we note that the gap in the development of RSU values between the Management Board and senior executives decreased slightly. This is due to our conscious efforts to offer more balanced RSU packages as part our ongoing hiring commitments. Accordingly, the Long-Term Incentives variable pay ratio between the Management Board and senior executives is becoming more appropriate, yet remains a topic of vigilance.

The development of average RSU grant value[1] **(based on share price at grant date) of TomTom executives (~60 employees) and Management Board**



[1] Indexed, with average RSU grant value in 2019 set at 100.

GOVERNANCE

This Remuneration report describes the process that has been followed by the Remuneration Committee in relation to the implementation of the Remuneration Policies over the given financial year, and, if applicable, any proposed revision of the Remuneration Policies. Every year, the implementation of the Remuneration Policies, through the Remuneration report, is put forward for an advisory vote to the AGM (in line with article 2:135b sub 2 of DCC). At our 2023 AGM, approximately 88% of votes cast were in favor of our 2022 Remuneration report.

Deviation from Remuneration Policy

The Remuneration Committee did not deviate from its decision-making process in relation to the implementation of the Remuneration Policy nor derogate from clauses 6 up to and including 11 of the policy. However, we do acknowledge that the outcome of the benchmarks performed in recent years indicate that the total compensation of each of the Management Board members is not in line with the objective to target total compensation around the third quartile of comparable companies.

Revision and claw-back of variable pay

The claw-back provision as reflected in the Remuneration Policy is in accordance with Dutch law and forms an integral part of Management Board members' employment. No variable remuneration was clawed back in 2023.

Decision making

The Remuneration Committee investigates, deliberates, and determines the annual incentive of each Management Board member. The Supervisory Board assesses whether the outcome of the calculated payout is justified by the overall business performance and considers its fairness in light of provision 2:135 sub 6 of the DCC. In preparation for that assessment, the Chairs of the Remuneration Committee and the Audit Committee review the final outcomes, including any quality of earnings elements and relevant aspects of operational business performance.

Change of control

In case of a change of control, the Supervisory Board may determine that any Long-Term Incentives, granted to a Management Board member, shall be (deemed to be) vested, and exercisable if applicable, immediately prior to and conditional upon such change of control, or during such period after the change of control as the Supervisory Board may specify. Failing exercise in such change of control event, previously granted stock options will lapse.

Severance compensation

In the event that a Management Board member's employment is terminated by, or on the initiative of, the company, the Management Board member is entitled to a severance payment limited to 50% of one year's base salary, unless a higher statutory severance compensation applies.

These terms will not apply if the Management Board member's employment is terminated for any reason as set out in articles 7:677 (1) and 7:678 of the DCC. In such situations, the Management Board member will not be entitled to any severance compensation. A member of the Management Board will not be entitled to severance compensation if employment is terminated by themselves, or on their own initiative.

REMUNERATION OF THE SUPERVISORY BOARD

This section provides an overview of the Remuneration Policy for TomTom's Supervisory Board. This Remuneration Policy was adopted by the General Meeting in 2020.

The objective of the Remuneration Policy for the Supervisory Board is to provide remuneration in a manner that:

- qualified and expert persons can be recruited and retained as members of the Supervisory Board with the right balance of personal skills, competencies, and experience required to oversee the (execution of the) company's strategy and performance;
- intends to reward Supervisory Board members for utilizing their skills and competences to the maximum extent possible to execute the tasks delegated to them including but not limited to tasks and responsibilities imposed by the DCC, the Code, and the Articles of Association;
- as a guiding principle, should reflect the median of relevant Dutch peers' pay practice for comparable roles; and
- reflects the company's size and complexity, as well as the responsibilities of the role and the time spent.

OVERVIEW OF REMUNERATION

Given the nature of the responsibilities of the Supervisory Board as an independent body, remuneration of the Supervisory Board is not tied to the performance of the company and only comprises fixed remuneration.

In addition to a fixed fee, the members of the Supervisory Board are provided with a committee fee and intercontinental travel compensation. Other than the introduction of the intercontinental travel compensation in 2019, the Supervisory Board fees have not changed over the last ten years. Therefore, the Supervisory Board fees will be reassessed with the peer group benchmark in 2023. Payment of the remuneration is done in Euro. Currency conversion risks are for the account of the member of the Supervisory Board.

The rates of compensation for 2023 are as follows:

(€)	Chair	Member
Supervisory Board	50,000	40,000
Audit Committee	10,000	7,000
Remuneration Committee	7,000	4,000
Selection and Appointment Committee	7,000	4,000
Intercontinental travel allowance per travel occurrence		3,000

Members of the Supervisory Board are not authorized to receive any payments under the company's pension or variable pay schemes or under any Long-Term Incentive plan. No shares or rights to shares were granted to a Supervisory Board member by way of remuneration. At present, none of the Supervisory Board members own any shares in the company. Members of the Supervisory Board are not entitled to any benefits upon the termination of their appointment and no loans are made to any members of the Supervisory Board.

The following table provides an overview of the actual remuneration of the Supervisory Board in 2023 and prior years:

(€)	2023	2022	2021	2020	2019
Derk Haank[1]	61,000	64,370	61,000	64,733	56,000
Jack de Kreij[2]	50,000	50,767	50,000	50,000	50,000
Michael Rhodin[3, 4]	59,000	53,767	53,000	50,602	62,000
Marili 't Hooft-Bolle[5]	51,000	26,492	—	—	—
Gemma Postlethwaite[4, 6]	59,000	11,750	—	—	—
Jacqueline Tammenoms Bakker[7]	—	14,733	51,000	51,000	51,000
Hala Zeine[7]	—	13,578	47,000	10,183	—
Karien van Gennip[8]	—	1,333	8,000	—	—
Previous members	—	—	—	12,664	74,000
Total	**280,000**	**236,790**	**270,000**	**239,182**	**293,000**

1. Derk Haank temporarily joined the Audit Committee replacing Hala Zeine, increasing his remuneration in 2022.
2. Jack de Kreij temporarily joined the RemCo replacing Jacqueline Tammenoms Bakker, increasing his remuneration in 2022.
3. Michael Rhodin temporarily joined the SelCo replacing Jacqueline Tammenoms Bakker, increasing his remuneration in 2022.
4. Michael Rhodin and Gemma Postlethwaite are eligible for intercontinental travel allowance.
5. First appointed on 24 June 2022.
6. First appointed on 1 October 2022.
7. Stepped down as per 14 April 2022.
8. Stepped down as per 10 January 2022.

FOR MORE INFORMATION

Supervisory Board Remuneration

STAKEHOLDER ENGAGEMENT

The perspectives of TomTom stakeholders and the overall social and business context are taken into consideration by the Remuneration Committee when developing, reviewing, and implementing the Remuneration Policy for TomTom's Management Board and the Remuneration Policy for TomTom's Supervisory Board. The Remuneration Committee is committed to continuously improving the dialogue about and transparency regarding Management Board remuneration.

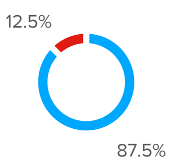
Shareholders

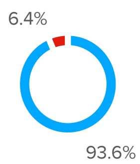
In 2023, TomTom maintained its commitment to fostering an open and ongoing dialogue with its shareholders. TomTom maintains the Policy on Bilateral and Other Contacts with Shareholders, which outlines the principles of communications with potential shareholders, in accordance with best practice provisions (4.2.2) of the Code. We continued to strengthen our shareholder engagement and governance, underlining our commitment to a transparent and inclusive approach to corporate governance.

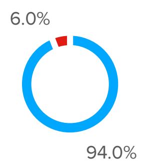
Support for our remuneration in recent years has been strong:

	AGM 2023 Voting Item	AGM 2022 Voting Item	AGM 2021 Voting Item
	Remuneration in the financial year 2022	**Remuneration in the financial year 2021**	**Remuneration in the financial year 2020**
Votes	87,743,277	93,743,212	86,245,711

For
Against



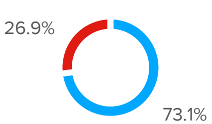


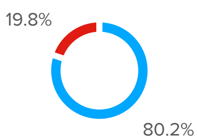


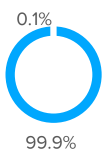
In addition, the chart below illustrates shareholders' voting behavior on our remuneration-related proposals in recent years:

	AGM 2023 Voting Item	AGM 2020 Voting Item	AGM 2020 Voting Item
	Amendment to Remuneration Policy for the Management Board	**Adjustment of the Remuneration Policy for the Management Board**	**Adjustment of the Remuneration Policy for the Supervisory Board**
Votes	91,398,738	87,756,952	87,745,938

For
Against







Investor organizations/proxy advisors

In 2023, the Remuneration Committee maintained its dialogue with representatives of various investor organizations and proxy advisors (Eumedion, ISS, Glass Lewis, VEB) to facilitate an open and effective discussion concerning Management Board remuneration. The Remuneration Committee and the Supervisory Board highly appreciate these constructive and transparent dialogues.

In relation to the Remuneration report, the recommendations were:

i) to disclose the pay ratio between the Management Board and the employees (ISS);

ii) to ensure adequate disclosures in the Remuneration report on the selection of the peer group in relation to the benchmarking exercise (ISS);

iii) to improve future remuneration policies' support for long-term value creation (Eumedion), and

iv) to review the present structure of the LTI for the Management Board, taking into account various criteria, including factors relating to performance (ISS, VEB).

Addressing i), we have been continuously disclosing the average total compensation of the total global employee workforce, relative to the total remuneration package of the CEO and the total Management Board remuneration.

As part of the forthcoming Remuneration Policy update, we have conducted an extensive review of the peer group and will adequately report on this exercise in our Remuneration Policy submission to the 2024 AGM, aiming to address item ii).

We have carefully reflected upon the 2023 AGM voting outcomes regarding the amendments to the Remuneration Policy, as well as our stakeholders' input mentioned under points ii) and iv). As a result, the Supervisory Board and the Remuneration Committee intend to present an updated Remuneration Policy for voting at the 2024 AGM, whereby we also aim to explore the potential to include additional ESG-related performance targets into the Management Board's LTI, while also taking steps to evolve the LTI plan towards a more performance-driven approach.

Works Council

Both the Management Board and the Supervisory Board communicate openly with the Dutch Works Council. Members of the Works Council have the opportunity to raise and discuss matters, including the Remuneration Policy and its application or any other matter that requires attention, both within and outside the regular meeting schedule (bi-annually with the Supervisory Board and quarterly with the Management Board).

Public perception

The Supervisory Board monitors the societal implications of general remuneration trends and perspectives globally and locally. In general, Management Board remuneration at TomTom is not a publicly debated topic.

Achieving adaptability through sound risk management and internal control

The environment in which TomTom operates provides both significant opportunities as well as risks. This is due to continuous technological developments, the competitive landscape, geopolitical tensions, and a shift towards a more sustainable planet. In order to take advantage of our opportunities we will need to execute on our product roadmap and expand our long-term strategic partnerships, supported by strong controls and transparent reporting. TomTom's risk management approach is designed to identify and assess opportunities and risks as early as possible and to take appropriate measures in order to seize opportunities and limit business losses. The aim is to manage risks that pose a threat to TomTom's future and to strengthen our ability to create sustainable long-term value.

ESTABLISH STRONG RISK MANAGEMENT

Our risk management framework is designed to identify and address the strategic risks related to the development of new products and our core markets as well as all other risks that can impact our business like operational, people, financial, legal and compliance and sustainability risks.

Assurance on the effectiveness of controls is obtained through, among others, management reviews, monitoring dashboards, self-assessments, internal audits, and the testing of certain aspects of our internal financial control systems.

Our systems are designed to manage, rather than eliminate, the risk that we fail to achieve our business objectives and can provide reasonable, but not absolute, assurance against financial loss or material misstatements in the financial statements.

The key features of our systems of Internal Control are:

- defined lines of accountability and delegation of authority;
- transparent reporting with analysis on actual results, budgets, and forecasts;
- assurance that appropriate infrastructure, controls, policies, procedures, systems, and people are in place throughout the business;
- organizational design that supports business objectives and a culture that encourages open and transparent communication;
- an ESG Committee, supported by Senior Leadership, which initiates, drives, and coordinates ESG strategy development, policy setting, disclosures, and planning of programs and activities related to our commitments;
- a Code of Conduct and whistleblowing (Open Ears) facilities accessible to all staff as well as periodic fraud risk assessments, including bribery and corruption risk, which are discussed with business process owners and reported to the Management Board;
- financial shared service center with a centralized Enterprise Resource Planning environment that allows us to apply consistent levels of control for all regions;
- centralized Treasury operations that manage cash balances and exposure to credit default and currency risks through Treasury policies, risk limits, and monitoring procedures;
- strong tax compliance and correct local filings, enabled by TomTom's centralized organization and supported by local advisors; and
- our control environment is supported by automation and strong IT tooling.

Reviews of the internal risk management and control systems were discussed quarterly with the Audit Committee and Supervisory Board. No major failures were identified.

The Management Board concluded that the systems continue to provide reasonable assurance that the financial statements do not contain material misstatements and that no material changes to the control framework were required.

DEFINE RISK APPETITE

Our willingness to assume calculated risks and uncertainties (the risk appetite) differs for each category. Our risk appetite is determined by considering the opportunity in relation to the potential threats to achieving our strategic objectives. The level of the company's risk appetite gives guidance as to what detailed level TomTom will take measures to control such uncertainties.

The risk overview table highlights the appetite and the potential impact on the group's strategic, people, financial, legal and compliance, sustainability, and operational objectives if one or more of the main risks were to materialize. Our risk assessment is done by estimating the total impact of an event given that it occurred, with a 90% confidence interval. The likelihood of a risk occurring is also disclosed. The risk impact shown relates to residual risk. This means that the risks are described after taking the risk response into consideration.

ASSESS RISKS AND RISK RESPONSE

Strategic risks and opportunities are analyzed regularly, as core technologies' value streams are reviewed and critical developments are monitored continuously. This process is facilitated by our Product Office. Operational, people, financial, legal and compliance, and sustainability risks are monitored by our corporate risk management function. The corporate risk management function meets regularly with the Product Office to ensure alignment and information sharing.

The risk management function considers its risk appetite, seeking to manage risk according to the risk appetite. The identified risks and mitigating actions are expanded and cascaded to specific units.

Trends on impact and likelihood are monitored. A single owner is assigned responsibility for each identified risk, which helps to ensure clear accountability for mitigating actions. The output from the risk management process is discussed at least annually with the Management Board and is input to annual budgets and long-term planning.

REPORT ON RISKS AND RISK TRENDS

The Audit Committee and the Supervisory Board fulfill their oversight responsibilities in relation to risk reporting and trend monitoring. The group risk process and the outcome thereof as well as internal audits, external audits, and management self-assessment on controls are reported to and discussed by the Audit Committee.

The overview of the group risk profile reflects the risks that we believe are most relevant to the achievement of our strategy over a horizon of at least twelve months. The order does not reflect importance, vulnerability, or materiality. The overview is not exhaustive as there may be risks currently not known to us or not deemed to be material. The overview should be considered in connection with the forward-looking statements.

RISKS REDUCED IN 2023

The Consumer business depends on its supply chain. Our Consumer team continuously monitors the supply chain to ensure sufficient supply. In recent years, we experienced supply chain risks, especially in relation to semiconductors. Currently, we do not expect supply chain risks to significantly impact our Consumer business in the foreseeable future, hence we removed "Supply chain disruption risk" from the overview.

We have also removed "Reputation damage risk" from the overview. This risk was deemed generic and is therefore incorporated in other risks, as disclosed below.

EMERGING RISKS IN 2023

2023 saw explosive growth in both the capabilities and adoption of generative AI. The expected disruption from generative AI is significant, both due to altering market conditions as well as organizational changes. Further adoption of AI at TomTom could enable increases in productivity and innovative ability, though it could also lead to re-skilling efforts to address shifting talent needs.

We also assessed the implications of a continued rise in interest rates on the valuation of our assets and liabilities, including goodwill, on our balance sheet. This assessment did not result in any impairment or other material change in the valuation of our assets and liabilities, except for a decrease in the value of our defined benefit pension obligation. More details on our goodwill impairment test can be found in note 13.

SUSTAINABILITY RISKS AND OPPORTUNITIES

TomTom assessed climate risk, including the risks associated with our ESG commitments and the impact of climate change. Where relevant, we have incorporated ESG-related matters in our risk overview, especially in relation to our people and information security risk. Specific ESG risks are reported in a separate sustainability category.

Also, some identified risks might bring associated climate-related opportunities, as some of our products and services (e.g., traffic, EV Routing and Range, and ADAS) are enablers for others to reduce emissions, as further described in the Sustainability chapter. We will continue to assess climate risk and opportunities on an ongoing basis.

Category	Risk		Impact	Likelihood	Trend	Appetite
Strategic	Failure to commercialize our new mapmaking platform		M	L	→	M
	Failure to grow our Location Technology business		H	M	→	H
Operational	Service availability issues		H	L	→	M
	Generative AI and automation	ESG	M	M	★	L
People	Inability to maintain employee engagement and well-being	ESG	M	M	★	M
	Diversity, equity, and inclusion	ESG	M	L	★	L
Legal and compliance	Information security risk	ESG	H	M	→	L
	Customer privacy and changing regulatory requirements	ESG	H	L	→	L
	Intellectual property claims		M	L	→	L
Financial	Further adverse changes in macroeconomic conditions		M	H	→	L
Sustainability	Climate-related risk	ESG	M	M	★	L

Legend

H	High	ESG	ESG-related risk
M	Medium	★	New risk
L	Low	→	Unchanged risk
		↑	Increased risk
		↓	Decreased risk

Risk	Trend	Description	Opportunity/Response
Strategic			
Failure to commercialize our new mapmaking platform		Map content needs to be constantly updated and enhanced, reflecting changes in the world in near real-time and with high accuracy to meet the continuously increasing needs of our existing and future customer base. In 2023, we launched our new TomTom Orbis Maps, built on a common, shared data standard that we promote through the Overture Maps Foundation. Our aim is for customers and prospects to leverage our maps and adopt this standard. If we are unable to provide added value to our customers and further develop our new TomTom Orbis Maps at sufficient quality, coverage, freshness, and costs, and if we are unable to further bolster and automate our map creation, maintenance and delivery platforms, our map-based business may be materially adversely affected.	Our new mapmaking platform and approach to mapmaking greatly improve our mapmaking capabilities and allows us to create maps that are vastly improved, enabling us to unlock new markets and service new customers at reduced cost. We will continue to invest in our maps to ensure they meet the needs of our existing and future customer base. The transition to the new TomTom Orbis Maps and its customer acceptance is overseen by our Management Board, with clear goals and milestones in place. Importantly, we are also continuing to work on establishing and promoting a universal location data standard, as one of the founding members of the Overture Maps Foundation, together with various leading technology companies. As we aim to minimize our impact on the planet in developing and maintaining our map we work with our Tier-1 cloud providers and we ensure that their environmental commitments are in line with our own.
Failure to grow our Location Technology business		While there continues to be a strong demand for location technology from both vehicle-based use cases as well as broader technology applications, we operate within a market characterized by continuous evolution. Major players in the technology industry have ventured into the automotive sector. They have launched solutions ranging from vehicle dashboards and infotainment systems to autonomous and electric vehicles. With the transformation of cars into sophisticated computing platforms, large technology companies might attempt to capitalize on this transition, leading to increased competitive pressures.	TomTom has extensive experience in the location technology market and we are committed to positioning TomTom in a manner that addresses the future needs of our customers and allows us to effectively pursue new opportunities. With our technological and innovative capabilities, we continuously develop new product and service offerings to take advantage of new opportunities in the area of location-based technologies. These include innovations in areas of mapping and map display, supporting use cases such as food delivery, fleet and logistics, ride-hailing, EV services, and ISA.
Operational			
Service availability issues		We provide customer-facing services that are expected to be fully accessible and usable on a continuous basis. These services include live traffic and travel-related information, online location-based services, and sales of other live products via our website. To provide these services to our customers we rely on our own, as well as outsourced, information technology, telecommunications, and other infrastructure systems. A significant disruption to the availability of these systems could cause interruptions in the availability of our services to customers that may cause reputational damage and could trigger contractual penalties, which could in turn, have a material adverse effect on our financial condition and the results of our operations.	Revenue-generating and customer-facing services are supported by infrastructure running with Tier-1 cloud providers. We make use of the cloud providers' native infrastructure resiliency measures, such as the use of availability zones and multi-region deployments. Any remaining on-premise network infrastructure dependencies are being addressed in consultation with our customers. In addition, we continue to invest in industry standard observability and site reliability engineering best practices to further improve the online availability of our products and services.
Generative AI & Automation		Generative AI can lead to competitive disruption if competitors moves faster in embedding AI in their product offering and creates superior products or services. In addition, generative AI and automation may lead to changes in job roles and responsibilities, potentially resulting in job displacement, job losses, or a shift in required skill sets.	We are committed to infuse generative AI into our products and operations, improving efficiency, fostering innovation, and expanding generated customer value. At the same time, we prioritize data governance and offer guidelines for responsible AI to minimize the risks associated with AI and empower our teams with the tools and knowledge for effective and responsible usage of AI.

Risk	Trend	Description	Opportunity/Response
People			
Inability to maintain employee engagement and well-being ESG	★	Our markets are characterized by rapid technological change, which challenges us to sell and deliver highly competitive products and services on an ongoing basis. In order to be a market leader in our industry, we need to have a diverse group of talented people with the right skills collaborating effectively with one another. Inadequate efforts to support employee well-being and opportunities may negatively impact the company's ability to attract, retain, and motivate skilled employees which can result in high turnover and, consequently, reduced innovation and lower productivity.	TomTom positively impacts employee well-being, not only through the creation of job opportunities, maintenance of fair compensation, and promotion of attractive working conditions, but also by providing opportunities for employees to find their purpose and make meaningful impact. In our ambition to be the employer of choice in technology, our rigorous recruitment process aims to attract the best talent. We continuously monitor our employees' engagement and have programs in place to promote and maintain engagement, leading to stronger talent retention. An important driver of engagement is the success and impact of the products we develop, as these can have a positive impact on people's lives (e.g., less traffic incidents, reduced CO_2 emissions, convenient routing).
Diversity, equity, and inclusion ESG	★	The absence of workplace policies and procedures that safeguard and promote DEI, or breaches in such policies and procedures, can result in significant damage to a company's reputation and affect how various stakeholders, including prospective and current employees, customers, and regulators, perceive the organization. This can also impede the company's ability to attract and retain top talent, ultimately hindering innovation and creativity.	Companies perceived as being more diverse are likely to see increased brand loyalty from customers as well as increased attractiveness as an employer. In addition, it is important to note that we recognize the benefits of strong DEI practices in the improved engagement of TomTom'ers, with their performance being bolstered by a work environment in which they are respected, treated with fairness, and can feel free to express themselves and bring their ideas to the table.
Legal and compliance			
Information security risk ESG	→	Our business operations and reputation are substantially dependent on our ability to maintain the confidentiality, integrity, and availability of information as regards to customers, employees, suppliers, proprietary technologies, intellectual property, and business processes. Additionally, the volume and sophistication of information security ('cybersecurity') threats as well as regulatory requirements continue to grow. The inadvertent disclosure of confidential information, unauthorized access to our systems and networks, defective products, and sanctions potentially imposed by regulators could adversely affect our business and reputation and have a material adverse effect on our financial condition and the results of our operations.	We have in place a global information security organization, as well as a policy and control framework that governs and defines our procedures for mitigating risks in our engineering efforts, operations, and products using a risk-based approach, based on ISO information security standards. We consistently improve on, strengthen, and invest in our cyber-defense capabilities, including our ESG commitment to continuously train our developers and staff, to keep pace with the evolving threats facing our company.
Customer privacy and changing regulatory requirements ESG	→	We provide location-based products and services to our customers. Due to growing public awareness and increased regulatory scrutiny, compliance with privacy regulations, and customer expectations is increasingly important in maintaining our competitive position. Various governments across the globe have adopted or are in the process of adopting privacy regulations, and it is imperative for data-dependent companies to comply with them. Further, the handling of data requests from law enforcement and intelligence services bodies remains an important topic for companies, especially for those operating at an international scale. Depending on the country and cultural background, these requests could raise additional concerns regarding the use of our products and services.	Inherent in the design and operation of our products and services, we apply a privacy-by-design approach to ensure that our Privacy Principles, as well as the obligations arising from applicable privacy laws and regulations, are structurally adhered to throughout our products, services, and operations. We see various opportunities in the future owing to customers increasingly valuing our privacy-by-design approach and data protection philosophies. Next to that, we have further invested in our Compliance Management Framework and strengthened data ownership as well as the reporting and communication thereon. Please refer to the Information Security and Data Privacy section for more information.

Risk	Trend	Description	Opportunity/Response
Intellectual property claims		We rely on a combination of trademarks, trade names, patents, confidentiality and non-disclosure agreements, copyrights, and design rights to defend and protect our trade secrets and the intellectual property inherent to our expanding range of products and services. We may be faced with claims that we have infringed on the intellectual property rights or patents of others. Should claims be asserted against us, these may result in us being ordered to pay substantial damages or forced to stop or delay the development, manufacturing or sale of infringing products. Any such outcome could have a material adverse effect on our financial condition and the results of our operations. Furthermore, even if we were to prevail, any litigation could be costly and time-consuming.	We have a dedicated intellectual property team responsible for the protection of our products and services against unauthorized use by third parties. By investing in research and development and obtaining and enforcing intellectual property rights, such as patents and trademarks, we can prevent the competition from reproducing our unique products and services. Over time, we have developed a reputation for strongly defending our position in all intellectual property litigation, including against non-practicing entities (NPEs).
Financial			
Further adverse changes in macroeconomic conditions		Adverse changes to economic conditions could result in continued inflation, reduced customer spending, or increased foreign exchange risk. High inflation can have a significant impact on TomTom due to the long-term nature of our contracts and there being potentially limited possibilities to increase pricing terms to offset increased cost due to wage inflation.	We have a relatively resilient business model with a strong Automotive backlog. Our offers are competitive in the markets in which we operate. We are supporting our business customers' goals, adding value by enhancing their offerings and enabling operational efficiencies. We have no debt and a strong cash position which allows us time to adjust our pricing and cost base. We manage foreign currency transaction risk mainly through forward contracts to cover forecasted net exposures.
Sustainability			
Climate-related risk ESG		Climate change can pose both physical as well as transition risks to our business. The increasing occurrence and severity of extreme weather events like heatwaves, droughts, floods, and wildfires can have a negative impact on our customers, and potentially on our revenue and operations. Additionally, regulatory measures aimed at addressing climate change, such as the implementation of carbon pricing measures and imposition of restrictions on the production and sales of internal combustion-propelled vehicles may disrupt the broader mobility industry and customer preferences. On the other hand these changes may also bring new mobility use cases for our products and services to support.	We are in the process of carrying out more in-depth analyses of the physical risks of climate change and we continue to monitor both risks and opportunities arising from climate change and the transition to a low-carbon economy. Our business is driven by the localization and mobility needs of people and businesses, and we have a broad set of products and services in place that support a growing number of increasingly sophisticated use cases. As a result, TomTom remains well-positioned to monetize these trends in case consumer behavior or choices change. We are constantly exploring opportunities to innovate and grow in newly-emerging customer needs in the location and navigation space.

Consistent and transparent reporting

We maintain an open dialogue with investors and analysts, and have an extensive communication program that includes the General Meeting, roadshows, conferences, webcasts, and in-house meetings. Related events are reported on our Investor Relations website.

We strictly adhere to applicable legislation on fair disclosure. We aim to inform stakeholders about TomTom and its management, strategy, goals, and expectations in a transparent, timely, and consistent manner. Contact with investors and analysts is conducted in compliance with applicable rules and regulations, in particular those concerning market abuse, inside information, and equal treatment. For more information, please refer to our Policy on bilateral and other contacts with shareholders.

Our Investor Relations website contains information about TomTom. Investors and analysts are encouraged to visit the Investor Relations website regularly for coverage of the share price, shareholder meetings, financial results, press releases, presentations, webcasts, and relevant events.

CLOSED PERIOD

During a closed period prior to the publication of the quarterly results, we do not engage in discussions with analysts, investors, and financial journalists or give presentations at investor conferences.

FINANCIAL CALENDAR 2024

Our financial calendar can be found on our website. The scheduled dates for earnings releases are as follows:

Date	Event
2 February 2024	Publication Q4 and FY 2023 results
17 April 2024	Publication Q1 2024 results
17 April 2024	Annual General Meeting
15 July 2024	Publication Q2 2024 results
11 October 2024	Publication Q3 2024 results

DIVIDEND POLICY

TomTom's current dividend policy is not to distribute dividends. The company gives priority to increasing technology investments to strengthen its capabilities and competitive position. The company believes that allocating its cash resources to these priorities serves shareholders' interests and the company's objective of sustainable long-term value creation.

SHAREHOLDER STRUCTURE

An overview of the company's shareholders with a holding (voting rights) of 3% of the issued capital or more can be found in the Corporate Governance section. The following table shows the company's ordinary shareholder structure as at 31 December 2023:

	Number of shares	% of total
Harold Goddijn	15,452,448	11.7%
Corinne Vigreux	14,982,531	11.3%
Peter-Frans Pauwels	14,702,531	11.1%
Pieter Geelen	14,140,030	10.7%
Total founders	**59,277,540**	**44.8%**
Free float	68,371,770	51.7%
Treasury shares[1]	4,717,362	3.6%
Total shares outstanding	**132,366,672**	**100%**

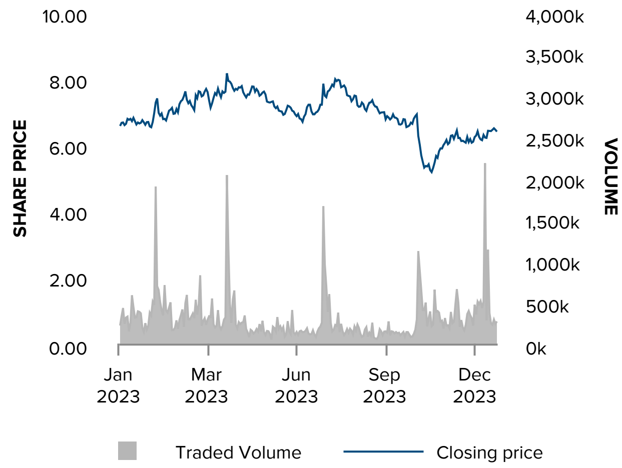
1. Treasury shares are related to TomTom's share buyback programs. Shares purchased as part of the 2023 program are intended to be canceled, subject to shareholder approval.

LISTING

TomTom N.V. shares are traded on Euronext Amsterdam in the Netherlands under the symbol TOM2. The company is included in the Amsterdam Small Cap Index (AScX).

SHARE PRICE

The graph below shows TomTom's share price development during 2023.



Management Board statements

The Management Board report (consisting of pages 3 up to and including 40, page 62 up to and including 70, and page 119 up to and including 132), and such parts of the financial statements as referred to in the Management Board report, comprise the 'Bestuursverslag' within the meaning of article 2:391 of the DCC.

IN CONTROL AND RESPONSIBILITY STATEMENT

The Management Board states, in accordance with best practice provision 1.4.3 of the Code, that:

- the Management Board report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems with regard to the risks as referred to in best practice provision 1.2.1. In the 2023 financial year no major failings have been detected;
- the risk management and control systems provide a reasonable assurance that the 2023 financial statements do not contain any errors of material importance. Details are set out in the Risk management and control section;
- based on TomTom's current state of affairs, it is justified that the financial reporting is prepared on a going concern basis. This is based upon the strong cash position and the expected medium- and long-term free cash flow generation of the company as well as the risks and opportunities facing the company. Commentary on the company's cash flow, liquidity, and financial position is set out in the Financial Review. The financial risk management is set out in note 27 of our consolidated financial statements; and
- the Management Board report discloses all material risks and uncertainties, as referred to in the best practice provision 1.2.1, that are relevant regarding the expectation as to the continuity of TomTom for the 12-month period after the date of issue of this Management Board report.

The Risk management and control section of the Management Board report provides a clear substantiation of the above mentioned statement.

With reference to section 5:25c sub 2c of the Financial Markets Supervision Act, the Management Board states that, to the best of its knowledge:

- the annual financial statements give a true and fair view of the assets, liabilities, financial position, and loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Management Board report provides a fair view of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the company faces.

CORPORATE GOVERNANCE STATEMENT

The information required to be included in this Corporate Governance Statement as described in articles 3, 3a, 3b and 3d of the Dutch Decree on the contents of Directors' Report (the Decree) are incorporated in the Management Board report and the Supervisory Board report sections.

The main characteristics of the company's internal risk management measures and control systems connected to its financial reporting process, as required by article 3a sub a of the Decree, are described in the In Control and Responsibility Statement.

OUR COMPLIANCE WITH THE CODE

TomTom complies with all the relevant best practice provisions of the Code, with the exception of best practice provisions 3.1.2 (v) and 4.3.3. The nature of and reasons for these deviations are explained below.

Best Practice Provision 3.1.2 (v)

Best practice provision 3.1.2 (v) provides that the variable remuneration component shall be linked to measurable performance criteria determined in advance, which shall be predominantly long-term in character.

TomTom deviates from best practice provision 3.1.2 (v) to the extent that it does not link its Long-Term Incentive to predefined performance criteria. All RSUs granted under the Management Board Restricted Stock Unit Plan shall be granted conditional to continued employment of the Management Board members only. These grants have a vesting period of three years, with a subsequent two-year shareholding requirement. In addition, share ownership requirements have been set to encourage future shareholding for all Management Board members. The Supervisory Board reserves the right to decide not to award RSUs in a given year in case of exceptional market or business circumstances. The reason for this deviation is that it has proven difficult to set meaningful long-term performance targets in our rapidly evolving, dynamic market environment.

Best Practice Provision 4.3.3

Best practice provision 4.3.3 provides that the General Meeting may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the Management Board or the Supervisory Board and/or a resolution to dismiss a member of the Management Board or of the Supervisory Board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, the proportion of which may not exceed one third.

Our Articles of Association provide that a binding nomination for the appointment of Management Board or Supervisory Board members may only be set aside by a resolution of the General Meeting passed with a two-thirds majority representing more than 50% of its issued share capital. The same provision applies to any resolution to dismiss a member of the Management Board or of the Supervisory Board.

The reason for this deviation is that the company believes that maintaining continuity in its Management Board and Supervisory Board is critical for delivering sustainable long-term value creation.

The company would like to protect its stakeholders against a sudden change in management by maintaining the qualified majority and voting quorum requirement, which is consistent with Dutch law.

INFORMATION PURSUANT TO THE DECREE ARTICLE 10 TAKEOVER DIRECTIVE

The Management Board states that all information, which must be disclosed pursuant to the Decree Article 10 Takeover Directive ('Besluit artikel 10 overnamerichtlijn'), is included in the Corporate Governance section, the Supervisory Board report and the notes referred to herein, to the extent that it is applicable to TomTom.

NON-FINANCIAL STATEMENT

Directive 2014/95/EU on the disclosure of non-financial information requires companies to publish a non-financial statement. The relevant provision has been implemented into Dutch law through the Decree disclosure on non-financial information ('Besluit bekendmaking niet-financiële informatie'). The information regarding environmental, anti-corruption and bribery, social and employee matters, and respect for human rights, as required by this Decree, is incorporated in the Sustainability chapter and in the Non-financial information chapter.

Amsterdam, 2 February 2024

The Management Board

HAROLD GODDIJN

Chief Executive Officer

TACO TITULAER

Chief Financial Officer

ALAIN DE TAEYE

Member of the Management Board

Financials

Financials

Consolidated financial statements

Consolidated statement of income

For the year ended 31 December

(€ in thousands)	Notes	2023	2022
Revenue	6	584,760	536,343
Cost of sales	7	88,992	86,619
Gross profit		**495,768**	**449,724**
Research and development expenses - Geographic data		174,596	205,760
Research and development expenses - Application layer		184,619	171,504
Sales and marketing expenses		57,080	50,353
General and administrative expenses		99,481	119,720
Total operating expenses	8-11	**515,776**	**547,337**
Operating result		**-20,008**	**-97,613**
Interest income	29	9,688	390
Interest expense	29	-1,949	-1,183
Other financial result	29	-1,739	3,611
Financial result		**6,000**	**2,818**
Result before tax		**-14,008**	**-94,795**
Income tax expense	12	-7,000	-7,940
Net result		**-21,008**	**-102,735**
Attributable to equity holders of the parent		**-21,008**	**-102,735**
Earnings per share (€)	26		
Basic		-0.16	-0.80
Diluted		-0.16	-0.80

Consolidated statement of comprehensive income

For the year ended 31 December

(€ in thousands)	Notes	2023	2022
Net result		**-21,008**	**-102,735**
Items that will not be reclassified to profit or loss			
Actuarial gain on defined benefit plans[1]	8	-512	5,719
Fair value remeasurement of financial instruments[1]		995	-3,090
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		-568	2,406
Other comprehensive income/(loss) for the period		**-85**	**5,035**
Total comprehensive loss for the period		**-21,093**	**-97,700**
Attributable to equity holders of the parent		**-21,093**	**-97,700**

1. The items in the statement above are presented net of tax expense of €0.4 million for 2023 (2022: €1.0 million).

The notes on pages 77 to 109 are an integral part of these consolidated financial statements.

Consolidated balance sheet

As at 31 December

(€ in thousands)	Notes	2023	2022
Goodwill	13	192,294	192,294
Other intangible assets	14	20,275	42,917
Property, plant and equipment	15	24,313	21,645
Lease assets	16	44,624	35,815
Other contract-related assets	6	24,384	23,737
Other investments	17,28	0	13,814
Deferred tax assets	12	1,206	1,158
Total non-current assets		**307,096**	**331,380**
Inventories	18	14,823	14,660
Trade receivables	19	69,156	65,743
Unbilled receivables	6	42,778	48,298
Other contract-related assets	6	10,635	6,890
Prepayments and other receivables	20-21	36,209	36,803
Fixed-term deposits	22	227,662	171,000
Cash and cash equivalents	22	87,532	132,729
Total current assets		**488,795**	**476,123**
Total assets		**795,891**	**807,503**
Equity attributable to equity holders of the parent	25	181,588	199,606
Total equity		**181,588**	**199,606**
Lease liabilities	16	38,441	26,654
Deferred tax liability	12	1,040	2,404
Provisions	30	14,841	18,237
Deferred revenue	6	267,059	263,043
Total non-current liabilities		**321,381**	**310,338**
Trade payables	23	21,168	6,102
Lease liabilities	16	8,272	11,071
Provisions	30	10,879	11,020
Deferred revenue	6	166,171	175,607
Other contract-related liabilities	6	17,078	18,921
Income taxes	12	1,594	3,133
Accruals and other liabilities	24	67,760	71,705
Total current liabilities		**292,922**	**297,559**
Total equity and liabilities		**795,891**	**807,503**

The notes on pages 77 to 109 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December

(€ in thousands)	Notes	2023	2022
Operating result		**-20,008**	**-97,613**
Foreign exchange adjustments		-1,214	6,373
Depreciation and amortization	10	43,616	56,672
Change in provisions	30	-2,598	-2,472
Equity-settled stock compensation expenses	9	12,801	10,532
Other non-cash movement		-341	-69
Changes in working capital:			
Change in inventories		2,288	5,086
Change in receivables and prepayments		-303	-9,164
Change in liabilities (excluding provisions)[1]		1,340	5,124
Cash flow from operations		**35,581**	**-25,531**
Interest received	29	9,679	389
Interest paid	29	-1,734	-1,183
Corporate income taxes paid	12	-10,831	-5,083
Cash flow from operating activities		**32,695**	**-31,408**
Investments in intangible assets	14	0	-5,271
Investments in property, plant and equipment	15	-11,857	-4,895
Proceeds from sale of investments	17	14,965	0
Dividends received	17	0	392
Change in fixed-term deposits		-56,662	-21,000
Cash flow from investing activities		**-53,554**	**-30,774**
Payment of lease liabilities	16	-11,766	-14,369
Proceeds on issue of ordinary shares	25	368	4,051
Purchase of treasury shares	25	-12,060	0
Cash flow from financing activities		**-23,458**	**-10,318**
Net decrease in cash and cash equivalents		**-44,317**	**-72,500**
Cash and cash equivalents at the beginning of period		132,729	205,820
Exchange rate changes on cash balances held in foreign currencies		-880	-591
Cash and cash equivalents at the end of period	22	**87,532**	**132,729**

1. Includes movements in the non-current portion of deferred revenue presented under non-current liabilities.

Consolidated statement of changes in equity

For the year ended 31 December

(€ in thousands)	Notes	Share capital	Share premium	Treasury shares	Other reserves[1]	Retained earnings	Shareholders' equity
Balance as at 1 January 2022		26,473	338,124	-40,746	99,172	-140,300	282,723
COMPREHENSIVE INCOME							
Result for the year		0	0	0	0	-102,735	-102,735
OTHER COMPREHENSIVE INCOME							
Currency translation differences[2]		0	0	0	2,406	0	2,406
Actuarial gain on defined benefit plans	8	0	0	0	0	5,719	5,719
Fair value remeasurement of financial instruments	17	0	0	0	-3,090	0	-3,090
Total other comprehensive income		**0**	**0**	**0**	**-684**	**5,719**	**5,035**
Total comprehensive income		**0**	**0**	**0**	**-684**	**-97,016**	**-97,700**
TRANSACTIONS WITH OWNERS							
Stock compensation expenses	9	0	0	0	10,532	0	10,532
Reissuance of shares	25	0	0	4,051	0	0	4,051
OTHER MOVEMENTS							
Transfers between reserves		0	0	6,213	-36,203	29,990	0
Balance as at 31 December 2022		**26,473**	**338,124**	**-30,482**	**72,817**	**-207,326**	**199,606**
COMPREHENSIVE INCOME							
Result for the year		0	0	0	0	-21,008	-21,008
Other comprehensive income							
Currency translation differences[2]		0	0	0	-568	0	-568
Actuarial loss on defined benefit plans	8	0	0	0	0	-512	-512
Fair value remeasurement of financial instruments	17	0	0	0	995	0	995
Total other comprehensive income		**0**	**0**	**0**	**427**	**-512**	**-85**
Total comprehensive income		**0**	**0**	**0**	**427**	**-21,520**	**-21,093**
TRANSACTIONS WITH OWNERS							
Stock compensation expenses	9	0	0	0	12,801	0	12,801
Reissuance of shares	25	0	0	368	0	0	368
Repurchase of shares	25	0	0	-12,388	0	0	-12,388
Reclassification from liability to stock compensation reserve	9	0	0	0	2,294	0	2,294
OTHER MOVEMENTS							
Transfers between reserves		0	0	8,392	-31,594	23,202	0
Balance as at 31 December 2023		**26,473**	**338,124**	**-34,110**	**56,745**	**-205,644**	**181,588**

1. Other reserves include Legal reserve, Currency translation reserve and the Stock compensation reserve.
2. Currency translation differences arise on the translation of foreign currencies relating to foreign operations.

The notes on pages 77 to 109 are an integral part of these consolidated financial statements.

Financials

Notes to the consolidated financial statements

The notes are grouped into six sections. The notes contain the relevant financial information as well as a description of accounting policy applied for the topic of the individual notes.

Section 1

General information and basis of reporting

Section 2

Results for the year

Section 3

Non-current assets and investments

Section 4

Working capital

Section 5

Financing, financial risk management and financial instruments

Section 6

Other disclosures

General information and basis of reporting

This section introduces the basis of preparation and the general accounting policies applied to the consolidated financial statements as a whole, as well as a summary of the areas that involve significant judgments and estimates.

1 GENERAL

TomTom N.V. (the company) is a public limited company with its statutory seat and headquarters in Amsterdam, the Netherlands. The registered address of the company is De Ruijterkade 154, 1011 AC, Amsterdam. The company is registered under trade registration number of 34224566 in the Chamber of Commerce in Amsterdam. The activities of the company include the development and sale of navigation and location-based products and services which includes maps, traffic, navigation software, and portable navigation devices (PNDs).

The consolidated financial statements comprise the company and its subsidiaries (the group).

The financial statements have been prepared by the Management Board and were authorized for issue on 2 February 2024. The financial statements will be submitted for approval to the General Meeting on 17 April 2024.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union as effective from 1 January 2023 and with Part 9 of Book 2 of the Dutch Civil Code. The financial statements have been prepared on the historical cost basis, except for financial instruments (including derivatives) classified at fair value through profit or loss or other comprehensive income, which are stated at fair value. Income and expenses are accounted for on an accrual basis.

Going concern

In preparing the financial statements, management has applied going concern assumption based on its assessment of the company's ability to continue as a going concern. In making such assessment, management has considered the current environment in which the group operates and the expectation of the company's future performance, taking into account the order backlog and the strong cash position of the group.

Summary of material accounting policies

The general accounting policies applied to the consolidated financial statements as a whole are described below, while other material accounting policies related to specific items are described under the relevant note. The description of accounting policies in the notes forms an integral part of the description of the accounting policies in this section. Unless otherwise stated, these policies have been consistently applied to all the years presented.

New accounting standards and developments

The group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality for disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Although the amendments did not result in any changes to the accounting policies themselves, some of the not material accounting policies have been removed from the financial statements.

On 23 May 2023, the International Accounting Standards Board (the Board) issued International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 which clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements Qualified Domestic Minimum Top-up Taxes. The group has adopted these amendments, however they are not yet applicable for the current reporting year as the group's consolidated revenue is currently below the threshold of €750 million.

To the extent relevant, all other IFRS standards, interpretations and amendments that were in issue and effective from 1 January 2023 have been adopted by the group. All other standards and interpretations or amendments with future effective dates have not been early adopted as they are not expected to have a material impact on the group.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and entities controlled either directly, or indirectly, by the company.

Control is achieved when the parent is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group.

All intercompany transactions and balances, including unrealized gains and losses, arising from transactions between group companies, are eliminated.

Foreign currencies

The company's primary activities are denominated in EUR. Accordingly, EUR is the company's functional currency and the group's presentation currency. Items included in the financial information of individual entities in the group are measured using the individual entity's functional currency, which is the currency of the primary economic environment in which the entity operates.

Transactions and balances

Foreign currency transactions are translated to the functional currency using the exchange rates at transaction date. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing at each balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized under 'Other financial result' in the income statement, except for gains and losses that arise from intercompany borrowings that form part of net investment in subsidiaries which are recognized in 'Other comprehensive income'.

Group companies and foreign operations

For consolidation purposes, the assets and liabilities of entities that have a functional currency other than the group's presentation currency are translated at the closing rate at balance sheet date, whereas the income statement is translated at the average exchange rate for the period. Translation differences arising thereon are recognized in 'Other comprehensive income'.

Income statement

The group presents its statement of income based on functional categories of expenses. Research and development expenses are disclosed as two categories: geographic data and application layer. Sales and marketing expenses are combined as one category and general and administrative expenses are presented as a separate category. Included in general and administrative costs are amounts of other business income received which are incidental in nature (if applicable).

Cash flow statement

Cash flow statements are prepared using the indirect method. Cash flows from derivative instruments are classified consistently with the nature of the instruments. Dividend income is presented under investing activities.

3 ACCOUNTING ESTIMATES

The preparation of these consolidated financial statements requires management to make certain assumptions, estimates, and judgments that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities, as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and the future periods if the revision affects both current and future periods.

Significant estimates

The table below presents the areas that involve a higher degree of judgment or areas where assumptions and estimates are significant to the financial statements:

	Note
Revenue-related estimates	6
Income tax	12
Impairment of non-financial assets	13 - 15
Provisions and contingent assets/liabilities	30 - 31

Detailed explanations of the degree of judgment and assumptions used are included under each of the respective sections in the notes to the financial statements as referenced above.

In making judgment and assumptions we have considered climate-related matters and concluded that such matters have no material impact on the assumptions impacting the financial statements.

4 GEOPOLITICAL RISK AND ECONOMIC UNCERTAINTIES

The ongoing war in Ukraine and geopolitical tensions in other parts of the world continue to bring uncertainties and implications on global economy impacting various industries and sectors. The effects are wide ranging, including amongst others, inflation, volatile energy prices, pressure on supply chains, and fluctuating interest rates in most parts of the world.

We continue to monitor the developments and assess the implications on our business operations and we concluded that the impact on the performance of the business is not material for the 2023 financial period. In addition, the assessment did not result in any impairment or other material changes in the valuation of other assets and liabilities.

Due to the unpredictable nature of this risk, we are actively monitoring the economic developments as the severity of the impact on our customers and our own business operations remain uncertain for the future.

Results for the year

This section presents the notes related to items in the income statement (except for financial income and expenses) and disclosure of operating segments. If applicable, relevant notes on balance sheet items, which also relate to items in the income statement, are also presented in this section. A detailed description of the results for the year is provided in the financial and operational review sections in the Management Board report.

5 SEGMENT REPORTING

The operating segments are identified and reported on the basis of internal reports about components of the group that are regularly reviewed by the Management Board to assess the performance of the segments.

The group's internal management reporting is structured primarily based on the nature of the business of each segment and comprises of two distinct segments: Location Technology and Consumer. Location Technology is engaged in developing and selling location-based products and services to customers in different market segments. Consumer generates revenue mainly from the sale of portable navigation devices and mobile applications.

Management assesses the performance of segments based on the measures of revenue and operating result (EBIT), whereby the EBIT measure includes allocations of expenses from supporting functions within the group. Such allocations have been determined based on relevant measures that reflect the level of benefits of these functions to each of the operating segments. The effects of non-recurring items such as group initiated restructurings are excluded from management's measurement basis. Interest income and expenses and tax are not allocated to the segments.

There is no measure of segment (non-current) assets and/or liabilities provided to the Management Board.

(€ in thousands)	2023	2022
Location Technology	499,869	446,309
External customers	490,664	436,402
Inter-segment	9,205	9,907
Consumer	94,096	99,941
Eliminations	-9,205	-9,907
Total revenue	**584,760**	**536,343**
The EBIT of each segment is as follows:		
Location Technology	-11,309	-71,240
Consumer	6,932	6,466
Total segment operating result (segment EBIT)	**-4,377**	**-64,774**
The EBITDA of each segment is as follows:		
Location Technology	31,122	-15,581
Consumer	7,775	7,403
Total segment EBITDA[1]	**38,897**	**-8,178**

1. The difference between EBIT and EBITDA for each segment is explained by the respective depreciation and amortization charge of €42.4 million (2022: €55.7 million) for Location Technology and €0.8 million (2022: €0.9 million) for Consumer.

A reconciliation of the segment performance measure (EBIT) to the group's result before tax is provided below.

(€ in thousands)	2023	2022
Total segment EBIT	-4,377	-64,774
Unallocated expenses[1]	-15,631	-32,839
Financial result	6,000	2,818
Result before tax	**-14,008**	**-94,795**

1. Unallocated expenses in 2023 include an impact of €8 million in non-recurring restructuring charges in Location Technology (2022: €26 million).

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

Group revenue consists solely of revenue from contracts with customers. For disaggregation of revenue by operating segments, reference is made to note 5 'Segment reporting'. The table below shows a disaggregation of revenue by types of products and services, timing of revenue recognition and by geographical areas:

(€ in thousands)	2023	2022
External revenue by products and services		
License revenue	331,236	299,491
Rendering of services	188,610	166,003
Sale of goods	64,914	70,849
Total revenue	**584,760**	**536,343**
Revenue by timing of revenue recognition		
Goods and services transferred at a point in time	88,965	97,567
Goods and services transferred over time	495,795	438,776
Total revenue	**584,760**	**536,343**
External revenue by geographical areas		
Europe	349,600	316,169
North America	136,702	137,125
Rest of world	98,458	83,049
Total revenue	**584,760**	**536,343**

The geographical split of Consumer's revenue is based on the location of the customers, while the split of revenue from Location Technology is based on the coverage of the geographical map data and other content.

Based on the location of the customers, the United States of America, Germany, Japan, and France accounted for respectively 30%, 14%, 13%, and 12% of the 2023 total group revenue (35%, 14%, 13%, and 14% of 2022 revenue).

Total revenue generated in the Netherlands in 2023 amounted to €11 million (2022: €10 million). Within Location Technology, there is one customer that had revenue of more than 15% of total group revenue in 2023.

CONTRACT BALANCES

Contract-related asset balances consist of trade receivables, unbilled receivables, and other contract-related assets. Details of other contract-related assets are shown below:

(€ in thousands)	2023	2022
Capitalized contract costs	33,795	29,591
Other deferred cost of sales	1,224	1,036
Other contract-related assets	**35,019**	**30,627**
Other contract-related assets are disclosed as:		
Current	10,635	6,890
Non-current	24,384	23,737

Unbilled receivables is presented net of expected credit losses of €0.1 million (2022: €0.2 million). For details regarding the balance of trade receivables and expected credit losses refer to note 19.

Revenue of €176 million (2022: €181 million) was recognized from amounts included in contract liabilities at the beginning of the year. An amount of €18 million (2022: €15 million) was recognized relating to performance obligations satisfied in previous years.

Contract-related liability balances are as follows:

(€ in thousands)	2023	2022
Deferred revenue	433,230	438,650
Other contract-related liabilities[1]	17,078	18,921
Total contract-related liabilities	**450,308**	**457,571**
Of which:		
Current	183,249	194,528
Non-current	267,059	263,043

1. Other contract-related liabilities comprise of items such as accrued rebates, sales return allowance and stock protection accrual.

Deferred revenue amounted to €433 million at the end of the year (2022: €439 million). Deferred revenue per segment is as follows:

(€ in thousands)	2023	2022
Location Technology	413,610	417,974
Consumer	19,620	20,676
Total deferred revenue	**433,230**	**438,650**

At balance sheet date, €405 million (2022: €407 million) of Location Technology's deferred revenue related to Automotive and €9 million (2022: €10 million) related to Enterprise.

Automotive and Consumer deferred revenue is mostly driven by upfront payments by our customers for longer-term (multiple years) content and service deliveries (e.g., traffic and map updates). The Enterprise deferred revenue is mostly related to some customers who prepay each year for their annual license to our content.

PERFORMANCE OBLIGATIONS

In Automotive, payments for the licenses and services are typically in the form of fixed royalty payments for each car produced by the Automotive customer during the duration of the program which may typically range from 3–7 years (royalty period). The obligation to deliver map updates and services may extend for a number of years beyond the royalty period. Navigation software is typically delivered at the start date of the customer program.

For Enterprise, the payments typically take the form of (annual) license fees/guaranteed royalties for larger customers or usage-based royalty payments for smaller customers. The payments typically correspond with the period the group is obliged to provide the license and/or services.

In Consumer, both B2B and end-customers make payments for (bundled) products and services which may require TomTom to deliver map updates and/or traffic services during the (estimated) lifetime of a hardware product or subscription period. Payments for such products and/or services are generally received at the time the products are delivered (subject to applicable payment term for B2B customers) or when services are activated.

As at 31 December 2023, the total of the transaction price allocated to the group's (partially) unfulfilled performance obligations is estimated at €1.5 billion (2022: €1.4 billion), of which €433 million (2022: €439 million) is reflected in deferred revenue. This total excludes the (estimated) transaction price of:

- contracts where revenue recognition is based on right to invoice (as allowed by the practical expedient); and
- license and/or service contracts where each individual future activation is treated as a separate (subscription) contract.

The estimated future timing of revenue recognition for the above mentioned amount are as follows:

(€ in millions)	2023	2022
Less than 1 year	399	357
Between 1-5 years	861	804
More than 5 years	246	274
Total unfulfilled performance obligations	**1,506**	**1,435**

ACCOUNTING POLICY

The revenue recognition policy for each type of revenue or combination is presented below.

License revenue

License revenue is generated through licensing of digital map content and/or navigation software to B2B Location Technology customers and through the sale of map update services directly to the end-customers.

In the B2B license arrangements, the license of our navigation software is typically granted as 'right to use' license while the license of digital map content can either be granted as 'right to access' and/or 'right to use'. Right to access licenses provide the customer the right to access TomTom's map data which is continuously developed and enhanced during the contract period. Right to use licenses are those that only provide the customer the right to use certain map data or software as it exists at the moment the control passes to the customer. This does not give the customer the right to receive future updates or upgrades other than those that can be considered as minor enhancements or bug fixes.

Revenue from 'right to access' licenses is recognized over the (estimated) period during which TomTom is obliged to provide access to the customers. For royalty-based arrangements, the revenue is either recognized based on (estimated) reported royalties, as typically the royalties reflect the usage and benefits to the customers or based on time as progress measure but restricted to the amount of the (estimated) reported royalties. When restrictions in license terms result in multiple individual licenses in royalty-based arrangements for maps, each reported unit of usage is treated as a separate license or subscription. The initial map and map updates for each newly activated subscription are treated as two separate performance obligations. The transaction price allocated to the initial map is recognized immediately when the customer installs our map while the portion allocated to the map update service is recognized on a straight-line basis over the applicable service period.

License revenue for ‘right to use’ licenses is recognized at the moment the control passes to the customer, except for the usage-based royalties, which are recognized when the usage has taken place based on royalties TomTom is entitled to for the period.

When license arrangements include a minimum guarantee, the excess of the reported royalties above the guaranteed amount is only recognized when cumulative reported royalties have exceeded the minimum guarantee, unless the expected total royalties is estimated to be above the minimum. In this case, the revenue is recognized based on the royalties TomTom is entitled to. When contracts include an annual minimum instead of a contract minimum, the excess of royalties above the annual minimum is recognized in the respective period when the royalties exceed the annual minimum.

To the extent possible, the group makes use of the practical expedient to use right to invoice as a measure of progress as long as the invoice reflects the benefits to the customer.

Service revenue

Service revenue includes revenue generated from the sale of traffic and travel information services to both B2B and/or end-customers, sale of online map and location-based services through hosted API solutions (Maps APIs) and providing connected navigation services.

The (estimated) revenue relating to the service element is recognized over the agreed or estimated service period on a straight-line basis or based on the invoiced amount if such invoice reflects the benefit of the services to the customer over the service period. The service period for life-time traffic and map update service offering within Consumer is estimated at three years.

Sale of goods

Revenue from the sale of goods is generated primarily through the sale of Consumer navigation, Automotive hardware products and related accessories. Revenue from sale of goods is generally recognized at the moment the control passes to the customers.

Bundled goods and services

When products and services are offered as a bundle under one agreement or under a series of agreements that are commercially linked, the (estimated) total transaction price of the agreement is allocated to each of the identified ‘distinct’ performance obligation based on the relative stand-alone selling price of each element. Depending on their nature, the revenue from each of the ‘distinct’ performance obligations is recognized based on the applicable revenue recognition policy as described above.

Non-cash consideration

When an arrangement involves non-cash consideration, the value of the goods or services received is only included in the (estimated) total transaction price of the agreement if the goods and services received are distinct and their fair value can be reliably determined. When the fair value cannot be reliably determined, the value of the non-cash consideration is measured at the stand-alone selling price of the goods and services provided by the group.

Contract balances

The group uses the terms ‘unbilled receivables’ and ‘deferred revenue’ to describe contract assets and contract liabilities. The term ‘Contract-related assets’ is used to denote the aggregate balance of unbilled receivables and capitalized contract costs while ‘Contract-related liabilities’ refers to the collective balance of deferred revenue and other contract related liabilities.

Contract costs

Contract costs are capitalized only to the extent they are recoverable. Internal development costs relating to customer-specific customization of software and/or other technology platforms are capitalized as contract costs if they have no alternative use. The group does not capitalize costs to obtain multi-year contracts as they are not deemed to be material.

Where the amortization period of an asset recognized for the costs to obtain a contract is one year or less, the costs are expensed.

SIGNIFICANT ESTIMATES

Significant revenue estimates include the estimates of various pricing allowances deducted from the revenue, estimates of the stand-alone selling price of various elements in bundled arrangements and the estimation of total transaction price for contracts with customers.

Price allowance deductions

The estimated sales return deduction for Consumer revenue is based upon historical data on the return rates and information on the inventory levels in the distribution channel. For sales incentives, including channel and end-user rebates, the reduction in revenue is based on the group’s historical experience, taking into account future expectations on rebate payments. If there is excess stock at retailers when a price reduction becomes effective, the group will compensate its customers on the price difference for their existing stock, provided certain criteria are met. To reflect the costs related to known price reductions in the income statement, an accrual is created against revenue at the time of sale based on an estimate of the inventory levels in the channel and future price reductions.

Relative stand-alone selling price

The relative stand-alone selling price of each element in a bundled arrangement is based on the available stand-alone selling price or is estimated using methods allowed under IFRS, such as the cost plus reasonable margin method, residual method or a combination thereof. In making such estimates, management makes use of judgment and assumptions to arrive at an outcome that best reflects a transaction’s substance. Total deferred revenue balance relating to the elements deferred under bundled arrangements at 31 December 2023 amounted to €9 million (31 December 2022: €18 million).

Contract determination and total transaction price

Arrangements and contracting with Automotive customers are very specific and complex in nature. For each arrangement, management must make an assessment and judgment as to whether the agreement signed with the OEM should be treated as a contract under IFRS 15 or whether it serves as a framework agreement for future installation or activation of services. When the latter is the case, each of the activated individual subscriptions is treated as the contract as meant by IFRS 15 (referred to as 'subscription contracts'). If the overall agreement with the OEM is treated as a single contract, then management treats the future usage as variable consideration of the contract.

The (expected) total transaction price of such contracts needs to be estimated at the inception of the contract and each future reporting date. Such estimates particularly relate to expected usage of our licenses and/or services which may be susceptible to factors outside our influence such as the developments in the market and industry in which our customer operates. In making such estimates management makes use of input from different sources such as historical experience, estimated sales volumes of customers as well as other relevant sources. The estimated variable consideration is only taken into account to the extent that management believes that it is highly probable that it will not be subject to significant reversal in the future.

7 COST OF SALES

The group's cost of sales includes material and fulfillment costs for goods sold to customers, costs of services, royalty costs and costs attributed to certain contracts with customers.

8 PERSONNEL EXPENSES

Personnel expenses for the group can be broken down as follows:

(€ in thousands)	2023	2022
Salaries	237,997	240,862
Social security costs	34,151	38,595
Pensions	9,241	10,250
Stock compensation	13,138	11,300
Temporary employee expenses	18,008	13,690
Restructuring	7,884	25,856
Other[1]	42,455	39,641
Total personnel expenses	**362,874**	**380,194**

1. Other personnel expenses include costs of (secondary) benefits such as working from home allowance, health insurance, sales commissions and bonuses offset by capitalized personnel expenses in an amount of €9 million (2022: €10 million).

The average number of employees (in FTE equivalents) in 2023 was 3,708 (2022: 4,127) spread across the following functional areas:

(€ in thousands)	2023	2022
Research and development - Geographic data	1,742	2,093
Research and development - Application layer	1,183	1,217
Sales and marketing	346	336
General and administrative	437	481
Total FTE	**3,708**	**4,127**

On 31 December 2023, the group had a headcount of 3,697 (2022: 3,824) employees. During 2023, 2,625 (2022: 3,042) full-time equivalent (FTE) employees worked outside the Netherlands.

PENSIONS

The group's pension plans primarily comprise defined contribution plans, limiting the employer's legal obligation to the amount it agrees to contribute during the period of employment.

In Italy, employees are paid a leaving indemnity on termination of their employment. This is a statutory payment based on Italian civil law. An amount is accrued each year based on the employee's remuneration and previously revalued accruals. This liability is included as part of 'Employee benefits provisions'.

Employees in the United States are offered the opportunity to participate in the 401K pension plan, which involves no contribution or obligation from the group besides withholding and paying the employee's contribution.

In addition, the group has defined benefit plans in Germany and Belgium.

The total pension costs of €9.2 million (2022: €10.3 million) consists of the costs of the defined contribution plans of €8.5 million (2022: €9.3 million) and of the defined benefit plan of €0.7 million (2022: €1.0 million).

Belgium

The Belgian defined benefit plan is a (guaranteed) insurance plan. The plan is funded by fixed monthly contributions from both the employer and employees. It provides a lump-sum payment at retirement, based on the contributions made, as well as death-in-service benefits. Belgian law prescribes a variable minimum guaranteed rate of return. The group substantially insures these returns with the external insurance company that receives and manages the contributions to the plans. According to the relevant legislation, a short-fall only needs to be compensated by the employer at the point in time when the employee either retires or leaves. As these plans have defined benefit features (when the return provided by the insurance company is below the legally required minimum return), the group treats these plans as defined benefit plans.

	2023		**2022**	
(€ in thousands)	**Plan Assets**	**Plan Liabilities**	Plan Assets	Plan Liabilities
Present value as at 1 January	27,524	-30,230	25,348	-33,130
Return on assets	843		209	
Current service cost	0	-469	0	-1,067
Past service cost	0	126	0	305
Interest cost	0	-926	0	-277
	28,367	**-31,499**	**25,557**	**-34,169**
Remeasurements:				
Experience gains due to change in demographical assumptions	0	-293	515	-1,895
Gains/losses from change in financial assumptions	-31	-67	0	6,095
	-31	**-360**	**515**	**4,200**
Benefits and taxes paid	-902	902	-235	235
Employer's contributions	1,206	0	1,191	0
Employee contributions	495	-495	496	-496
Present value as at 31 December	**29,135**	**-31,452**	**27,524**	**-30,230**
Net defined benefit obligation		**-2,317**		**-2,706**

Germany

The defined benefit plan in Germany is unfunded and has no plan assets. Management is of the opinion that the plan has limited risks to the group as the plan was frozen in 2007 and is only subject to gains/losses in actuarial risks. In the extraordinary event that the group is unable to meet its obligations, the participants will receive (partial) payments from a state-owned pension protection fund.

The following table presents the movement in the plan liabilities:

(€ in thousands)	**2023**	**2022**
Present value as at 1 January	-7,488	-10,326
Current service cost	-27	-50
Interest cost	-268	-102
	-7,783	**-10,478**
Remeasurements:		
Experience (gains)/losses due to change in demographical assumptions	164	-351
(Gains)/losses from change in financial assumptions	-370	3,152
	-206	**2,801**
Benefits paid	323	189
Present value as at 31 December	**-7,666**	**-7,488**

The significant actuarial assumptions used in determining the pension obligations were as follows:

	2023		**2022**	
	Belgium	**Germany**	Belgium	Germany
Discount rate	3.2%	4.1%	3.1%	3.7%
Average life expectancy[1]	14	17	14	17

[1] The above average life expectancy is the average actual value for males and females retiring at age 65 for the Belgium plan (2022: 65) in accordance with MR/FR -5 and 66 (2022: 66) for the Germany plan set in accordance with the common German mortality tables 'Heubeck 2018G'.

The table below indicates the sensitivity of the defined benefit obligation to changes in the discount rate:

	Impact on defined benefit obligation	
(€ in thousands)	**Belgium**	**Germany**
Discount rate increases by 0.5%	-864	-293
Discount rate decreases by 0.5%	1,013	350

ACCOUNTING POLICY

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when services have been rendered to the group. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction of future payments is available.

In relation to the defined benefit plan, the group recognizes a liability based on the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated at least annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and for which the terms to maturity approximate the terms of the related pension obligation. The service cost and the interest cost are recognized as pension costs, while the actuarial gains/losses are credited/charged to 'Other comprehensive income'.

9 STOCK COMPENSATION

The group has stock compensation plans for members of the Management Board and certain employees as part of their remuneration. The purpose of the stock compensation is to retain management and employees, and align the interests of management and eligible employees with those of shareholders, by providing additional incentives to improve the group's performance on a long-term basis.

The group operates restricted stock unit plans and some historic stock option plans of which the last grant was in 2019. Phantom shares are only granted in exceptional cases where country-specific laws prohibit the issue of RSUs.

Restricted stock units are expected to promote share-ownership and increase alignment with our sustainable long-term value creation and shareholder interest. The disclosures on stock options in this note relate to grants made up to 2019.

In 2023 the group also introduced an employee share purchase plan whereby employees could forfeit a part or all of their 2022 bonus to invest in restricted stock units.

EQUITY-SETTLED PLANS

The group's restricted RSU and stock option plans (options) classify as equity-settled plans as these plans are settled with the company's own equity instruments.

The equity-settled plans are for members of the Management Board and eligible employees. The General Meeting has extended the authority of the Management Board to grant, subject to the prior approval of the Supervisory Board, rights to employees to subscribe for shares under the respective equity plans. The instruments cannot be transferred, pledged or charged. All equity-settled stock compensation will be covered at the time of exercise, firstly through the issue of treasury shares held by the company, and secondly through the issue of new shares.

The following table summarizes movements in the equity stock compensation reserve (included in other reserves) relating to the equity-settled plans during 2023 and 2022:

(€ in thousands)	2023	2022
Balance as at 1 January	19,891	18,940
Stock compensation expense	12,801	10,532
Transfer between reserves and/or liabilities	462	-847
Stock options exercised and settlement of restricted shares	-8,174	-8,734
Balance as at 31 December	**24,980**	**19,891**

Restricted stock units

An RSU gives the holder the right to receive one TomTom share after the completion of the vesting period. After the vesting period Members of the Management Board are subject to a two-year holding period. For other employees, there is no minimum holding period after the vesting period.

RSUs vest either in total after a three-year vesting period (cliff vesting) or, in some cases, in equal tranches on an annual basis over a three-year period (graded vesting). The fair value of the RSUs is determined with reference to the share price of TomTom N.V. at the date of grant. All equity-settled stock compensation expenses recognized for the year are fully attributable to RSUs.

The movement in the number of RSUs during the years 2023 and 2022 is summarized below:

	2023	2022
Outstanding as at 1 January	4,688,899	2,868,273
Granted	2,500,468	3,095,644
Purchased	375,268	0
Vested and settled	-1,084,393	-924,131
Forfeited	-1,077,895	-350,887
Outstanding as at 31 December	**5,402,347**	**4,688,899**

Employee share purchase plan

Participants were offered the opportunity to invest part or all of their 2022 bonus in TomTom RSUs. Upon completion of a three year vesting period, employees will receive an additional 15% RSUs. Furthermore if the group achieves certain financial performance criteria (related to Location Technologies revenues and group free cash flow targets in 2025) employees can receive additional RSUs up to a maximum of 80% of the invested amount. The amount recognized as expense is adjusted for changes in our expectation on achieving the targets since these are non-market performance conditions.

Under this plan an amount of €2.6 million has been invested by employees, translating in 375 thousand RSUs. This amount has been reclassified from the accrued bonus liability to stock compensation reserve as part of the €2.3 million net reclassification disclosed in the statement of changes in equity. Total costs over 2023 in relation to this plan were €0.9 million.

Stock options

Options are exercised at the discretion of the holder, however, they may only be exercised after the completion of a three-year vesting period. Options expire and are considered to have lapsed after a period of seven years following the grant date.

The following table summarizes information about the stock options outstanding at 31 December 2023:

Year of grant	Number outstanding at 31/12/2023	Exercise price per share (€)	Weighted average remaining life	Number exercisable at 31/12/2023	Weighted average exercise price (€)
2017	509,350	9.15 - 9.60	0.36	509,350	9.57
2018	508,250	7.52 - 8.30	1.35	508,250	8.12

A summary of the group's stock option plans and the movements during the years 2023 and 2022 is presented below:

	2023		2022	
	Number	**Weighted average exercise price (€)**	Number	Weighted average exercise price (€)
Outstanding as at 1 January	1,633,171	8.61	2,451,001	8.35
Exercised	-48,500	7.78	-518,610	7.81
Expired	-505,533	8.07	-299,220	7.87
Forfeited	-61,538	10.06	0	—
Outstanding as at 31 December	**1,017,600**	**8.84**	**1,633,171**	**8.61**

Options were exercised on a regular basis throughout the year. The average share price during the year was €6.98 (2022: €7.90).

The fair value of the options granted up to 2019 is determined using the binomial tree model. This model contains the input variables, including the risk-free interest rate, volatility of the underlying share price, exercise price and share price at the date of grant.

CASH-SETTLED PLANS

Cash-settled plans are settled through cash payments.

Phantom share plan

Under this plan, eligible employees are entitled to receive a cash payment equal to the value at vesting date of the number of shares that have vested. These cash-settled phantom shares are conditional on the employee completing three years of service (the vesting period).

As at 31 December 2023, the outstanding liability with regard to the phantom share plan was €0.4 million (2022: nil). This exists from the issue of new phantom shares to a small group of employees during 2023.

ACCOUNTING POLICY

The fair value of equity-settled stock compensation grants as measured at the date of grant is expensed on a straight-line basis over the vesting period. For options, the fair value at grant date is measured using the binomial tree model. For RSUs, the fair value at grant date is equal to the share price at the date of grant. The purchase of the RSUs under our employee share purchase plan is recognized through reclassification of the previously accrued employee bonus to the stock compensation reserve. The difference between the grant price and the share price at conversion date is recognized immediately in the income statement while the expenses for the additional RSUs are recognized over the vesting period taking into account the expected numbers that will vest and the (non-market-based) performance conditions.

Cash-settled stock compensation plans are initially measured at the fair value of the liability which is expensed on a straight-line basis over the vesting period. The liability is remeasured at each balance sheet date to its fair value, reflected by the share price at balance sheet date, with any changes recognized immediately through profit and loss.

All stock compensation expenses are based on the number of units that are expected to vest, the estimates of which are revised at each balance sheet date.

10 DEPRECIATION AND AMORTIZATION

Total depreciation and amortization for the year was €44 million (2022: €57 million).

(€ in thousands)	2023	2022
Amortization	22,458	32,835
Depreciation	21,158	23,837
Total depreciation and amortization	**43,616**	**56,672**

Amortization charges are included in the following line items in the Income Statement:

(€ in thousands)	2023	2022
Research and development expenses - Geographic data	21,399	31,495
Research and development expenses - Application layer	1,054	1,339
Sales and marketing expenses	0	0
General and administrative expenses	5	1
Total amortization	**22,458**	**32,835**

11 GOVERNMENT GRANTS

In 2023, the group received government grants amounting to €4.9 million in relation to the research and development activities performed by the group (2022: €2.1 million). The grants have mainly been accounted for as a deduction of wage tax expense in line with the nature of the grants.

12 INCOME TAX

Income tax comprises current and deferred tax:

(€ in thousands)	2023	2022
Current tax	-8,733	-7,495
Deferred tax	1,733	-445
Total income tax	**-7,000**	**-7,940**

CURRENT INCOME TAX

The current tax represents the tax charge on profit for current year as well as adjustments relating to prior periods. Tax paid in 2023 was €10.8 million (2022: €5.1 million). The current income tax charge has a -€0.07 (2022: -€0.06) impact on our earnings per share.

The activities of the group are subject to corporate income tax in several countries, depending on presence and activity.

The applicable statutory tax rates of the various tax jurisdictions in which the group operates vary between 9% and 34% which may cause the group effective tax rate (ETR) to deviate from the Dutch corporate tax rate. The following table presents a numerical reconciliation between the tax charge on the basis of the Dutch tax rate and the ETR.

	2023	2022
Dutch tax rate	25.8%	25.8%
Higher/(lower) weighted average statutory rate of group activities	1.7%	0.2%
Income exempted from tax	3.6%	0.0%
Non-deductible expenses	-30.8%	-4.0%
Current year losses not capitalized/non-recognition of previously capitalized losses	-25.4%	-27.5%
Effect of prior years' settlements and/or adjustments	11.8%	-0.6%
Other	-36.9%	-2.3%
Effective tax rate	**-50.2%**	**-8.4%**

The income tax expense of €7.0 million in 2023 represents an ETR of -50.2% (2022: -8.4%). The ETR for 2023 is mainly impacted by a combined effect of not capitalizing current year's tax loss (€2.6 million), the non-recognition of the deferred tax assets on tax loss carry forward (€1.6 million) and the write-offs of withholding tax credit in the Netherlands (€5.2 million). The latter is included in 'Other' line. The relatively higher percentage in 2023 is explained by the lower loss before tax compared with 2022.

The income tax debited directly to equity in 2023 amounted to €0.4 million (2022: credit of €1.0 million) which is mainly related to a change in deferred tax assets on defined benefit pension obligations and the change in the deferred tax liability on an investment valued at fair value through other comprehensive income.

ACCOUNTING POLICY

Current and deferred taxes are recognized as an expense or income in the profit and loss account, except when they relate to items that arise from the initial accounting for a business combination or items credited or debited directly to equity. For the latter, the tax is also recognized either in Other comprehensive income or directly in equity. The group's income tax expense is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date. Uncertain tax positions are included in current tax. The group recognizes uncertain tax provision when it is not probable that a particular tax treatment will be accepted by the tax authorities.

DEFERRED INCOME TAX

As at 31 December 2023, the group had a deferred tax liability of €1.0 million (2022: €2.4 million) and a deferred tax asset of €1.2 million (2022: €1.2 million). The deferred tax asset and liability mainly results from the timing difference between tax and accounting treatment of intangible assets, investments at fair value, lease assets and liabilities, cash-settled long-term incentives, and provisions as well as from the capitalization of tax losses carried forward.

The following table presents the movement in each of the categories on a gross basis.

(€ in thousands)	Assessed losses & credits	Provisions	Long-term incentives	Intangible assets	Other	**Total**
Balance as at 1 January 2022	4,280	3,833	836	-5,905	-2,863	181
(Charged)/credited to income statement	-1,569	-745	149	1,720	0	-445
Credited/(charged) to equity	0	-2,112	0	0	1,074	-1,038
Currency translation differences	-19	36	0	39	0	56
Balance as at 31 December 2022	**2,692**	**1,012**	**985**	**-4,146**	**-1,789**	**-1,246**
(Charged)/credited to income statement	-1,624	285	-158	1,876	1,354	1,733
(Charged)/credited to equity	0	-86	0	0	-300	-386
Currency translation differences	-4	-40	0	109	0	65
Balance as at 31 December 2023	**1,064**	**1,170**	**827**	**-2,161**	**-735**	**166**

In some jurisdictions the group has tax losses that have not been recognized as a deferred tax asset as the future recovery of these losses against future taxable income is uncertain. As at 31 December 2023, these losses amounted to €476 million (2022: €467 million) of which €24 million (2022: €26 million) relates to foreign tax jurisdictions. These losses have not been capitalized as the conditions under IAS 12.35 and IAS 12.36 have not been met. The losses have no future expiry date.

The amount of uncapitalized tax losses increased compared with last year due to addition of current year tax loss and the non-recognition of previously capitalized losses. The deferred tax asset on losses and other temporary differences on our balance sheet is only recognized to the level of the available corresponding deferred tax liability. In making the assessment on the amount to be recognized we have taken into account the existing loss utilization rule in the Netherlands applicable from 1 January 2022. Under this rule, the losses can be fully offset against the annual taxable profit up to €1 million and taxable profit in excess of €1 million can only be offset for 50% against previous years' tax losses.

In addition, the group has uncapitalized withholding and other tax credits amounting to €27 million (2022: €22 million).

The following table presents the expected timing of reversal of our deferred tax assets and liabilities:

(€ in thousands)	**2023**	**2022**
To be reversed within 12 months	-393	-1,046
To be reversed after more than 12 months	559	-200
Total deferred tax	**166**	**-1,246**

After offsetting deferred tax assets and liabilities, for an amount of €1.9 million (2022: €3.1 million) the net positions are presented as non-current assets and liabilities on the balance sheet as follows:

(€ in thousands)	**2023**	**2022**
Deferred tax assets	1,206	1,158
Deferred tax liabilities	-1,040	-2,404
Total deferred tax	**166**	**-1,246**

ACCOUNTING POLICY

Deferred taxes are calculated using the liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes (accounting base) and the amounts used for income tax purposes (tax base).

Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled, using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date.

The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the group expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized when it is probable that sufficient taxable income will be available against which the deferred tax assets can be utilized. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are offset on the balance sheet when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to income taxes levied by the same fiscal authority.

SIGNIFICANT ESTIMATES

The determination of the group’s provision for income tax as well as deferred tax assets and liabilities involves significant judgments and estimates on certain matters and transactions, for which the ultimate outcome may be uncertain.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in the countries where the deferred tax assets originated and the periods during which the tax losses or temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

If the final outcome or a new estimate differs from the group’s estimates, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Non-current assets and investments

The notes in this section specify the group's non-current assets (and directly related liabilities) including investments made during the year either through separate asset acquisitions or business combinations.

13 GOODWILL

(€ in thousands)	2023	2022
Cost	1,881,901	1,881,901
Accumulated impairment	-1,689,607	-1,689,607
Balance as at 31 December	**192,294**	**192,294**

Goodwill is fully allocated to the Location Technology segment which represents the lowest level at which goodwill is monitored in the group. Refer to note 5 for details on operating segments.

Our 2023 and 2022 impairment tests did not result in an impairment of goodwill. Details of the assumptions and estimates made are presented under Significant Estimates below.

ACCOUNTING POLICY

Goodwill represents the excess of the costs of an acquisition over the fair value of the group's share of identifiable assets of the acquiree at the date of acquisition and is carried at cost less accumulated impairment losses. Goodwill is allocated to operating segments that are expected to benefit from the business combination in which the goodwill arose.

Impairment testing

Goodwill and intangible assets that have an indefinite useful life are tested for impairment at least annually, or whenever management identifies conditions that may indicate a risk of impairment.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount and is recognized immediately in the income statement. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. In estimating the recoverable amount, management is required to make an estimate of the expected future cash flows from the cash-generating unit in the forecasted period and also to determine a suitable discount rate in order to calculate the present value of those cash flows. Such estimates are subject to a certain degree of judgment and uncertainty.

Impairments to goodwill are not subsequently reversed.

SIGNIFICANT ESTIMATES

Impairment test of goodwill

The methodologies as well as assumptions applied in performing our year-end goodwill impairment test for Location Technology are set out below.

The fair value less costs of disposal calculation resulted in a higher recoverable amount. The calculations of fair value less costs of disposal for Location Technology uses post-tax cash flow projections based on financial forecasts approved by management covering a five-year period (forecasted period) including terminal value.

Management's cash flow projections for Location Technology in the forecast period are based on management's assumptions on the expected revenue developments, gross margin, and operating margin after allocation of operating expenses from shared units, taking into account management's expectation of market size and market share development as well as new market opportunities. Our estimates include considerations for climate-related risks and opportunities insofar as they are visible and quantifiable.

Location Technology revenue is projected to grow in line with management's mid- and long-term plan in the forecast period. Given the limited visibility on longer-term growth, growth rates in later years are more subject to uncertainty compared with earlier years. Gross and operating margin projections for each segment are consistent with expected revenue developments.

The growth rates after the forecast period as well as the discount rate used are presented in the table below. The input to the group's key assumptions include those that are based on non-observable market data (level 3 input in accordance with IFRS 13).

2023	Location Technology
Revenue – perpetual growth[1]	2.0%
Discount rate[2]	9.5%
2022	
Revenue – perpetual growth[1]	2.0%
Discount rate[2]	9.5%

1. Weighted average growth rate used to extrapolate cash flows beyond the forecasted period.
2. Post-tax discount rate applied to the cash flow projections.

Discount rates used are post-tax and reflect specific risks relating to the relevant operating segments and market uncertainties in general.

Management considered the effects of applying a pre-tax approach and concluded that this will not materially change the outcome of the impairment test.

Expectations and input to the impairment calculation, as well as its outcome, were compared with available external information from analysts and, to the extent available, information on recent comparable transactions (merger and acquisition activities of comparable companies).

The sensitivity test for Location Technology showed that a reasonably possible change in any of the above-mentioned key assumptions as well as other assumptions in the forecasted period would not cause the fair value less costs of disposal to fall below the level of the carrying value.

14 OTHER INTANGIBLE ASSETS

The movements in the intangible assets are as follows:

(€ in thousands)	Map content and mapmaking platform[1]	Internally generated technology	Other	**Total**
Cost	1,109,923	135,472	7,729	1,253,124
Accumulated amortization and impairment	-1,039,755	-135,233	-7,658	-1,182,646
Balance as at 1 January 2022	**70,168**	**239**	**71**	**70,478**
Of which internally generated[2]	63,285	239	0	63,524
Additions	5,271	0	0	5,271
Disposals (net)	0	0	-71	-71
Amortization charges	-32,526	-239	0	-32,765
Currency translation differences	4	0	0	4
Movements	**-27,251**	**-239**	**-71**	**-27,561**
Cost	1,114,942	135,428	5,487	1,255,857
Accumulated amortization and impairment	-1,072,025	-135,428	-5,487	-1,212,940
Balance as at 31 December 2022	**42,917**	**0**	**0**	**42,917**
Of which internally generated[2]	35,009	0	0	35,009
Additions	0	0	0	0
Disposals (net)	0	0	0	0
Amortization charges	-22,458	0	0	-22,458
Currency translation differences	-184	0	0	-184
Movements	**-22,642**	**0**	**0**	**-22,642**
Cost	1,113,343	120,343	3,207	1,236,893
Accumulated amortization and impairment	-1,093,068	-120,343	-3,207	-1,216,618
Balance as at 31 December 2023	**20,275**	**0**	**0**	**20,275**
Of which internally generated[2]	16,744	0	0	16,744

1. The map content represents geographical content data used for the group's digital map database.
2. There were no technologies in development in both 2023 and 2022.

During the year the total gross amount of the assets disposed across all intangible asset classes was €17.3 million (2022: €2.2 million).

ACCOUNTING POLICY

Other intangible assets

Other intangible assets includes assets that have been acquired, either through individual asset acquisitions or through business combinations, and assets that have been generated internally, such as the group's core technology and geographical content database.

Internally generated intangible assets

Internal development costs for core technology are recognized as an intangible asset if, and only if, all of the following have been demonstrated:

- The technical feasibility to complete the project.
- The intention to complete the intangible asset, and use or sell it.
- The ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate resources to complete the project.
- The cost of developing the asset can be measured reliably.

Internally generated databases are capitalized until a certain level of map quality is reached and ongoing activities focus on maintenance. Internal software costs relating to development of non-core software with an estimated average useful life of less than one year and engineering costs relating to the detailed manufacturing design of new products are expensed in the period in which they are incurred.
The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. All expenditures on research activities are expensed in the income statement as incurred.

Acquired intangible assets

Intangible assets acquired separately are initially recognized at cost, including directly attributable costs to bring the asset to its intended use. Intangible assets acquired in a business combination are identified and recognized separately from goodwill when they satisfy the definition of an intangible asset and their fair values can be measured reliably.
The cost of such intangible assets is their fair value at the acquisition date.
All intangible assets are subsequently carried at cost less accumulated amortization and accumulated impairment losses.

The amortization of other intangible assets is recorded on a straight-line basis over the following estimated useful lives as follows:

- Map content and mapmaking platform: 5-12 years.
- Internally generated core technology: 3-6 years.
- Acquired technology: 3-5 years.
- Customer relationships: 5-13 years.
- Computer software: 2-5 years.

Impairment

Intangible assets which have an indefinite useful life and intangible assets not yet ready for use are tested for impairment at least annually, or whenever management identifies conditions that may indicate a risk of impairment. Assets that are subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In making this assessment we include climate-related consideration insofar they are visible and quantifiable.

Testing is conducted as per the policy outlined in note 13.

Non-financial assets, other than goodwill, which have been subject to an impairment, are reviewed for possible reversal of the impairment at each reporting date.

SIGNIFICANT ESTIMATES

Management made use of assumptions and judgment in assessing the expected future economic benefits that can be attributed to the internally generated technology, databases and tools, as well as their expected useful lives. For internally generated databases, assumptions are also made on the level of completion, at which point the capitalization is discontinued and future activities are considered to be maintenance.

Such estimates are made on a regular basis, as they can be significantly affected by changes in technology and other factors.

Impairment of intangible assets

No impairment charge has been recorded for other intangible assets in either period presented.

15 PROPERTY, PLANT AND EQUIPMENT

(€ in thousands)	Furniture and fixtures	Computer equipment	Leasehold improvements	Other[1]	Total
Cost	7,507	34,529	16,953	2,523	61,512
Accumulated depreciation	-3,913	-24,135	-5,828	-1,395	-35,271
Balance as at 1 January 2022	**3,594**	**10,394**	**11,125**	**1,128**	**26,241**
Additions	304	3,944	738	69	5,055
Disposals (net)[2]	-71	-42	0	-8	-121
Reclassification between categories	487	10	-497		0
Depreciation charges	-1,235	-5,822	-1,932	-360	-9,349
Currency translation differences	-84	124	-194	-27	-181
Movements	**-599**	**-1,786**	**-1,885**	**-326**	**-4,596**
Cost	7,141	32,147	15,596	2,422	57,306
Accumulated depreciation	-4,146	-23,539	-6,356	-1,620	-35,661
Balance as at 31 December 2022	**2,995**	**8,608**	**9,240**	**802**	**21,645**
Additions	1,766	4,882	4,916	395	11,959
Disposals (net)[2]	-34	-62	0	-22	-118
Depreciation charges	-1,267	-5,099	-2,222	-287	-8,875
Currency translation differences	451	-475	-52	-222	-298
Movements	**916**	**-754**	**2,642**	**-136**	**2,668**
Cost	7,151	27,745	17,866	2,133	54,895
Accumulated depreciation	-3,240	-19,891	-5,984	-1,467	-30,582
Balance as at 31 December 2023	**3,911**	**7,854**	**11,882**	**666**	**24,313**

1. Other property, plant and equipment includes mainly vehicles.
2. The total gross amount of the assets disposed across all asset classes was €14 million (2022: €10 million).

No impairment has been recognized for property, plant and equipment in 2023 or 2022.

ACCOUNTING POLICY

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment charges. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Furniture and fixtures: 4-10 years.
- Computer equipment and hardware: 2-7 years.
- Leasehold improvements: 7-10 years.
- Vehicles: 4 years.

The estimated useful lives, residual values, and depreciation methods are reviewed at each year-end, with the effect that any changes in estimate are accounted for on a prospective basis.

Impairment

For the accounting policy relating to impairment refer to note 14 Other intangible assets.

16 LEASE ASSETS AND LEASE LIABILITIES

The group leases assets including buildings, cars and, to a limited extent, certain office equipment.

Lease assets

The balances at year-end as well as key movements relating to lease assets are presented below:

(€ in thousands)	Lease buildings	Lease vehicles	**Total**
2023			
Additions and changes to leased assets	19,281	1,718	20,999
Depreciation charges	11,093	1,190	12,283
Balance as at 31 December	42,854	1,770	44,624
2022			
Additions and changes to leased assets	15,260	571	15,831
Depreciation charges	13,220	1,268	14,488
Balance as at 31 December	34,592	1,223	35,815

Lease buildings

Buildings are leased for office space for periods of approximately 2-10 years. Leases for office buildings typically include an option, exercisable by the group as lessee up to one year before the end of the cancellable lease term, to renew the lease for an additional period of the same duration after the end of the contract term.

At the end of the year, the group had options to extend lease contracts for leased buildings which represent potential discounted future lease payments not included in lease liabilities of €31 million (2022: €34 million).

Most real estate leases include annual escalation clauses with reference to an index or contractual rate.

Other leases

The group leases vehicles for qualifying employees with a standard lease term of four years. The group does not purchase or guarantee the value of lease vehicles.

In some cases the group leases furniture and office equipment with terms of 1-3 years. The group considers these assets to be of low-value or short-term in nature and therefore no right-of-use assets and lease liabilities are recognized for these leases.

Expenses recognized relating to short-term leases and leases of low value during 2023 were €0.1 million and €0.4 million respectively (2022: €0.3 million and €0.1 million).

Lease liabilities

The total interest expense on lease liabilities in 2023 was €1.7 million (2022: €0.9 million) and the total cash outflow for lease related payments was €14 million (2022: €15 million). Lease liabilities have the following maturities:

(€ in thousands)	**2023**	**2022**
Less than 1 year	9,986	11,954
Between 1-5 years	25,386	20,483
More than 5 years	18,554	9,151
Total undiscounted lease liabilities at 31 December	**53,926**	**41,588**

ACCOUNTING POLICY

Leases as a lessee

A contract is classified as a lease at the inception of the contract, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The group recognizes a right-of-use asset (lease asset) and a lease liability at the lease commencement date. The asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.

The lease asset is subsequently depreciated using the straight-line method from the commencement date to the end of the useful life of the right-of-use asset, considered to be indicated by the lease term. The lease asset is periodically adjusted for certain remeasurements of the lease liability and impairment losses (if any).

The lease liability is initially measured at the present value of outstanding lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate. The group separates payments for lease cars into lease components and non-lease components.

The lease liability is measured at amortized cost using the effective interest method and is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the group changes its assessment of whether it will exercise a purchase, extension or termination option. A corresponding adjustment is made to the carrying amount of the right-of-use asset with any excess over the carrying amount of the asset being recognized in profit or loss.

Short-term leases and leases of low-value assets

The group has elected not to recognize lease assets and lease liabilities for short-term (term of 12 months or less) leases and leases of low-value assets, including IT equipment. The group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Extension options

Extension options are mainly applicable to leased buildings.

The group assesses whether it is reasonably certain to exercise the options at lease commencement and subsequently, if there is a change in circumstances within its control. Such assessment involves management judgment and estimate based on information at the time the assessments are made.

Extension options are included in the lease term when the group has an economic incentive to exercise the option. The group considers available evidence at the time of the assessment, including potential favorable terms upon extension, potential termination penalties, the relative costs associated with potential relocation or termination of the lease, and the extent of leasehold improvements undertaken.

The size and the relative importance of the lease premises as well as the availability of easily substitutable assets is taken into consideration when assessing whether the group has an economic incentive to extend a lease for which it holds an option to do so.

17 OTHER INVESTMENTS

In 2023 the group divested its equity interest in Cyient Ltd. for a total consideration of €15.0 million. This equity interest was previously valued at fair value through comprehensive income and the total amount of fair value changes recognized during 2023 in other comprehensive income before the divestment amounted to a gain of €1.0 million (2022: loss of €3.1 million) net of tax. No dividend was received during the year (2022: €0.4 million). For accounting policies relating to financial assets at fair value, reference is made to note 28.

Working capital

The notes in this section specify items that form part of group's working capital including disclosure relating to cash and cash equivalents.

18 INVENTORIES

(€ in thousands)	2023	2022
Finished goods	9,154	7,850
Components and sub-assemblies	5,669	6,810
Total inventories	**14,823**	**14,660**

The amount of inventories recognized as an expense when the inventories are sold and included in cost of sales amounted to €42 million (2022: €43 million). As a result of the write-down of inventories to their net realizable value, the group recognized a cost of €0.2 million (2022: €2.2 million). These costs are included in cost of sales.

ACCOUNTING POLICY

Inventories are stated at the lower of cost and net realizable value. The cost of inventories comprises costs of purchase, assembly and conversion to finished products. The cost of inventories is determined using the first-in, first-out (FIFO) method, net of reserves for obsolescence and any excess stock. Net realizable value represents the estimated selling price less an estimate of the costs of completion and direct selling costs.

19 TRADE RECEIVABLES

(€ in thousands)	2023	2022
Gross accounts receivables	70,322	67,492
Expected credit loss allowance	-1,166	-1,749
Total trade receivables (net)	**69,156**	**65,743**

The carrying amount of trade receivables approximates their fair value and the group expects to recover all receivables within a year. The group does not hold any collateral over these balances. In determining the expected credit loss allowance, the group has considered any change in risk profile of our customers taking into account the current economic conditions.

Trade accounts receivable includes amounts denominated in the following major currencies:

(€ in thousands)	2023	2022
EUR	59,246	40,321
GBP	2,234	115
USD	7,135	23,712
Other	541	1,595
Total trade receivables (net)	**69,156**	**65,743**

ACCOUNTING POLICY

Trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient, are measured at the transaction price as disclosed in Revenue from contracts with customers (note 6), less expected credit loss allowances. For details of expected credit losses refer to note 27.

20 PREPAYMENTS AND OTHER RECEIVABLES

(€ in thousands)	2023	2022
Prepayments	26,199	27,354
Corporate income tax, VAT and other taxes	6,416	6,804
Other receivables	3,594	2,645
Total other receivables	**36,209**	**36,803**

The carrying amount of the prepayments and other receivables approximates their fair value.

For accounting policies related to 'Other receivables' reference is made to note 28.

21 OTHER FINANCIAL ASSETS AND LIABILITIES

Other financial assets/liabilities includes derivative financial instruments carried at fair value through profit or loss. Derivative assets are disclosed as part of other receivables and prepayments and derivative liabilities are included in accruals and other liabilities.

	2023		2022	
(€ in thousands)	Assets	Liabilities	Assets	Liabilities
Derivatives at fair value through profit or loss	306	-84	131	-192

The notional principal amounts of the outstanding forward foreign exchange contracts as at 31 December 2023 were €11.2 million (2022: €9.6 million). All the group's outstanding forwards have a contractual maturity of less than one year.

22 CASH AND CASH EQUIVALENTS AND FIXED-TERM DEPOSITS

Cash placed in accounts are classified based on the nature of the account and the length of time to maturity.

Cash and cash equivalents

Cash and cash equivalents of €88 million (2022: €133 million) includes cash held in short-term bank deposits with an original maturity of three months or less. Cash and cash equivalents are predominantly denominated in euros and partly in U.S. Dollars.

The carrying amount of cash and cash equivalents approximates its fair value.

Fixed-term deposits

Fixed-term deposits are investments in term deposits with financial institutions of €228 million (2022: €171 million). Investments are made with institutions with investment grade credit ratings and are all denominated in euros.

Fixed-term deposits have maturities of more than three but less than 12 months from the date of acquisition. The carrying amount of fixed-term deposits assets approximates their fair value.

ACCOUNTING POLICY

Cash and cash equivalents

Cash and cash equivalents are stated at face value and comprise cash on hand, deposits held on call with banks, and other short-term highly liquid investments which have a maturity of three months or less from the date of acquisition. They are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Fixed-term deposits

Fixed-term deposits have insignificant interest rate risk and maturity dates longer than three months but less than 12 months at the date of acquisition.

23 TRADE PAYABLES

All trade payable balances have a contractual maturity of less than six months and the carrying amount approximates their fair value.

24 ACCRUALS AND OTHER LIABILITIES

Accruals and other liabilities comprise the following:

(€ in thousands)	2023	2022
Personnel-related accruals	48,634	55,567
Operating expense accruals	12,712	8,760
Taxes and social security	6,414	7,378
Total accruals and other liabilities	**67,760**	**71,705**

For accounting policies relating to financial liabilities and accruals, reference is made to note 28.

Financing, financial risk management and financial instruments

This section includes notes related to financing items such as equity and borrowings, including related items such as earnings per share, as well as financial risk management-related items, financial income, and expenses.

25 SHAREHOLDERS' EQUITY

	2023		2022	
	Number	(€ in thousands)	Number	(€ in thousands)
Authorized:				
Ordinary shares	300,000,000	60,000	300,000,000	60,000
Preferred shares	150,000,000	30,000	150,000,000	30,000
Total	**450,000,000**	**90,000**	**450,000,000**	**90,000**
Issued and fully paid:				
Ordinary shares	132,366,672	26,473	132,366,672	26,473
Of which held in treasury	4,717,362		3,974,381	

The group initiated a share buyback program during the year to repurchase shares for an amount up to €50 million. The program will run until the full amount has been repurchased, ending on 31 October 2024 at the latest with the intention to cancel all shares purchased as part of the program, subject to shareholder approval. During 2023, 1.9 million shares were purchased for an aggregate consideration of €12 million (including withholding tax), at an average price of €6.01 per share. There was no share buyback during 2022.

During the year, 1,132,893 treasury shares were issued to cover the exercise of employee stock options and settlement of RSUs (2022: 1,442,741 treasury shares). All shares have a par value of €0.20 per share (2022: €0.20 per share). All issued shares have been fully paid. Further information on the rights, restrictions and other conditions attached to ordinary and preferred shares is provided in the Corporate Governance section in the Annual Report.

Reserves are freely distributable except for €32 million of legal reserves (2022: €53 million). Note E. Other reserves in the company financial statements provide an overview of the non-distributable reserves.

The Corporate Governance section provides a detailed description regarding the use of Foundation Continuity TomTom as a protective measure.

Management is of the opinion that the call option as described in the Corporate Governance section does not represent a significant value as meant in IAS 1, paragraph 31, since the likelihood that the call option will be exercised is remote. In the remote event that the call option is exercised, the preferred shares that are issued temporarily are intended to be canceled within a one-year period. The option is therefore not accounted for, nor is further disclosure provided.

ACCOUNTING POLICY

Share capital

Ordinary shares are classified as share capital. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Share premium

The share premium represents the amount by which the fair value of the consideration received exceeds the nominal value of shares issued. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the group's own equity instruments. Upon reissue, any difference between the carrying amount (determined on a first-in, first-out basis) and the consideration is recognized in the retained earnings.

26 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

(€ in thousands)	2023	2022
Net result attributable to ordinary equity holders	**-21,008**	**-102,735**
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	128,841	127,849
Effect of dilutive potential ordinary shares		
Stock options and restricted stock units	3,586	2,269
Weighted average number of ordinary shares for diluted earnings per share	132,427	130,118
Earnings per share (€)		
Basic	-0.16	-0.80
Diluted	-0.16	-0.80

ACCOUNTING POLICY

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the year. Treasury shares are deducted from the number of ordinary shares outstanding on a weighted average basis.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares arising from stock options and other equity-settled stock compensation plans. When the effect of the equity-settled stock compensation plans is anti-dilutive, the number is excluded from the calculation of diluted earnings.

27 FINANCIAL RISK MANAGEMENT

The group's activities result in exposure to a variety of financial risks including credit, foreign currency, liquidity, interest rate, and capital risk. Management policies have been established to identify, analyze, and monitor these risks, and to set appropriate risk limits and controls. Financial risk management is carried out in accordance with our Corporate Treasury Policy. The written principles and policies are reviewed periodically to reflect changes in market conditions, the activities of the business, and laws and regulations affecting the group's business.

Credit

Credit risk arises primarily from cash and cash equivalents and investments held at financial institutions and, to a certain extent, from trade receivables and contract assets.

Cash balances and investments are held with financial counterparties that have a credit risk rating of at least BBB-, as rated by an acknowledged rating agency. Moreover, to avoid significant concentration of exposure to particular financial institutions, we ensure that transactions and businesses are properly spread among different counterparties.

The group's exposure from its customers is managed through establishing proper credit limits and continuous credit risk assessments for each individual customer.

Procedures include aligning credit and trading terms and conditions with an assessment of the individual characteristics and risk profile of each customer. This assessment is made based on past experiences and independent ratings from external rating agencies whenever available.

Management actively monitors the credit risk related to these customers, also taking into account the current macro-economic conditions and takes proactive action to reduce credit limits if required.

The following table summarizes the movement in the expected credit loss allowances for both trade receivables and unbilled receivables:

(€ in thousands)	2023	2022
Balance as at 1 January	-1,934	-2,213
Additions to provision	-442	-912
Receivables written off during the year as uncollectible	170	582
Unused amounts reversed	925	602
Currency translation differences	23	7
Balance as at 31 December	**-1,258**	**-1,934**

To measure the expected credit losses, trade receivables and unbilled receivables have been grouped based on shared credit risk characteristics and the days past due as presented below:

(€ in thousands)	2023	2022
Gross unbilled receivables	42,870	48,483
Gross trade receivables	70,322	67,492
	113,192	**115,975**
Of which:		
Not overdue	105,463	107,303
Overdue less than 3 months	6,275	5,007
Between 3-6 months	735	1,533
More than 6 months	719	2,132
Gross receivables	**113,192**	**115,975**

Not overdue represents balances for which payment terms specified in the terms and conditions established with the group's customers have not been exceeded or balances which have not yet been invoiced.

As at 31 December 2023, the total expected credit loss allowance represented approximately 0.2% of group revenue (2022: 0.4%).

ACCOUNTING POLICY

In determining the expected credit loss, the group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade and unbilled receivables. As unbilled receivables share the same risk characteristics as trade receivables for similar types of contracts, the expected loss rates for trade receivables are considered a reasonable approximation of the loss rates for unbilled receivables. The expected credit loss rates are measured by grouping trade and unbilled receivables based on shared credit risk characteristics and days passed due. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. The expected loss allowances and any subsequent recoveries of amounts previously written off, are recognized in operating expenses within 'General and administrative' expenses.

Foreign currency

The group operates internationally and conducts business in multiple currencies. Revenue is earned in EUR, USD, GBP, and other currencies, and does not necessarily match the cost of sales and other costs which are largely in EUR, USD, and PLN. Foreign currency exposures on commercial transactions relate mainly to estimated purchases and sales transactions that are denominated in currencies other than the reporting currency, EUR.

The group manages foreign currency transaction risk in normal circumstances through forward contracts to cover forecasted net exposures. All such transactions are carried out within the guidelines set by Corporate Treasury Policy, which is reviewed annually by the Audit Committee.

A 2.5% strengthening/weakening of EUR as at 31 December 2023 would have had the following impact (increase/(decrease)) on profit or loss, and equity:

	2023		2022	
(€ in thousands)	Strengthen	Weaken	Strengthen	Weaken
USD	-61	61	218	-218
GBP	-142	142	-324	324
PLN	-630	485	-467	464

This analysis assumes that all other variables remain constant. The analysis was performed on the same basis as in 2022.

A breakdown of receivables held in foreign currencies is provided in note 19.

Liquidity

The approach to managing liquidity is to ensure that sufficient funds are available to meet financial obligations when they fall due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. To ensure there is sufficient cash to meet expected operational expenses, including the servicing of financial obligations, actual and future cash flow requirements are regularly monitored, taking into account the maturity profiles of financial assets and liabilities and the rolling forecast of the group's liquidity reserve, which comprises cash and cash equivalents as well as fixed-term deposits.

As at 31 December 2023, the group's net cash position was €315 million, which is assessed to be sufficient to cover the group's liquidity needs.

Credit facility

Given the group's strong cash position and based on forecasted cash needs, the group at present has no credit facility. The last credit facility was terminated in February 2022.

Interest rate

Interest rate risk arises primarily from the exposure to interest income/expense on cash balances and investments.

Our intention is to prioritize capital preservation, and when possible we invest our surplus cash using approved investment instruments, such as bank deposits and money market fund investments. All transactions and counterparty risk limits are governed by the Corporate Treasury Policy.

Capital

The group's financing policy aims to maintain a capital structure that enables the group to achieve its strategic objectives and daily operational needs, and to safeguard the group's ability to continue as a going concern.

In order to maintain or adjust the capital structure, the group may issue new shares, adjust its dividend policy, return capital to shareholders, or take on new debt.

As at 31 December 2023, the group had a net cash position (including fixed-term deposits) of €315 million (2022: €304 million).

For further quantitative disclosures in respect of liquidity, interest rate, and capital risks, reference is made to note 22 and note 25.

28 FINANCIAL INSTRUMENTS

The group holds the following financial instruments for which additional disclosures are provided in the notes as indicated:

(€ in thousands)	Note	2023	2022
Financial assets			
Financial assets at amortized cost			
Trade receivables	19	69,156	65,743
Fixed-term deposits	22	227,662	171,000
Cash and cash equivalents	22	87,532	132,729
Financial assets at fair value through profit or loss			
Derivative instruments	21	306	131
Financial assets at fair value through other comprehensive income			
Other investments		—	13,814
Total financial assets		**384,656**	**383,417**
Financial liabilities			
Financial liabilities at amortized cost			
Trade payables	23	21,168	6,102
Lease liabilities	16	46,713	37,725
Financial liabilities at fair value through profit or loss			
Derivative instruments	21	84	192
Total financial liabilities		**67,965**	**44,019**

Refer to note 27 for disclosure of group's exposure to risks associated with financial instruments.

ACCOUNTING POLICY

Financial assets

The group classifies its financial assets, at initial recognition, as subsequently measured at amortized cost or at fair value through profit or loss or other comprehensive income. The classification depends on the purpose for which the financial assets were acquired.

Financial assets at amortized cost

Financial assets measured at amortized cost are financial assets which are held for the objective of collecting contractual cash flows which are fixed and determinable and consist solely of payments of principal and interest. They are initially recognized at fair value and subsequently measured at amortized cost (if the effect of time value is material) using the effective interest method, less any expected credit losses. Financial assets are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. For further details regarding expected credit losses, refer to note 27 Financial risk management.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (OCI) represents investment in equity instruments carried at fair value. The group elected to recognize the changes in fair value through OCI. Dividend income is recognized in the profit or loss when the group's right to receive payment is established. The fair value of such instrument is determined using level 1 input.

Financial assets and liabilities at fair value through profit or loss

Derivatives are categorized at fair value through profit or loss unless they are designated as hedges. Derivatives are recorded as financial assets when the value of the derivative is positive in favor of the company; otherwise the derivative is classified as a financial liability. All derivative financial instruments are classified as current or non-current assets or liabilities based on their maturity dates and are accounted for at trade date. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has substantially transferred all risks and rewards of ownership.

The fair value of financial assets/liabilities carried at fair value through profit or loss is determined using valuation techniques that maximize the use of observable market data where it is available and which rely as little as possible on entity-specific estimates. In accordance with the fair value hierarchy established by IFRS 13, these types of inputs classify as level 2 inputs.

Financial liabilities at amortized cost

Financial liabilities issued by the group are classified according to the substance of the contractual arrangements entered into, and the definitions of a financial liability. Financial liabilities are initially recognized and measured at fair value and subsequently at amortized cost.

Fair value estimation

The group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy divides the inputs into the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (for example, derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data.

29 FINANCIAL RESULT

Financial result includes interest income and expenses as presented in the consolidated statement of income and other financial result. The other financial result comprises of the following items:

(€ in thousands)	2023	2022
Other financial result	1	392
Foreign exchange result	-1,740	3,219
Other financial result	**-1,739**	**3,611**

The interest income relates mainly to interest generated on cash balances while the interest expense relates mainly to interest on the lease liabilities (see note 27 Financial risk management).

The foreign exchange result includes results that mainly relate to monetary balance sheet item revaluations (including deposits in foreign currency) and to a lesser extent from spot transactions and derivative contracts. Derivative contracts are entered into to protect the group from adverse exchange rate fluctuations that may result from PLN and INR (2022: PLN and INR) exposures.

ACCOUNTING POLICY

Interest income and expense are recognized using the effective interest method. Interest expense includes all finance costs such as lease interest expense.

Other disclosures

This section includes the notes on provisions, commitments and contingent liabilities, remunerations of members of the Management Board and the Supervisory Board, related party transactions, and auditor's remuneration.

30 PROVISIONS

(€ in thousands)	2023	2022
Non-current	14,841	18,237
Current	10,879	11,020
Total provisions	**25,720**	**29,257**

The movements in each category of provisions are as follows:

(€ in thousands)	Warranty	Claims and litigation	Employee benefits	Other	Total[1]
Balance as at 1 January 2022	**5,935**	**9,474**	**21,407**	**3,205**	**40,021**
Increases in provisions	1,297	455	-429	31,054	32,377
Utilized	-3,657	0	-8,444	-12,316	-24,417
Released	-204	-4,441	0	-4,925	-9,570
Reclassified	0	0	0	-9,154	-9,154
Balance as at 31 December 2022	**3,371**	**5,488**	**12,534**	**7,864**	**29,257**
Increases in provisions	1,742	206	205	12,533	14,686
Utilized	-1,798	0	-172	-5,597	-7,567
Released[1]	-400	-3,553	-572	-55	-4,580
Reclassified	0	0	0	-6,076	-6,076
Balance as at 31 December 2023	**2,915**	**2,141**	**11,995**	**8,669**	**25,720**

1. Releases in claims and litigation are the result of the expiration of statute of limitation and changes in the expected cash outflows.

Other provisions included a restructuring provision of €3.3 million (2022: €4.4 million). In the current year an additional €9.7 million was recognized for restructuring relating to further efficiencies improvement in our map-making activities, of which €1.8 million has been paid out. The expected settlement amounts that have been agreed upon as at 31 December 2023 (€4.7 million) are presented under 'Personnel-related accruals' as disclosed in note 24.

ACCOUNTING POLICY

Provisions are recognized when:

- The group has a present obligation as a result of a past event.
- It is probable that the group will be required to settle that obligation.
- The amount can be reliably estimated.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Warranty provision

The group offers warranties mainly for its hardware products in Consumer (including Automotive hardware). Provisions for warranty costs are recognized at the date of sale of the relevant products, at management's best estimate of the expenditure required to settle the group's obligation. Warranty costs are recorded within cost of sales.

Claims and litigation provision

The group made a provision for potential legal, tax penalties and other risks in various jurisdictions. The legal matters consist mainly of intellectual property infringement issues. In the normal course of business, the group receives claims relating to allegations that it has infringed intellectual property assets.

In such cases, the companies making the claims seek payments that may take the form of licenses and/or damages. While these claims will be resisted, some are likely to be settled by negotiation and others are expected to result in litigation.

The cases and claims against the group often raise difficult and complex factual and legal issues which are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction in which each suit is brought, and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to such claims and litigation. The group accrues a liability when it is determined that an adverse outcome is more likely than not, and the amount of the loss can be reasonably estimated.

If the likelihood of an adverse outcome is reasonably possible or an estimate is not determinable, the matter is disclosed, provided it is material. Management is of the opinion that the provision is adequate to resolve these claims.

Employee benefits provision

Employee benefits provision relates mainly to the defined benefit pension plan in Germany and Belgium as disclosed in note 8 and excludes restructuring provision.

Other provision

Other provision includes provisions for restructuring which is recognized only when a detailed formal plan has been finalized and management has raised valid expectation to those affected that the plan will be implemented.

SIGNIFICANT ESTIMATES

Warranty provision

Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as evaluating recent trends that might suggest that past cost information may differ from future claims. From the total warranty provision of €3 million (2022: €3 million), it is estimated that an amount of €1 million (2022: €2 million) will be utilized within 12 months while the remaining will be utilized between 1-3 years.

Claims and litigation provision

The methodology used to determine the amount of the liability requires significant judgments and estimates regarding the costs of settling asserted claims. Due to the fact that there is limited historical data available, the estimated liability cannot be based upon recent settlement experience for similar types of claims.

Based on the best estimate, the portion of the claims and litigation provision expected to be settled in the coming 12 months amounts to approximately €0.7 million (2022: €0.4 million).

31 COMMITMENTS, CONTINGENT ASSETS, AND LIABILITIES

The group has long-term financial commitments, which are not shown in the group's balance sheet as at 31 December 2023. These commitments relate mainly to service contracts with suppliers.

Also included are open purchase commitments with contract manufacturers for certain products and components. Contract manufacturers order the requisite component parts from their suppliers on the basis of forecasts of the number of units required. In certain circumstances, the group has a contractual obligation to purchase these components from the manufacturers. The total commitments under these contracts are presented below:

(€ in thousands)	**2023**	**2022**
Less than 1 year	59,187	55,692
Between 1-5 years	30,305	40,064
More than 5 years	1,553	630
Total commitments	**91,045**	**96,386**

The group has a guarantee facility of €5.0 million, of which a total amount of €2.8 million has been issued (2022: €5.0 million and €3.1 million respectively).

Two German subsidiaries, TomTom Germany GmbH & Co. KG. and TomTom Location Technology Germany GmbH, which are included in these consolidated financial statements, apply the exemption as described in section 264b of the German Commercial Code (HGB) with regard to the publication of the annual financial statements and the drawing up of a management report and the notes to the financial statements.

Contingencies

Please refer to note 12 and note 30 for disclosures on tax and legal contingencies.

Based on legal advice, there were no other contingencies that management expects to have a material adverse effect on the group's financial position as at 31 December 2023.

32 RELATED PARTY TRANSACTIONS

A full overview of the remuneration of the Management Board and the Supervisory Board is included in the Remuneration report.

The expenses relating to remuneration of key management personnel are presented in the following table:

(€)	Salary and bonus[1]	Other short-term benefits[2]	Post-employment benefits	Long-term incentives	**Total remuneration[3]**
2023					
Management Board and Senior Leadership Team	5,966,177	166,475	246,491	3,391,562	9,770,705
Supervisory Board	280,000	0	0	0	280,000
Total remuneration	**6,246,177**	**166,475**	**246,491**	**3,391,562**	**10,050,705**
2022					
Management Board and Senior Leadership Team	6,196,965	108,825	241,598	3,601,158	10,148,546
Supervisory Board	236,790	0	0	0	236,790
Total remuneration	**6,433,755**	**108,825**	**241,598**	**3,601,158**	**10,385,336**

1. In 2023, the total bonus expense amounted to €2.0 million versus €2.3 million in 2022.
2. The other short-term benefits in 2023 and 2022 relate mainly to social security charges.
3. The decrease in total remuneration is due to a decrease in the bonuses, and long-incentives of the Management Board and Senior Leadership Team.

Certain key personnel also hold ownership interests in TomTom N.V., as disclosed in the Corporate governance section under ‘Substantial shareholdings and short positions’.

33 AUDITOR’S REMUNERATION

The total remuneration to Ernst & Young Accountants LLP for the statutory audit of 2023 for the group amounted to €546,750 (2022: €515,000). The total service fees paid/payable to the Ernst & Young network amounted to €792,240 (2022: €657,000). The full amount is invoiced by Ernst & Young Accountants LLP and includes an amount of €65,490 (2022: €62,000) for other statutory audits, €138,000 for a limited assurance engagement on ESG and €42,000 for agreed-upon procedures.

Details of the audit and audit-related fees paid to EY can also be found in the Audit Committee report.

34 SUBSEQUENT EVENTS

Reference is made to note H in the company financial statements.

Financials

Company financial statements

Company statement of income

For the year ended 31 December

(€ in thousands)	Notes	2023	2022
General and administrative expenses	B	7,243	6,467
Operating result		**-7,243**	**-6,467**
Interest expense	F	-85,688	-24,728
Result before tax		**-92,931**	**-31,195**
Income tax gain		23,521	7,668
Result of subsidiaries after taxation	C	48,402	-79,208
Net result		**-21,008**	**-102,735**

Company balance sheet

As at 31 December (before proposed appropriation of net result)

(€ in thousands)	Notes	2023	2022
Investments in subsidiaries	C	2,148,066	2,086,997
Total non-current assets		**2,148,066**	**2,086,997**
Receivables		69,888	46,806
Cash and cash equivalents		2,579	16
Total current assets		**72,467**	**46,822**
Total assets		**2,220,533**	**2,133,819**
Share capital		26,473	26,473
Share premium		338,124	338,124
Treasury shares		-34,110	-30,482
Other reserves	E	56,745	72,817
Accumulated result		-184,636	-104,591
Result for the year		-21,008	-102,735
Total shareholders' equity	D	**181,588**	**199,606**
Intercompany payable	F	2,037,204	1,932,539
Total non-current liabilities		**2,037,204**	**1,932,539**
Other liabilities		1,741	1,674
Total current liabilities		**1,741**	**1,674**
Total equity and liabilities		**2,220,533**	**2,133,819**

A PRESENTATION OF FINANCIAL STATEMENTS AND RECOGNITION AND MEASUREMENT PRINCIPLES

The description of the activities of TomTom N.V. (the company) and the company structure, as included in the notes to the consolidated financial statements, also applies to the company financial statements.

The company has prepared its company financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code and, specifically, in accordance with section 362.8 of the Dutch Civil Code. In doing so, it has applied the principles of recognition and measurement as adopted in the consolidated financial statements (IFRS). Investments in subsidiaries are accounted for using the equity method. For more information on the accounting policy applied, and on the notes, please refer to the notes to the consolidated financial statements.

B GENERAL AND ADMINISTRATIVE EXPENSES

The employees of the company comprise only the members of the Management Board. The General and Administrative expenses comprised mainly of the remuneration of the Management Board and the Supervisory Board and other general expenses such as the auditor's fees. For the remuneration of the Management Board and Supervisory Board, reference is made to the Supervisory Board and the Remuneration reports in this annual report. The auditor's fee is further disclosed in note 33 of the consolidated financial statements

C INVESTMENTS IN SUBSIDIARIES

The movements in investments in subsidiaries were as follows:

(€ in thousands)	2023	2022
Balance as at 1 January	2,086,997	2,152,077
Result of subsidiaries	48,402	-79,208
Transfer to stock compensation reserve	12,841	9,060
Currency translation differences	-570	2,406
Other direct equity movements	396	2,662
Balance as at 31 December	**2,148,066**	**2,086,997**

A list of subsidiaries and affiliated companies prepared in accordance with the relevant legal requirements (the Dutch Civil Code Book 2, Part 9, sections 379 and 414) is included under Supplementary information on page 139.

D SHAREHOLDERS' EQUITY

For the statement of changes in equity for the year ended 31 December 2023, please refer to Consolidated statement of changes in equity in the consolidated financial statements. Additional information on the shareholders' equity is disclosed in note 25 of the consolidated financial statements.

E OTHER RESERVES

(€ in thousands)	Legal reserve participation	Cumulative translation reserve	**Total legal reserve**	Stock compensation reserve	**Total other reserves**
Balance as at 1 January 2022	65,757	14,475	80,232	18,940	99,172
Currency translation differences	0	2,406	2,406	0	2,406
Fair value remeasurement of financial instruments	-3,090	0	-3,090	0	-3,090
Stock compensation expenses	0	0	0	10,532	10,532
Transfers between reserves	-26,622	0	-26,622	-9,581	-36,203
Balance as at 31 December 2022	**36,045**	**16,881**	**52,926**	**19,891**	**72,817**
Currency translation differences	0	-570	-570	0	-570
Fair value remeasurement of financial instruments	995	0	995	0	995
Stock compensation expenses	0	0	0	12,801	12,801
Reclassification from liability	0	0	0	2,296	2,296
Transfers between reserves	-21,586	0	-21,586	-10,008	-31,594
Balance as at 31 December 2023	**15,454**	**16,311**	**31,765**	**24,980**	**56,745**

Legal reserve participation

Legal reserves are the non-distributable reserves that are recorded for an amount equal to the restricted reserves of the company's subsidiaries and the cumulative translation reserve.

Stock compensation reserve

The stock compensation reserve represents the cumulative expense of issued stock options that have been granted but not exercised and RSUs that have not yet vested.

F INTERCOMPANY PAYABLES

Intercompany payables comprises loans provided by subsidiaries. The movement in the payable balance reflects the interest charge of €86 million and additional funding of €20 million during the year. The interest rate on the loan during 2023 is based upon the applicable inter-bank offered rate plus a margin. When the applicable inter-bank rates are below zero, the interest charge is set at the margin of 0.8% (2022: 0.5%). Although no repayment period has been agreed the loan has a long-term nature.

G OFF-BALANCE SHEET COMMITMENTS

The company has a guarantee facility of €5.0 million, of which a total amount of €2.8 million has been issued (2022: €5.0 million and €3.1 million respectively).

The company has also issued declarations of joint and several liability for all Dutch subsidiaries, in compliance with section 403 of Part 9 of Book 2 of the Dutch Civil Code.

In addition, two German subsidiaries, TomTom Germany GmbH & Co. KG. and TomTom Location Technology Germany GmbH, apply the exemption as described in section 264b of the German Commercial Code (HGB) with regard to the publication of the annual financial statements.

The company forms a fiscal unity for corporate income tax and value added tax (VAT) purposes with several of its Dutch subsidiaries. Each company within the fiscal unity is jointly and severally liable for the fiscal liability of the fiscal unity.

H SUBSEQUENT EVENTS

There have been no subsequent events from 31 December 2023 to the date of issue of these financial statements.

I PROPOSED APPROPRIATION OF RESULT

The Management Board proposes to add the net loss in full to the Accumulated result.

TomTom N.V.

Amsterdam, 2 February 2024

The Management Board	*The Supervisory Board*
HAROLD GODDIJN	DERK HAANK
TACO TITULAER	JACK DE KREIJ
ALAIN DE TAEYE	MICHAEL RHODIN
	MARILI 'T HOOFT-BOLLE
	GEMMA POSTLETHWAITE

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Other information

STATUTORY PROVISION WITH RESPECT TO APPROPRIATION OF RESULTS

According to the company's Articles of Association, the company's result is freely at the disposal of the shareholders, provided that total shareholders' equity exceeds the called-up and paid-up capital of the company, increased by legal and statutory reserves.

STICHTING CONTINUÏTEIT TOMTOM

For a description of the Stichting Continuïteit TomTom, refer to the Corporate Governance section in this Annual Report.

AUDITOR'S REPORT

Reference is made to the Independent auditor's report section in this Annual Report.

To: the shareholders and Supervisory Board of TomTom N.V.

Report on the audit of the financial statements 2023 included in the annual report

OUR OPINION

We have audited the financial statements 2023 of TomTom N.V. based in Amsterdam, the Netherlands. The financial statements comprise the consolidated and company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of TomTom N.V. as at 31 December 2023, and of its result and its cash flows for 2023 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company financial statements give a true and fair view of the financial position of TomTom N.V. as at 31 December 2023, and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated balance sheet as at 31 December 2023
- The following statements for 2023: the consolidated statements of income, comprehensive income, changes in equity and cash flows
- The notes comprising material accounting policy information and other explanatory information

The company financial statements comprise:

- The company balance sheet as at 31 December 2023
- The company statement of income for 2023
- The notes comprising a summary of the accounting policies and other explanatory information

BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of TomTom N.V. (the company or the group) in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands.Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

TomTom N.V. develops and sells navigation and location-based products and services, such as maps, traffic information, navigation software and personal navigation devices. TomTom is organized into Location Technology and a Consumer segment. Within the Location Technology segment TomTom provides maps, software and services that enterprise and automotive customers integrate into their applications. Within the Consumer segment TomTom offers consumer products in the form of portable navigation devices and mobile applications.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality	
Materiality	€5.8 million (2022: €5.3 million)
Benchmark applied	1.0% of revenue (2022: 1.0% of revenue)
Explanation	We determined materiality based on our understanding of the company’s business and our perception of the financial information needs of users of the financial statements. We considered that revenue is the most appropriate metric to determine materiality. The metric and percentage applied remained consistent with prior year as the business and key metrics did not change significantly.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of €290,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

TomTom N.V. is the head of a group of entities. The financial information of this group is included in the consolidated financial statements.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

TomTom's processes are highly centralized and the majority of the transactions are initiated, recorded, processed and reported on central level. We have applied a centralized audit approach and all audit procedures are performed by the same team.

Our audit coverage for total assets and revenue can be summarized as follows:

- For total assets and liabilities our audit procedures achieved a coverage of 99.9%
- For revenue our audit procedures achieved a coverage of 100%

By performing the centralized procedures mentioned above at all components of the group, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Teaming and use of specialists

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a listed client in the technology industry. We included specialists in the areas of IT audit (including cybersecurity), forensics, sustainability, impairment testing, pensions and income tax.

Our focus on climate-related risks

Climate-related risks can impact financial reporting. The Management Board summarized the company's commitments and obligations in relation to climate, and reported in the section Governance - Risk management and control of the Management Board report how the company is addressing climate-related and environmental risks. Furthermore, we refer to section Sustainability - Environmental of the Management Board report where the company discloses its assessment and implementation plans in connection to climate-related risks.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the company's commitments and (constructive) obligations, are taken into account in estimates and significant assumptions, especially in the area of impairment of goodwill and other intangible assets. Furthermore, we read the Management Board report and considered whether there is any material inconsistency between the non-financial information in the sections "Sustainability - Environmental" and "Governance - Risk management and control" and the financial statements.

Based on the audit procedures performed, we do not deem climate-related risks to have a material impact on the financial reporting judgements, estimates or significant assumptions as at 31 December 2023.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the Management Board's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. We refer to section Governance - Risk management and control of the Management Board report for the Management Board's (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and, in particular, the (fraud) risk assessment, as well as the code of conduct, whistleblower ("Open Ears") procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all companies. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 3 to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

The following fraud risk identified required significant attention during our audit.

Presumed risk of fraud in revenue recognition	
Fraud risk	We presumed that there is a risk of fraud in revenue recognition. We evaluated that revenue recognition in the Location Technology segment in particular give rise to such a risk, considering that this segment includes sales contracts where revenue recognition is based on estimates and assumptions that are complex and require significant management judgment.
Our audit approach	We describe the audit procedures responsive to the risk of fraud in revenue recognition within the Location Technology segment in the description of our audit approach for the key audit matter "Revenue recognition Location Technology".

We considered available information and made enquiries of relevant executives, directors, internal audit, legal, compliance, human resources and the Supervisory Board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the Management Board, reading minutes, inspection of internal audit and compliance reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section Going concern in Note 2 "Basis for preparation", in section Capital in Note 27 "Financial risk management" to the financial statements, and in section "Management Board Statements - In control and responsibility statement" in the annual report, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the Management Board made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the Management Board exercising professional judgment and maintaining professional skepticism. We considered whether the Management Board's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the Supervisory Board. The key audit matter is not a comprehensive reflection of all matters discussed. In comparison with previous year, our key audit matter did not change.

Revenue recognition - Location Technology	
Risk	TomTom's Location Technology segment includes sales contracts where revenue recognition is based on estimates and assumptions that are complex and require significant management judgment. Inherent to the nature of estimates and assumptions is that these could be influenced by management and consequently we identified the risk of fraud in revenue recognition (as mentioned in the section "Our audit response related to fraud risks"), specifically relating to: • The estimation of the expected usage in the total transaction price for contracts with Automotive customers • The estimation of the stand-alone selling price of various elements in bundled arrangements used for the allocation of the total transaction price to performance obligations For the significant accounting policies and disclosure on revenue recognition of Location Technology, reference is made to Note 5 and 6 of the consolidated financial statements.

Our audit approach	Our audit procedures include, amongst others, evaluating the appropriateness of the company's accounting policies related to revenue recognition accordance with IFRS 15 "Revenue from contracts with customers" and whether the accounting policies have been applied consistently. In addition, we evaluated the design and implementation of internal controls related to completeness, accuracy and timing of the revenue recognized. For a sample of contracts and contract modifications we have obtained the assessment of the contractual terms and conditions and the appropriate accounting thereof, as prepared by management. We have reviewed this assessment and the contracts with the customers and evaluated the accounting in accordance with IFRS 15. With respect to the estimation of the relative stand-alone selling price of various elements in bundled arrangements, we challenged estimates of management of the stand-alone selling prices using the latest available (historical) data and expectations, including (historical) sales price data of comparable arrangements and the standard price book. Furthermore, we evaluated the allocation of total transaction price to performance obligations based on the estimated stand-alone selling price for each performance obligation. With respect to the estimation of the total transaction price, we also challenged estimates of management by reconciliation with latest available (historical) data and expected usage data. In performing our audit procedures on the revenue recognition related estimates, we maintained our professional skepticism. We obtained audit evidence from events occurring up to the date of the auditor's report to determine whether any events require adjustment to the financial statements. We evaluated the adequacy of the Company's disclosures related to revenue recognition and accounting estimates, particularly whether disclosures adequately convey significant judgments and the degree of estimation uncertainty.
Key observations	We verified that management has updated the assumptions and estimates used, based on the latest available (historical) data and expectations. We evaluated that the assumptions and estimates used by management are within an acceptable range. Furthermore, we verified that the accounting policies are properly applied and the assessment of performance obligations is appropriate. Based on our procedures performed we did not identify material errors that required adjustment of the financial statements.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub section 2 of the Dutch Civil Code for the Remuneration report.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. The Management Board and the Supervisory Board are responsible for ensuring that the Remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the Supervisory Board as auditor of TomTom N.V. on 24 April 2015, as of the audit for the year 2015 and have operated as statutory auditor ever since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Reporting Format (ESEF)

TomTom N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in the XHTML format, including the (partially) marked-up consolidated financial statements as included in the reporting package by TomTom N.V., complies in all material respects with the RTS on ESEF.

The Management Board is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby the Management Board combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N "Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument" (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- Obtaining an understanding of the company's financial reporting process, including the preparation of the reporting package
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
    - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF
    - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF

Description of responsibilities regarding the financial statements

RESPONSIBILITIES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as the Management Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee of the Supervisory Board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

The Hague, 2 February 2024

Ernst & Young Accountants LLP

Signed by T. de Kuijper

Non-financial information

This section provides an overview of our sustainability-related metrics, the basis of calculation, and certain contextual information related to TomTom's ESG disclosures, included in the Sustainability chapter and the sections contained therein as well as other metrics which are either required by GRI or are provided to give additional insights on our sustainability performance.

People-related metrics across the company

(% of employees, unless stated otherwise)	2023	2022
Employer of choice		
Employee engagement score (scale from 1 to 100)	76	75
Employee voluntary turnover	7 %	16 %
Employee total turnover	13 %	27 %
Percentage of employees using enhanced parental leave	2 %	N/A
Percentage of employees using care giving leave	10 %	N/A
Diversity, equity, and inclusion		
Employee belonging score (scale from 1 to 100)	74	73
Ratio of the annual total compensation for the organization's highest-paid individual (CEO) to the average annual total compensation for all other employees	23.5	23.3
Number of non-employee workers	293	192
Information security and data privacy		
Engineers certifiably trained on security	19 %	9 %

People-related metrics by gender

			2023			2022
(number of employees, unless stated otherwise)	M	F	NB/ND	M	F	NB/ND
People development						
Employees that completed performance review cycle as a percentage of total employees	89 %	90 %	75 %	— %	— %	— %
Employees that completed performance review cycle as a percentage of eligible employees	99 %	99 %	100 %	99 %	99 %	100 %
Percentage of employees making use of development leaves	7 %	4 %	— %	— %	— %	— %
Diversity, equity, and inclusion						
Distribution of employees by gender:						
Company	2,696	990	11	2,761	1,052	11
Company (in %)	73 %	27 %	0 %	72 %	27 %	0 %
Senior management	128	29	0	131	27	0
Senior management (in %)	82 %	18 %	— %	83 %	17 %	— %
Distribution of employees by region:						
EMEA	1,872	654	10	1,882	685	9
AMER	151	56	1	170	70	1
ROW	673	280	0	709	297	1
Distribution of employees by age:						
Aged below 30	355	178	2	381	216	2
Aged between 30 and 50	2,044	739	6	2,079	759	6
Aged above 50	297	73	3	301	77	3
Distribution of employees by category:						
Permanent	2,662	956	11	2,721	1,014	10
Temporary	34	34	0	40	38	1
Full-time	2,583	906	10	2,625	955	9
Part-time	113	84	1	136	97	2

1. M (Male), F (Female), NB (Non-binary), ND (Not disclosed).

Emission-related metrics

(tonnes CO_2e, unless stated otherwise)	2023	2022	Method[3]
Scope 1[1]	**1,301**	**1,860**	Combination
Facilities	282	419	Combination
EMEA	*196*	*326*	
NAM	*81*	*79*	
APAC	*5*	*14*	
Lease fleet	404	652	Asset-specific
MoMA vehicles	615	789	Asset-specific
Scope 2 (Location)	**2,342**	**2,825**	
Facilities	2,342	2,825	Combination
EMEA	*1,577*	*2,003*	
NAM	*107*	*208*	
APAC	*658*	*614*	
Scope 2 (Market)[2]	**678**	**1,305**	Combination
Facilities	678	1,305	Combination
EMEA	*404*	*604*	
NAM	*54*	*87*	
APAC	*220*	*614*	
Scope 3	**18,957**	**18,470**	
Purchased goods and services	11,916	13,126	
Cloud computing	100	187	
Capital goods	1,806	705	
Upstream transportation and distribution	1,270	1,591	
Business travel	3,430	2,468	
Employee commute	335	319	
Downstream transportation and distribution	200	261	
Total emissions	**20,936**	**21,635**	Combination
Emission intensity (per FTE)[4]	*1.55*	*1.44*	
Emission intensity ($mtC0_2$ per thousand € of revenue)	*0.04*	*0.04*	

1. Year-on-year reduction resulting from office closures and the electrification of our lease fleet.
2. Year-on-year reduction resulting from increase of the proportion of renewable energy, as well as office closures.
3. Calculation methods are derived from the GHG Protocol and are explained in this section.
4. Emissions include Scope 1 and 2 (market-based), as well as Scope 3 emissions from business travel and employee commute.

Environment-related metrics

(various units, stated separately)	2023	2022
Energy usage		
Share of renewable electricity (%)	*86 %*	*69 %*
Final energy usage in Netherlands (GJ)	8,173	11,430
Amsterdam	*7,380*	*10,600*
Eindhoven	*793*	*830*
Energy intensity in Netherlands (GJ/m^2	0.39	0.53
Amsterdam	*0.42*	*0.61*
Eindhoven	*0.24*	*0.20*
Green Building Program		
Number of offices eligible for certification	18	28
Number of BREEAM or LEED certifications	9	10
Share of certified green buildings (%)	50 %	36 %
Water usage		
Water use in Netherlands (m^3)	4,280	3,288
Amsterdam	*3,982*	*2,959*
Eindhoven	*298*	*329*
Water efficiency in Netherlands (m^3/FTE)	3.92	3.11
Amsterdam	*4.48*	*3.50*
Eindhoven	*1.47*	*1.56*
Operational waste		
Waste in Netherlands (kg)	26,092	39,865
Reuse	*— %*	*— %*
Recycle	*49 %*	*45 %*
Compost	*21 %*	*25 %*
Energy recovery	*30 %*	*31 %*
Landfill	*— %*	*— %*

PEOPLE-RELATED METRICS

This section provides an explanation of all people-related indicators distributed across the three material topics, being Employer of choice, People development, Diversity, equity, and inclusion (DEI) as well as the training-related metric from the Information security and data privacy topic. Unless otherwise indicated, the term 'employee' includes all individuals with employment contracts, including interns. Contingent workers or contractors are not included in this definition.

Employee engagement and Belonging score

Employee engagement and Belonging score is measured bi-annually, through an anonymous survey sent out to all employees. Individuals who are known to be leaving the company and interns, are excluded from the survey results.

We utilize a widely-used external tool for this survey, which also provides benchmark scores specific to the Technology industry. To ensure accuracy, we have implemented controls to provide our external tool provider with a complete employee list, allowing everyone to participate in the survey. The outcome of the survey can range between 0 and 100.

Employee (voluntary) turnover ratio

Employee (voluntary) turnover ratio is measured as the total number of (voluntary) leavers over the last twelve months divided by the average number of employees over the last twelve months. All employees with employment contracts are included except for interns.

Percentage of employees that make use of enhanced parental leave, caregiver leave and development leave.

These percentages are derived from data in our HR system, representing the number of employees (excluding interns) who have requested enhanced parental, caregiver, or development leaves since the implementation of these initiatives in March 2023, divided by the average number of employees (excluding interns) for the selected period. Comparative numbers for 2022 are not available as these leaves were introduced in 2023.

Enhanced parental leaves constitute additional parental leaves offered to employees on top of the statutory parental leaves the eligible employees are entitled to take in their respective country of employment.

Caregiver leaves are leaves of up to five working days that employees can avail to care for family members or other important persons in their life, when such care is required.

Development leaves constitute leaves of absence for the purposes of taking courses, attending conferences, or engage in other structured learning that will contribute to the employees' personal development. Paid development leave can be taken for up to ten days per year.

Number of non-employee workers

The number of non-employee workers represents the number of external contingent workers who are not employed by the company but are contracted to support the primary activities of the company. The number presented is the headcount at 31 December.

Number of employees that have completed performance review cycles as a percentage of total employees

These percentages are calculated as the number of employees that have completed a previous-year performance review in the current year divided by the total number of employees (excluding interns) at 31 December.

Number of employees that have completed performance review cycles as a percentage of number of entitled employees

These percentages are calculated as the number of employees that have completed a previous-year performance review cycle in the current year divided by total number of employees (excluding interns) at 31 December that were actually entitled to take part in the previous year's performance review cycle. Employees hired since the fourth quarter of the previous year are not entitled to take part and hence are excluded from the denominator.

Distribution of employees by gender, seniority, region, age, and employee type

Data on characteristics of our workforce such as age, gender, country of employment, employee type are captured in our HR system. The data on the distribution of our employees covers all individuals with an employment contract with TomTom, including interns.

Our employees can identify themselves as male, female, or non-binary. Employees also have the option to withhold from disclosing their gender should they prefer to do so. Less than 1% of our workforce prefers not to disclose their gender identity or identifies as non-binary.

Senior management is defined as director and above (i.e., grade 19 and up) as administrated in our HR system.

Pay ratio between highest paid individual and the average annual compensation of all other employees

The pay ratio is calculated by dividing the total compensation of the CEO as disclosed in the Remuneration report with the average annual compensation of all other employees. The average compensation of all other employees is calculated as the total of all compensations and benefits excluding social securities, divided by the average number of FTEs (excluding interns) during the year.

Information security and data privacy

We prioritize information security and data privacy in our products and services, following a safety-, security-, and privacy-by-design approach. Our full product and service life cycle emphasizes user privacy, providing security of and control over personal data.

We have a dedicated Group Safety and Security function with established processes and controls. Reporting mechanisms cover topics like the risk of security breaches in our information systems and products. The Safety and Security Committee regularly meets to monitor risks, investments, and progress in reducing safety and security risks. We place great importance on maintaining the highest standards of product safety and security, with various training options available for employees, including group-wide security awareness training and specialized sessions for specific groups of employees.

Percentage of engineers certifiably trained on security

In 2022, we launched the Security Journey, a program offering specialized security training for software engineers. The training aims to detect security vulnerabilities early and reduce their occurrence over time. Our software engineers follow different learning paths, such as the white belt and yellow belt, each consisting of a set number of modules. Completion of applicable training paths is mandatory for engineers working on customer-facing applications. Our KPI focuses on tracking the completion of training paths that apply to all engineers. If a training path changes after completion, engineers are still considered to have successfully finished based on the program as it was when they completed the modules.

The online security training platform includes a dashboard feature that allows us to track the completion of security training by software engineers. Within TomTom, roles are categorized as software engineering or non-software engineering in our HR system. Software engineers are defined as individuals involved in designing, developing, testing, deploying, and managing our software or services. For our KPI we only consider software engineers employed by TomTom in the 'maps' and 'platform products' clusters and exclude contractors. To calculate the percentage of software engineers who completed the white and yellow belt training paths as of December 31st, we divide the number of engineers who completed both belts by the total number of employed software engineers.

ENVIRONMENT-RELATED METRICS

This section provides explanation of various environmental metrics such as our own carbon emissions, as well as other metrics which we believe are useful to be reported on, although they do not form part of our material topics.

CO_2E EMISSIONS

We report our emissions as per the methods set out in the GHG Protocol. Under the GHG Protocol, emissions are categorized into Scope 1, 2, and 3. Scope 1 focuses on direct emissions, mainly from company facilities and vehicles. Scope 2 captures indirect emissions resulting from purchased electricity, district heating, and cooling. Scope 3 focuses on all other indirect emissions that occur in a company's value chain, both upstream and downstream. We only report on CO_2 emissions as part of the GHG protocol as all other emission types (i.e., CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, ODS) have been determined to not be applicable or deemed immaterial for the group.

Aside from categorizing emissions into three scopes, the GHG Protocol also provides guidance on how to set organizational boundaries as regards to emissions reporting. We report on emissions from all entities over which we have operational control, as per the organizational boundary-setting methodology under the GHG Protocol. Consequently, our reporting includes emissions from owned as well as leased assets.

Scope 1 emissions

The reported Scope 1 emission figures have been carefully computed. Due to limited real-time data availability, we have applied diverging methodologies per emissions source.

Under the GHG Protocol, several calculation methods are given. The most accurate reporting is achieved by using the asset-specific method, which considers actual emissions from individual assets. This method requires detailed consumption data. Should these data not be available, the average-data method allows us to calculate emissions from assets using externally-sourced emission factors and intensities. Figures for most sources of emissions are computed using a combination of the asset-specific and average-data method, as applicable.

Facilities

A portion of our Scope 1 emissions originate from fossil fuel consumption for office heating and fugitive refrigerants. These emissions are estimated using actual consumption data for all of our offices in the Netherlands, our Lebanon, NH, office, our offices in Lodz, and a few minor offices. During 2023, there were no leakages of refrigerants reported for these offices.

As per the GHG Protocol, we have prioritized the asset-specific method of calculating our emissions over other methods. Data on our actual consumption was calculated from bills, invoices, and (smart) consumption meters, where applicable. When full year data is not available, we extrapolate the consumption data.

For offices where actual consumption data is not available, we compute emissions using the average-data method. We use the most recent available figures from the U.S. Energy Information Administration's (EIA) Commercial Buildings Energy Consumption Survey (CBECS) as our main source of office energy intensity, corrected for applied heating and cooling methods, building use and localized climates across our global footprint. The correction for localized climate was mainly done using EIA data and data from European Climate Design. Energy intensity figures are multiplied by gross leasable floor space, to arrive at consumption estimates.

To make the translation from consumption figures to emissions, we relied primarily on emission factors for each type of consumed fuel as reported by the EIA. In applying the reported emission factor for natural gas, which was based on gigajoules (GJ), our natural gas consumption was translated to GJ using net calorific values per cubic meter as reported by the Netherlands Enterprise Agency.

Vehicle fleet

Our vehicles also contribute to our Scope 1 emissions. We operate a fleet of leased passenger vehicles and an array of specialist Mobile Mapping (MoMa) vehicles.

We collected consumption data for all MoMa vehicles and the vast majority of leased passenger vehicles. Fuel consumption is converted to emissions using established emission factors per fuel source. For vehicles where mileage data was not available, we estimated the emissions using average vehicle emissions across our fleet.

Scope 2 emissions

Scope 2 includes our indirect emissions from purchased electricity and district heating. These emissions center around our office locations, both owned and leased.

Facilities

Actual consumption data was available for our offices in the Netherlands, our Lebanon, NH, office, our offices in Lodz, and a few minor offices. Data on the consumption of electricity, heating, and cooling, was collected from (smart) consumption meters, invoices, and bills, where applicable.

For the offices for which we could not obtain actual data, we used average-data formulas to estimate energy consumption for other offices. Consumption was estimated by using energy intensity figures from EIA's CBECS and gross leasable floor area data. In using the energy intensity figures we adjusted for applied heating and cooling methods, building use, and localized climates, where appropriate. Corrections for local climate where made using assumed climate regions gathered from the EIA and data from European Climate Design. We aim to strengthen our data collection in 2024 to further improve data accuracy and consistency.

The GHG Protocol demands us to report on Scope 2 emissions using two methods, being location-based and market-based. Location-based emissions from purchased electricity and district heating are computed using grid average emission factors per location. The location-based method does not allow for the consideration of contractual instruments. Conversely, using the market-based method, we take the renewable energy certificates in place for our energy consumption in offices in the Netherlands, Belgium, Poland, and some other locations, into consideration, thereby lowering our overall footprint.

To convert consumption data to emissions, we apply grid average emissions data from a multitude of local sources. For our offices in Europe, we leverage data from the European Environment Agency, while U.S. grid average emissions are gathered from the U.S. Environmental Protection Agency (EPA). Similarly, grid average emissions from local national bodies were used for other countries. In all, local-specific grid average emissions were used for both emissions from purchased electricity as well as purchased heating and cooling.

Scope 3 emissions

For Scope 3 emissions we report on categories below that have been assessed to be material. All other Scope 3 categories which are not included below have been assessed to be not material or relevant for the group. Methodologies for calculating emissions for each of the categories is explained below.

Purchased goods and services and Capital goods

Emissions from purchased goods and services are calculated, to the extent possible, using supplier-specific information received directly from suppliers or estimated based on publicly available information such as annual reports or websites, when deemed appropriate. The supplier-specific information includes data on emissions from our cloud usage, reported through dedicated dashboards that are managed by our cloud service providers. In case the emission data was not available for the full year, we extrapolated the data using current-year as well as previous years' usage trends. When supplier-specific emission data is used we include their Scope 1 and Scope 2 (market-based) emissions in our calculation for Scope 3 emissions.

When supplier-specific information is not available we calculated the emissions using 2021 spend-based factors from the U.S. Environmental Protection Agency (EPA). The percentage of emissions calculated using supplier-specific data in 2023 were 3% (2022: 7%) for Purchased goods and services and 0% (2022: 17%) for Capital goods.

Business travel

Emissions from business travel includes emissions from air travel, hotels, rail travel, and car rentals. The emissions are calculated by a third party service provider (Advito) using their own proprietary and ISO certified methodology (GATE4).

Upstream and downstream transportation

Emissions from upstream and downstream transportation are calculated using supplier-specific information or 2021 spend-based factors from the EPA, where supplier-specific information was not available. Our supplier-specific emissions for the current reporting year are estimated based on prior-year data when required. The percentage of emissions calculated using supplier-specific data in 2023 was 77% (2022: 78%) for Upstream transportation and 28% (2022: 74%) for Downstream transportation.

Employee commute

Emissions from employee commute were calculated using inputs such as actual or estimated data on commuting distance, mode of transport, frequency of commuting, and 2023 emission factors from the U.K. Department for Environment, Food and Rural Affairs (Defra). As the majority of this calculation is based on estimates, employee surveys were sent out to identify travel patterns and distances in order to determine what population to include for calculation purposes. We used a combination of distance-based method and average-data method for calculating the emissions of our largest office locations providing us with coverage of more than 90% for total employee commute.

Emission intensity per FTE

Emission intensity per FTE is calculated as the total of Scope 1, Scope 2 (market-based), and Scope 3 emissions from business travel and employee commute divided by the average number of FTE during the year.

OTHER ENVIRONMENTAL METRICS

Share of renewable electricity

Share of renewable electricity is calculated as the total electricity usage in the offices that make use of renewable electricity or for which we have purchased renewable energy certificates divided by total electricity usages of all offices.

Final energy usage in the Netherlands

Final energy usage in the Netherlands represents the total energy we use in our offices in the Netherlands from electricity, natural gas, and (thermal) heating. This measure does not take into account the generation and transportation of energy from the power plant to the building, as is the case with the measure of primary energy.

The previously reported primary energy usage in 2022 has been replaced with final energy usage for comparability with 2023 figures.

Energy intensity in the Netherlands

Energy intensity in the Netherlands is calculated as the final energy usage (in GJ) divided by the total lettable floor area for our offices in Amsterdam and Eindhoven.

Operational waste in the Netherlands

Operational waste in the Netherlands only includes waste generated in the day-to-day operations of our offices in Amsterdam and Eindhoven and excludes waste generated from the renovation of office buildings.

EXTERNAL ASSURANCE

EY has provided limited assurance on the sustainability information in the Sustainability chapter and the accompanying metrics on pages 119 and 120, with the exception of the EU Taxonomy disclosure.

Please refer to the Limited Assurance report of the independent auditor on pages 133 and 134.

EU TAXONOMY ANALYSIS ON TURNOVER

				Substantial contribution criteria						Do no significant harm criteria									
Economic activities	Codes	Absolute Turnover (€ '000)	Proportion of Turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy aligned (A.1) or eligible (A.2) proportion of turnover 2023	Category (enabling category)	Category (transitional activity)
A. Taxonomy eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy aligned) (A.1)		—	— %																
Of which Enabling		—	— %																
Of which Transitional		—	— %																
A.2. Taxonomy eligible but not environmentally sustainable activities (non Taxonomy aligned activities)																			
Turnover of Taxonomy eligible but not environmentally sustainable activities (non Taxonomy aligned activities) (A.2)																			
Total (A.1 + A.2)		—	— %																
B. Taxonomy non eligible activities		—	— %																
Turnover of taxonomy non eligible activities		584,760	100 %																
Total (A + B)		584,760	100 %																

EU TAXONOMY ANALYSIS ON CAPEX

Economic activities	Codes	Absolute CAPEX (€ '000)	Proportion of CAPEX	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Do no significant harm criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy aligned (A.1) or eligible (A.2) proportion of CapEx 2023	Category (enabling category)	Category (transitional activity)
A. Taxonomy eligible activities																			
A.1. Environmentally sustainable activities																			
7.3. Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22,	41	0.12 %	100 %	— %	— %	— %	— %	— %		Y	Y	Y	Y	Y	Y	0.12 %	E	
7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42, F43, M71, and C16, C17, C22, C23, C25, C27, C28	426	1.30 %	100 %	— %	— %	— %	— %	— %		Y	Y	Y	Y	Y	Y	1.30 %	E	
CAPEX of environmentally sustainable activities (Taxonomy aligned) (A.1)		467	1.42 %	100 %	— %	— %	— %	— %	— %								1.42 %		
Of which Enabling		467	1.42 %	100 %	— %	— %	— %	— %	— %								100.0 %	E	
Of which Transitional		—	— %	— %	— %	— %	— %	— %	— %								— %		
A.2. Taxonomy eligible but not environmentally sustainable activities (non Taxonomy aligned activities)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	H49.32, H49.39, H77.11	1,718	5.21 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5.21 %		
CAPEX of Taxonomy eligible but not environmentally sustainable activities		1,718	5.21 %	100 %	— %	— %	— %	— %	— %								5.21 %		
Total (A.1 + A.2)		2,185	6.63 %																
B. Taxonomy non eligible activities																			
CAPEX of taxonomy non eligible activities		30,773	93.37 %																
Total (A + B)		32,958	100.00 %																

[1] Absolute CAPEX includes additions to Property, plant and equipment under IAS 16, Intangible assets under IAS 38, as well as additions (including reassessments) to Right-of-use assets under IFRS 16.

EU TAXONOMY ANALYSIS ON OPEX

				Substantial contribution criteria						Do no significant harm criteria									
Economic activities	Codes	Absolute OPEX (€ '000)	Proportion of OPEX	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy aligned (A.1) or eligible (A.2) proportion of OPEX 2023	Category (enabling category)	Category (transitional activity)
A. Taxonomy eligible activities																			
A.1. Environmentally sustainable activities																			
6.4. Operation of personal mobility devices, cycle logistic	N77.11, N77.21	4	— %	100 %	— %	— %	— %	— %	— %	Y	Y	Y	Y	Y	Y		— %	E	
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28	8	— %	100 %	— %	— %	— %	— %	— %	Y	Y	Y	Y	Y	Y		— %	E	
7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42, F43, M71, and C16, C17, C22, C23, C25, C27, C28	3	— %	100 %	— %	— %	— %	— %	— %	Y	Y	Y	Y	Y	Y		— %	E	
9.3. Professional services related to energy performance of buildings	M71	69	0.02 %	100 %	— %	— %	— %	— %	— %	Y	Y	Y	Y	Y	Y		0.02 %	E	
OPEX of environmentally sustainable activities (Taxonomy aligned) (A.1)		84	0.02 %	100 %	— %	— %	— %	— %	— %								0.02 %		
Of which Enabling		84	0.02 %	100 %	— %	— %	— %	— %	— %								100 %	E	
Of which Transitional		—	— %	— %	— %	— %	— %	— %	— %								— %		
A.2. Taxonomy eligible but not environmentally sustainable activities (non Taxonomy aligned activities)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
3.2 Renovation of building	F41 and F43	203	0.06 %	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.06 %		
OPEX of Taxonomy eligible but not environmentally sustainable activities		203	0.06 %	— %	— %	— %	100 %	— %	— %								0.06 %		
Total (A.1 + A.2)		287	0.08 %																
B. Taxonomy non eligible activities																			
OPEX of taxonomy non eligible activities		366,386	99.92 %																
Total (A + B)		366,470	100 %																

1. Absolute OPEX includes direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant, and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Disclosure number	Disclosure name	Section reference
Statement of use		
GRI 1	TomTom N.V. has reported the information cited in this GRI content index for the period January 1, 2023 to December 31 2023, with reference to the GRI Standards	
General disclosures		
2-1	Organizational details	Our approach to sustainability - Basis of preparation Notes to the consolidated financial statements - General
2-2	Entities included in the organization’s sustainability reporting	Our approach to sustainability - Basis of preparation Notes to the consolidated financial statements - Basis of consolidation Supplementary information - List of subsidiaries
2-3	Reporting period, frequency and contact point	Our approach to sustainability - Basis of preparation Notes to the consolidated financial statements - General
2-4	Restatements of information	Our approach to sustainability - Basis of preparation
2-5	External assurance	Our approach to sustainability - Basis of preparation
2-6	Activities, value chain, and other business relationships	We are TomTom
2-7	Employees	Non-financial information - Non-financial indicators
2-8	Workers who are not employees	Non-financial statements - Non-financial indicators
2-9	Governance structure and composition	Sustainability - Governance Governance - Corporate Governance Governance - Management Board Governance - Supervisory Board
2-10	Nomination and selection of the highest governance body	Governance - Management Board Governance - Supervisory Board
2-11	Chair of the highest governance body	Governance - Supervisory Board
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability - Our approach to sustainability Governance - Supervisory Board
2-13	Delegation of responsibility for managing impacts	Governance - Management Board
2-14	Role of the highest governance body in sustainability reporting	Sustainability - Our approach to sustainability Governance - Supervisory Board
2-15	Conflicts of interest	Governance - Management Board - Conflicts of interest Governance - Supervisory Board - Conflicts of interest
2-16	Communication of critical concerns	Governance - Supervisory Board report
2-17	Collective knowledge of the highest governance body	Governance - Supervisory Board report
2-18	Evaluation of the performance of the highest governance body	Governance - Supervisory Board report
2-19	Remuneration policies	Governance - Remuneration report
2-20	Process to determine remuneration	Governance - Remuneration report

2-21	Annual total compensation ratio	Not applicable - TomTom is using the average annual total remuneration per FTE, instead of the median annual total remuneration per FTE as required by the GRI. We have applied this different indicator in order to comply with the disclosure requirements of the Dutch Corporate Governance Code. The Dutch Corporate Governance Code is embedded in Dutch law as a comply or explain requirement, while GRI is not embedded.
2-22	Statement on sustainable development strategy	Sustainability - Our approach to sustainability
2-23	Policy commitments	Sustainability - Governance
2-24	Embedding policy commitments	Sustainability - Governance
2-25	Processes to remediate negative impacts	Sustainability - Social - Taking on board TomTom'ers' feedback Sustainability - Governance - Ethical business practices
2-26	Mechanisms for seeking advice and raising concerns	Sustainability - Governance - Ethical business practices
2-27	Compliance with laws and regulations	Governance - Corporate governance - Compliance with laws and regulations
2-28	Membership associations	We are TomTom - Message from the CEO We are TomTom - Our strategy We are TomTom - How we create value Sustainability - Governance - Data sourcing and partnerships
2-29	Approach to stakeholder engagement	Sustainability - Our approach to sustainability
2-30	Collective bargaining agreements	While employees in certain countries may be part of collective bargaining agreements, this information is currently not centrally tracked and hence not yet available for reporting purposes.

GRI standard	Disclosure	Section reference
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability - Our approach to sustainability
	3-2 List of material topics	Sustainability - Our approach to sustainability
Climate change actions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability - Our approach to sustainability Sustainability - Environment - Promoting environmental sustainability Sustainability - Environment - Climate change actions
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability - Environment - Climate change actions Non-financial information - Non-financial indicators - Emission-related metrics
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability - Environment - Climate change actions Non-financial information - Non-financial indicators - Emission-related metrics
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability - Environment - Climate change actions Non-financial information - Non-financial indicators - Emission-related metrics
	305-4 GHG emissions intensity	Sustainability - Environment - Climate change actions Non-financial information - Non-financial indicators - Emission-related metrics
	305-5 Reduction of GHG emissions	Sustainability - Environment - Climate change actions Non-financial information - Non-financial indicators - Emission-related metrics
	305-6 Emissions of ozone-depleting substances (ODS)	Not material for the group and therefore not disclosed
Own indicators	CO_2e emissions across Scopes 1, 2, and 3 (tonnes CO_2-equivalent)	Sustainability - Environment - Climate change actions Non-financial information - Non-financial indicators - Emission-related metrics
	Renewable electricity usage as a percentage of total electricity consumption	Sustainability - Environment - Climate change actions Non-financial information - Non-financial indicators - Emission-related metrics
Employer of choice		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability - Our approach to sustainability Sustainability - Social - Our people drive our impact Sustainability - Social - Employer of choice
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Non-financial information - Non-financial indicators - People-related metrics across the company
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime	Sustainability - Social - Our people drive our impact This will not be disclosed in more detail
	401-3 Parental leave	Non-financial information - Non-financial indicators - People-related metrics across the company We will only be reporting on enhanced parental leave
Own indicator	Employee engagement score (as number from 1 to 100)	Sustainability - Social - Employer of choice Non-financial information - Non-financial indicators - People-related metrics across the company

GRI standard	Disclosure	Section reference
People development		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability - Our approach to sustainability Sustainability - Social - Our people drive our impact Sustainability - Social - People development
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Data not yet available and therefore not disclosed
	404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability - Social - People development
	404-3 Percentage of employees receiving regular performance and career development reviews	Non-financial information - Non-financial indicators - People-related metrics by gender. Breakdown by employee category is not available and hence is not provided
Own indicator	Number of employees making use of development leaves	Sustainability - Social - People development Non-financial information - Non-financial indicators - People-related metrics by gender
Diversity, equity, and inclusion		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability - Our approach to sustainability Sustainability - Social - Our people drive our impact Sustainability - Social - Diversity, equity, and inclusion
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Non-financial information - Non-financial indicators - People-related metrics by gender
	405-2 Ratio of basic salary and remuneration of women to men	Data not yet available and therefore not disclosed
Own indicators	Gender diversity ratio at company and senior management level	Non-financial information - Non-financial indicators - People-related metrics by gender
	Employee belonging score (as number from 1 to 100)	Sustainability - Social - Diversity, equity, and inclusion Non-financial information - Non-financial indicators - People-related metrics across the company
Data security and privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability - Our approach to sustainability Sustainability - Governance - Making impact, responsibly Sustainability - Governance - Data security and privacy
Own indicator	Percentage of engineers certifiably trained on data security	Sustainability - Governance - Data security and privacy Non-financial information - Non-financial indicators - People-related metrics across the company
Data sourcing and partnerships		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability - Our approach to sustainability Sustainability - Governance - Making impact, responsibly Sustainability - Governance - Data sourcing and partnerships
Own indicator	No specific KPI set yet	Not applicable

GRI standard	Disclosure	Section reference
Responsible AI and automation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability - Our approach to sustainability Sustainability - Governance - Making impact, responsibly Sustainability - Governance - Responsible AI and automation
Own indicator	No specific KPI set yet	Not applicable

To: the shareholders and Supervisory Board of TomTom N.V.

Limited assurance report of the independent auditor on the sustainability information

OUR CONCLUSION

We have performed a limited assurance engagement on the sustainability information in the accompanying annual report 2023 of TomTom N.V. at Amsterdam.

Based on our procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the sustainability information does not present fairly, in all material respects:

- The policy with regard to sustainability matters
- The business operations, events and achievements in that area in 2023

in accordance with the applicable criteria as included in the section "Criteria".

The sustainability information in scope is included in chapter "Sustainability", with the exception of the section EU Taxonomy, and the pages 119 up to 120 of the section "Non-financial information" of the annual report.

BASIS FOR OUR CONCLUSION

We have performed our limited assurance engagement on the sustainability information in accordance with Dutch law, including Dutch Standard 3810N, “Assurance-opdrachten inzake duurzaamheidsverslaggeving”(Assurance engagements relating to sustainability reporting), which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000, “Assurance engagements other than audits or reviews of historical financial information”. Our responsibilities in this regard are further described in the section ‘Our responsibilities for the assurance engagement on the sustainability information’ of our report.

We are independent of TomTom N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

CRITERIA

The criteria applied for the preparation of the sustainability information are the GRI Sustainability Reporting Standards (GRI Standards) and the criteria supplementally applied as disclosed in section ”Basis of preparation” in chapter “Sustainability” of the annual report.

The sustainability information is prepared with reference to the GRI Standards. The GRI Standards used are listed in the GRI Content Index as disclosed on pages 128 up to 132 of the annual report.

The comparability of sustainability information between entities and over time may be affected by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques. Consequently, the sustainability information needs to be read and understood together with the criteria applied.

CORRESPONDING INFORMATION NOT ASSURED

The sustainability information for the period up to 2022 has not been part of an assurance engagement with the exception of the following indicators:

- Employee engagement score
- Gender diversity ratio
    - TomTom all employees
    - TomTom senior management
- Scope 1, 2 and 3 CO2e emissions
- Percentage of engineers certifiably trained on security

Consequently, the corresponding sustainability information other than the indicators mentioned above and thereto related disclosures in the annual report for the period up to 2022 are not assured.

Our conclusion is not modified in respect of this matter.

LIMITATIONS TO THE SCOPE OF OUR ASSURANCE ENGAGEMENT

The sustainability information includes prospective information such as ambitions, strategy, plans, expectations, and estimates. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the assumptions and achievability of this prospective information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect of these matters.

RESPONSIBILITIES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD FOR THE SUSTAINABILITY INFORMATION

The management board is responsible for the preparation and fair presentation of the sustainability information in accordance with the criteria as included in the section "Criteria", including the identification of stakeholders and the definition of material matters. The management board is also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of stakeholders, considering applicable law and regulations related to reporting. The choices made by the management board regarding the scope of the sustainability information and the reporting policy are summarized in section ”Basis of preparation” in chapter “Sustainability” of the annual report.

Furthermore, the management board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the sustainability reporting process of TomTom N.V.

OUR RESPONSIBILITIES FOR THE ASSURANCE ENGAGEMENT ON THE SUSTAINABILITY INFORMATION

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of sustainability information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the Nadere voorschriften kwaliteitssystemen (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our assurance engagement included amongst others:

- Performing an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, and the characteristics of the company
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the company’s materiality assessment and the reasonableness of estimates made by the management board
- Obtaining through inquiries a general understanding of the internal control environment, the reporting processes, the information systems and the entity’s risk assessment process relevant to the preparation of the sustainability information, without testing the operating effectiveness of controls
- Identifying areas of the sustainability information where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted amongst others of:
    - Making inquiries of management and relevant staff at corporate level responsible for the sustainability strategy, policy and results
    - Interviewing relevant staff responsible for providing the information for, carrying out controls on, and consolidating the data in the sustainability information
    - Obtaining assurance evidence that the sustainability information reconciles with underlying records of TomTom N.V.
    - Reviewing, on a limited sample basis, relevant internal and external documentation
    - Considering the data and trends
- Reconciling the relevant financial information with the financial statements
- Reading the information in the annual report that is not included in the scope of our assurance engagement to identify material inconsistencies, if any, with the sustainability information
- Considering the overall presentation and balanced content of the sustainability information
- Considering whether the sustainability information as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with criteria applied

COMMUNICATION

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

Eindhoven, 2 February 2024

Ernst & Young Accountants LLP

Signed by A.B.E. Laan

Supplementary information

Statement of income overview

(€ in thousands, unless stated otherwise; quarterly data unaudited)	FY 2020	FY 2021	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Revenue	528,185	506,926	536,343	140,718	156,549	144,114	143,379	584,760
Cost of sales	104,794	99,821	86,619	20,025	27,281	25,175	16,511	88,992
Gross profit	**423,391**	**407,105**	**449,724**	**120,693**	**129,268**	**118,939**	**126,868**	**495,768**
Research and development expenses - Geographic data	429,810	219,808	205,760	42,180	45,798	43,661	42,957	174,596
Research and development expenses - Application layer	137,580	146,209	171,504	42,461	49,410	47,263	45,485	184,619
Sales and marketing expenses	57,556	45,181	50,353	12,982	14,158	14,180	15,760	57,080
General and administrative expenses	86,155	89,098	119,720	20,423	23,459	22,573	33,026	99,481
Total operating expenses	**711,101**	**500,296**	**547,337**	**118,046**	**132,825**	**127,677**	**137,228**	**515,776**
Operating result	**-287,710**	**-93,191**	**-97,613**	**2,647**	**-3,557**	**-8,738**	**-10,360**	**-20,008**
Financial result	-7,307	6,329	2,818	1,598	699	3,371	332	6,000
Result before tax	**-295,017**	**-86,862**	**-94,795**	**4,245**	**-2,858**	**-5,367**	**-10,028**	**-14,008**
Income tax (expense)	37,378	-7,791	-7,940	-1,272	-1,597	-2,523	-1,608	-7,000
Net result[1]	**-257,639**	**-94,653**	**-102,735**	**2,973**	**-4,455**	**-7,890**	**-11,636**	**-21,008**
Margins								
Gross margin (%)[2]	80%	80%	84%	86%	83%	83%	88%	85%
EBIT margin (%)[2]	-54%	-18%	-18%	2%	-2%	-6%	-7%	-3%
Basic number of shares (in thousands)	130,562	127,714	127,849	128,450	128,970	129,331	128,568	128,841
Diluted number of shares (in thousands)	131,706	129,430	130,118	130,898	131,981	132,640	131,127	132,427
Earnings per share								
Basic EPS (€)	-1.97	-0.74	-0.80	0.02	-0.03	-0.06	-0.09	-0.16
Diluted EPS (€)	-1.97	-0.74	-0.80	0.02	-0.03	-0.06	-0.09	-0.16

1. Fully attributable to equity holders of the parent.
2. Non-GAAP measure, refer to page 142.

Statement of cash flows overview

(€ in thousands, quarterly data unaudited)	FY 2020	FY 2021	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Operating result	-287,710	-93,191	-97,613	2,647	-3,557	-8,738	-10,360	-20,008
Foreign exchange adjustments	-4,887	7,904	6,373	38	-1,027	1,118	-1,343	-1,214
Depreciation and amortization	285,609	73,671	56,672	12,508	11,180	9,837	10,091	43,616
Change in provisions	-4,336	-7,474	-2,472	-455	-697	308	-1,754	-2,598
Equity-settled stock compensation expenses	6,437	5,934	10,532	2,608	3,944	2,627	3,622	12,801
Other non-cash movements	0	-46	-69	-207000	-134	0	0	-341
Changes in working capital:								
Change in inventories	-2,932	8,772	5,086	1,124	1,903	-1,583	844	2,288
Change in receivables and prepayments	13,741	17,883	-9,164	-3,904	-9,048	11,682	967	-303
Change in liabilities (excluding provisions)[1]	-17,215	32,289	5,124	-5,073	-741	1,005	6,149	1,340
Cash flow from operations	**-11,293**	**45,742**	**-25,531**	**9,286**	**1,823**	**16,256**	**8,216**	**35,581**
Interest received	1,082	326	389	1,424	2,447	2,755	3,053	9,679
Interest paid	-1,956	-1,716	-1,183	-315	-442	-498	-479	-1,734
Corporate income taxes paid	-8,013	-7,569	-5,083	-2,587	-3,620	-2,197	-2,427	-10,831
Cash flow from operating activities	**-20,180**	**36,783**	**-31,408**	**7,808**	**208**	**16,316**	**8,363**	**32,695**
Investments in intangible assets	0	0	-5,271	0	0	0	0	0
Investments in property, plant and equipment	-6,298	-13,274	-4,895	-1,371	-2,868	-4,337	-3,281	-11,857
Proceeds from sale of investments	0	0	0	14,965	0	0	0	14,965
Dividends received	162	366	392	0	0	0	0	0
Change in fixed-term deposits	79,650	-7,070	-21,000	-60,753	104,008	-108,109	8,192	-56,662
Cash flow from investing activities	**73,514**	**-19,978**	**-30,774**	**-47,159**	**101,140**	**-112,446**	**4,911**	**-53,554**
Payment of lease liabilities	-15,595	-14,785	-14,369	-3,456	-3,113	-2,918	-2,279	-11,766
Proceeds on issue of ordinary shares	2,484	4,561	4,051	0	368	0	0	368
Purchase of treasury shares	-16,569	-33,431	0	0	0	0	-12,060	-12,060
Cash flow from financing activities	**-29,680**	**-43,655**	**-10,318**	**-3,456**	**-2,745**	**-2,918**	**-14,339**	**-23,458**
Net (decrease)/increase in cash and cash equivalents	**23,654**	**-26,850**	**-72,500**	**-42,807**	**98,603**	**-99,048**	**-1,065**	**-44,317**
Cash and cash equivalents at the beginning of period	213,941	231,520	205,820	132,729	89,497	188,314	89,573	132,729
Exchange rate changes on cash balances held in foreign currencies	**-6,075**	**1,150**	**-591**	**-425**	**214**	**307**	**-976**	**-880**
Cash and cash equivalents at the end of the period	**231,520**	**205,820**	**132,729**	**89,497**	**188,314**	**89,573**	**87,532**	**87,532**

[1] Includes movements in the non-current portion of deferred revenue presented under Non-current liabilities.

Reconciliation to free cash flow overview

(€ in thousands, quarterly data unaudited)	**FY 2020**	**FY 2021**	**FY 2022**	Q1 2022	Q2 2023	Q3 2023	Q4 2023	**FY 2023**
Calculation of free cash flow								
Cash flow from operating activities	-20,180	36,783	-31,408	7,808	208	16,316	8,363	32,695
Investments in intangible assets	0	0	-5,271	0	0	0	0	0
Investments in property, plant and equipment	-6,298	-13,274	-4,895	-1,371	-2,868	-4,337	-3,281	-11,857
Free cash flow from total operations	-26,478	23,509	-41,574	6,437	-2,660	11,979	5,082	20,838
Free cash flow from discontinued operations	0	0	0	0	0	0	0	0
Free cash flow[1]	**-26,478**	**23,509**	**-41,574**	**6,437**	**-2,660**	**11,979**	**5,082**	**20,838**
Restructuring-related cash flow[2]	0	0	12,388	4,043	5,792	944	399	11,178
Free cash flow excluding restructuring[1]	**-26,478**	**23,509**	**-29,186**	**10,480**	**3,132**	**12,923**	**5,481**	**32,016**

1. Non-GAAP measure, refer to page 142.
2. Restructuring charges are related to the Maps realignment announced in June 2022.

LIST OF SUBSIDIARIES

TomTom N.V. holds directly or indirectly a 100% interest in the following subsidiaries:

Legal entity	Country of incorporation and statutory seat (city or state)
Location Navigation Pty Ltd	Australia (Subiaco)
TomTom ANZ Pty Ltd	Australia (Subiaco)
TomTom Belgium NV	Belgium (Gent)
TomTom Brasil Mapas e Serviços Ltda	Brazil (São Paulo)
Tele Atlas (Canada), Inc.	Canada (Toronto)
TomTom Chile SpA	Chile (Santiago)
TomTom Navigation Technology (China) Co., Ltd.	China (Shanghai)
TomTom Location Technology Germany GmbH	Germany (Berlin)
TomTom Germany GmbH & Co. KG	Germany (Hannover)
Tele Atlas Germany Finance 4 GmbH	Germany (Harsum)
TomTom India Private Limited	India (Pune)
PT. TomTom Indonesia	Indonesia (Jakarta)
TomTom Ireland Limited	Ireland (Dublin)
TomTom Navigation Malaysia Sdn.Bhd.	Malaysia (Kuala Lumpur)
Tele Atlas México, S. de R.L. de C.V.	Mexico (Mexico City)
TomTom Connected Services Delivery B.V.	Netherlands (Amsterdam)
TomTom Germany Holding B.V.	Netherlands (Amsterdam)
TomTom Global Content B.V.	Netherlands (Amsterdam)
TomTom International B.V.	Netherlands (Amsterdam)
TomTom Navigation B.V.	Netherlands (Amsterdam)
TomTom Sales B.V. [1]	Netherlands (Amsterdam)
TomTom Traffic B.V.	Netherlands (Amsterdam)
TomTom Polska Sp. Z.o.o.	Poland (Łódź)
Tele Atlas CIS Holding OOO	Russian Federation (Moscow)
Tele Atlas RUS OOO	Russian Federation (Moscow)
TomTom d.o.o., Beograd	Serbia (Belgrade)
TomTom Africa (Pty) Ltd.	South Africa (Irene)
TomTom Korea Limited	South Korea (Seoul)
TomTom Asia, Inc.	Taiwan (Taipei)
TomTom Navigation Taiwan Co., Ltd.	Taiwan (Taipei)
TomTom Navigation (Thailand) Co., Ltd.	Thailand (Bangkok)
TomTom MENA FZ-LLC	United Arab Emirates (Dubai)
TomTom Software Ltd.	United Kingdom (London)
TomTom North America, Inc.	United States (California)

1. TomTom Sales B.V. also operates branches in Austria, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Japan, New Zealand, Norway, Spain, Sweden, Switzerland, Turkey, and United Kingdom.

DEFINITIONS AND ABBREVIATIONS

Term	Definition
AC	Audit Committee
ADAS	Advanced Driver Assistance Systems
AFM	the Netherlands Authority for Financial Markets
AGM	Annual General Meeting
AI	Artificial Intelligence
Americas	the totality of North and South America
Asia Pacific	part of Asia which lies in the Pacific Ocean
AScX	the Amsterdam Small-Cap Index
API	Application Programming Interface
AWS	Amazon Web Services
B2B	Business to Business
B2C	Business to Consumer
BREEAM	Building Research Establishment Environmental Assessment Method
CAPEX	Capital Expenditures
CBECS	Commercial Buildings Energy Consumption Survey
CIS	Commonwealth of Independent States
Code	the Dutch Corporate Governance Code
Company	TomTom N.V.
CO_2	Carbon dioxide
CSRD	Corporate Sustainability Reporting Directive
DEI	Diversity, Equity, and Inclusion
DCC	The Dutch Civil Code
Decree	the Dutch Decree on the contents of Directors' Report
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EIA	U.S. Energy Information Administration
EMEA	Europe, the Middle East and Africa
EPA	U.S. Environmental Protection Agency
EPS	Earnings Per Share
ESEF	European Single Electronic Format
ESG	Environmental, Social, and Governance
ESRS	European Sustainability Reporting Standards
ETA	Estimated Time of Arrival
ETR	Effective Tax Rate
EV	Electric Vehicle
FCD	Floating Car Data
FCF	Free Cash Flow
FIFO	First-in, First-out
FTE	Full-time Equivalent
Foundation	Stichting Continuïteit TomTom
GAAP	Generally Accepted Accounting Principles
GDPR	General Data Protection Regulation
GHG Protocol	Greenhouse Gas Protocol
GRI	Global Reporting Initiative
Group	TomTom N.V. together with its subsidiaries
HD	High Definition
HR	Human Resources
HGB	Handelsgesetzbuch (German Commercial Code)
IA	Internal Audit
IAS	International Accounting Standards
IFRIC	International Financial Reporting Interpretations Committee

Term	Definition
IFRS	International Financial Reporting Standards
IP	Intellectual property
ISMS	Information Security Management System
ISA	Intelligent Speed Assistance
ISO	International Organization for Standardization
GJ	Gigajoules
KPI	Key Performance Indicator
LGBTQIA+	Lesbian, gay, bisexual, transgender, intersex, queer/questioning, asexual
LEED	Leadership in Energy and Environmental Design
LLM	Large Language Model
LT	Location Technology
LTI	Long-Term Incentive
MB	Management Board
MoMa	Mobile Mapping
NBA	Koninklijke Nederlandse Beroepsorganisatie van Accountants (Netherlands Institute of Chartered Accountants)
NACE	The Statistical classification of economic activities in the European Community
NGO	Non-Governmental Organization
North America	The United States and Canada
NPE	Non-Practicing Entities
NVKS	Nadere voorschriften kwaliteitssystemen (Regulations for quality management systems)
OCI	Other Comprehensive Income
OECD	Organisation for Economic Co-operation and Development
OEM	Original Equipment Manufacturer
OPEX	Operational Expenditures
OSM	OpenStreetMap
PND	Portable Navigation Device
POI	Point of interest
PP&E	Property, plant & equipment
R&D	Research & Development
REC	Renewable Energy Certificate
RemCo	Remuneration Committee
ROW	Rest of World
RSU	Restricted Stock Unit
RTS	Regulatory Technical Standards
SB	Supervisory Board
SD	Standard Definition
SDG	Sustainable Development Goal
SDK	Software Development Kit
SDO	Sensor Derived Observations
SelCo	Selection Committee
STI	Short-Term Incentive
SUV	Sports Utility Vehicle
TISAX	Trusted Information Security Assessment Exchange
VGBA	Verordening gedrags- en beroepsregels accountants (Dutch Code of Ethics)
ViO	Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (Code of Ethics for Professional Accountants)
Wta	Wet toezicht accountantsorganisaties (Audit firms supervision act)

IMPORTANT NOTICE

In this Annual Report 'TomTom' 'the company' and the 'the group' are sometimes used for convenience in contexts where reference is made to TomTom N.V. and/or any of its subsidiaries in general or where no useful purpose is served by identifying the particular company.

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of TomTom and certain of the plans and objectives of TomTom with respect to these items. In particular, the words 'expect', 'anticipate', 'estimate', 'may', 'should', 'believe', 'outlook', and similar expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

Actual results may differ materially from those expressed in these forward-looking statements, and undue reliance should not be placed on them. For a discussion of factors that could cause future results to differ from such forward-looking statements, see also the Risk management and control of this Annual Report.

THIRD-PARTY MARKET DATA

Statements regarding market data, including the company's competitive position, contained in this Annual Report are based on outside sources such as specialized research institutes, industry and dealer panels in combination with management estimates.

The financial information in this report includes measures, which are not defined by generally accepted accounting principles (GAAP) such as IFRS. We believe this information, along with comparable GAAP measurements, gives insight to investors because it provides a basis for evaluating our operational performance. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP. Wherever appropriate and practical, we provide reconciliations to relevant GAAP measures. The non-GAAP measures are not audited.

Term	Definition
Operational revenue	is IFRS revenue adjusted for the movement of gross deferred revenue.
Gross margin	is calculated as gross profit divided by IFRS revenue.
EBIT	is equal to operating result.
EBIT margin	is calculated as operating result divided by IFRS revenue.
EBITDA	is equal to operating result plus depreciation and amortization charges.
EBITDA margin	is calculated as operating result plus depreciation and amortization charges divided by IFRS revenue.
Automotive backlog	is the cumulative expected IFRS revenue from all awarded Automotive deals.
Free cash flow	is cash from operating activities minus investments in intangible assets and property, plant and equipment.
Net cash	is cash and cash equivalents plus cash held in fixed term deposits.
Gross deferred revenue	is deferred revenue before the netting of unbilled receivables.[1]
Equity free cash flow yield	is free cash flow divided by the market capitalization (number of outstanding share capital multiplied by the share price) at year end.

1. Deferred revenue reflects amounts not yet recognized as revenue as services still need to be delivered. Unbilled receivables represents amounts accrued for when a contractual right to invoice exists. When a single contract has both an accrual, based on contractual invoicing terms, and a deferral, because the underlying services are not yet fully delivered, the unbilled and the deferred positions are netted for presentation on the balance sheet.

Operational revenue

(€ in millions)	FY 2023	FY 2022
Automotive reported revenue	342	260
Movement of Automotive deferred revenue	1	36
Operational revenue	**343**	**296**

Deferred revenue

(€ in millions)	FY 2023	FY 2022
Automotive	432	431
Enterprise	10	12
Consumer	20	21
Gross deferred revenue	**462**	**464**
Less: Netting adjustment to unbilled revenue	28	25
Deferred revenue	**433**	**439**

Free cash flow

(€ in millions)	FY 2023	FY 2022
Cash flow from operating activities	33	-31
Investments in intangible assets	0	-5
Investments in property, plant and equipment	-12	-5
Free cash flow	**21**	**-42**
Restructuring-related cash flow	11	12
Free cash flow excluding restructuring	**32**	**-29**

EBIT(DA)

(€ in millions)	FY 2023	FY 2022
EBIT (operating income)	-20	-98
Depreciation and amortization	44	57
EBITDA	**24**	**-41**

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