

**FIRST QUARTER 2022 RESULTS****TomTom has a solid start to the year, in line with expectations****TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN**

"We had a solid start to the year with all our businesses performing in line with our expectations. Deal activity continues to be strong, with several high-quality deals on the table. Furthermore, we secured important partnerships that help enrich our services.

We are reiterating our revenue and FCF guidance. However, we should recognize the uncertainties that emerged over the past months, such as the war in Ukraine and increasing inflation. These could impact supply chains, cost levels, and general economic activity. We closely monitor the situation to ensure we can react swiftly and decisively. We believe in the strength of our business, financial position, and strategy, and are proceeding with investments as planned."

**OPERATIONAL SUMMARY**

- We have partnered with the Foxconn-initiated MIH Consortium to develop the next generation of smart electric vehicles
- We teamed up with Webfleet Solutions to combine our maps, traffic, and navigation with a range of workforce management features in a single mobile offering for fleet managers and drivers
- Our technology supports the Nissan Ariya, the brand's latest flagship electric crossover that is set to be launched with advanced infotainment and driver assistance features

**FINANCIAL SUMMARY FIRST QUARTER 2022**

- Group revenue decreased by 2% to €128 million (Q1 '21: €131 million)
- Location Technology revenue of €105 million equal to last year (Q1 '21: €105 million)
- Automotive operational revenue decreased by 8% to €68 million (Q1 '21: €74 million)
- Free cash flow is an outflow of €23 million (Q1 '21: outflow of €4 million)
- Net cash of €331 million (Q4 '21: €356 million)

**KEY FIGURES**

(€ in millions)	Q1 '22	Q1 '21	y.o.y. change
Location Technology	105.2	104.8	0 %
Consumer	23.2	26.4	-12 %
<b>Revenue</b>	<b>128.4</b>	<b>131.2</b>	<b>-2%</b>
<b>Gross result</b>	<b>109.1</b>	<b>106.5</b>	<b>2%</b>
Gross margin	85%	81%	
Operating expenses	129.0	120.8	7 %
<b>Operating result (EBIT)</b>	<b>-19.8</b>	<b>-14.2</b>	
Operating margin	-15%	-11%	
<b>Net result</b>	<b>-21.5</b>	<b>-11.5</b>	
<b>Free cash flow (FCF)</b>	<b>-23.2</b>	<b>-3.9</b>	
FCF as a % of revenue	-18%	-3%	

This report includes the following non-GAAP measures which are further explained at the end of this report: operational revenue; gross margin; EBIT (margin); free cash flow; net cash and gross deferred revenue.

## FINANCIAL AND BUSINESS REVIEW

### TOMTOM'S CHIEF FINANCIAL OFFICER, TACO TITULAER

"Location Technology revenue was roughly flat year on year. Enterprise revenues exhibited growth, while Automotive revenues decreased slightly. Automotive operational revenue showed a year-on-year decline, in line with declining car production volumes in our core markets.

Our operating result decreased versus the same quarter last year, gross margin improvements were offset by a year-on-year increase in operating expenses. These higher expenses combined with a lower trade receivable starting position compared with the same quarter last year, resulted in a decrease in our free cash flow year on year.

We do expect that our increased expenses, which center around investments in our application layer and the further automation of our mapmaking platform, will lead to lower spend levels from 2023 onwards."

### OUTLOOK 2022

(€ in millions, unless stated otherwise)	Actual 2021	Outlook 2022	Outlook 2023
Revenue	507	470 - 510	500 - 550
Of which Location Technology	394	380 - 420	425 - 475
FCF as % of Group revenue	5%	Around -5%	At least 5%

### REVENUE

Revenue for the first quarter amounted to €128 million, a decrease of 2% year on year (Q1 '21: €131 million).

#### Location Technology

(€ in millions)	Q1 '22	Q1 '21	y.o.y. change
Automotive	60.5	62.7	-3 %
Enterprise	44.7	42.1	6 %
<b>Revenue</b>	<b>105.2</b>	<b>104.8</b>	<b>0%</b>

Automotive operational revenue is calculated as follows:

(€ in millions)	Q1 '22	Q1 '21	y.o.y. change
Automotive revenue	60.5	62.7	-3 %
Movement of Automotive deferred revenue	7.9	11.7	
<b>Automotive operational revenue</b>	<b>68.4</b>	<b>74.4</b>	<b>-8%</b>

Location Technology revenue was €105 million, remaining flat year on year (Q1 '21: €105 million), a modest decrease in Automotive revenue was offset by an increase in Enterprise.

Automotive revenue in the quarter was €61 million, a decrease of 3% compared with the same quarter last year (Q1 '21: €63 million). Automotive operational revenue was €68 million in the quarter, a year-on-year decrease of 8% (Q1 '21: €74 million). This trend is in line with declining car production volumes in our core markets.

Enterprise revenue increased to €45 million in Q1 '22, 6% higher than the same quarter last year (Q1 '21: €42 million), benefiting from a stronger US dollar and higher revenue from existing customers.

We moved forward with the advancement of our core Location Technology business during the quarter, securing key partnerships and further enriching our map and services. We have teamed up with the MIH Consortium to build the next generation of electric vehicle, autonomous driving, and mobility service applications. TomTom is the first and only global mapmaker and navigation supplier to join this partnership, to which we will contribute our extensive knowledge in digital cockpit and navigation user experience for EV drivers.

In Enterprise, we have combined forces with Webfleet Solutions to offer an integrated mobile service for professional drivers and fleet managers. Together, we will offer workforce management features, best-in-class navigation for all vehicle types, up-to-date maps with live traffic information, reliable ETAs, and more.

Our expanded agreement with Maxar Technologies, meanwhile, will enable us to integrate high-resolution global satellite imagery in our products and services. This provides end-users and our Automotive and Enterprise software platform customers with a photorealistic map.

### Consumer

(€ in millions)	Q1 '22	Q1 '21	y.o.y. change
Consumer products	21.6	23.5	-8 %
Automotive hardware	1.6	2.9	-45 %
<b>Consumer revenue</b>	<b>23.2</b>	<b>26.4</b>	<b>-12%</b>

Consumer reported revenue of €23 million for the quarter, a decrease of 12% compared with the same quarter last year (Q1 '21: €26 million).

### GROSS MARGIN

The gross margin for the quarter was 85% compared with 81% in Q1 '21. The year-on-year improvement was the result of lower contract costs included in cost of sales.

### OPERATING RESULT

Operating result (EBIT) in the quarter was a loss of €20 million (Q1 '21: loss of €14 million). Total operating expenses in the quarter were €129 million, an increase of €8 million compared with the same quarter last year (Q1 '21: €121 million).

Excluding the impact of D&A, operating expenses increased by 15%. The increase mainly relates to increases in R&D, both in our geographic data and application layer, to support our product roadmap.

A reconciliation of operating expenses excluding D&A is presented below:

(€ in millions)	Q1 '22	Q1 '21	y.o.y. change
R&D - Geographic data	47.4	41.4	14 %
R&D - Application layer	38.4	32.3	19 %
Sales and marketing	10.5	10.2	3 %
General and administrative	17.5	15.3	14 %
<b>Operating expenses excluding D&amp;A</b>	<b>113.8</b>	<b>99.2</b>	<b>15%</b>
Depreciation and amortization	15.2	21.5	-29 %
<b>Operating expenses</b>	<b>129.0</b>	<b>120.7</b>	<b>7%</b>

### FINANCIAL INCOME, EXPENSES AND INCOME TAX

Total financial result, for the quarter was an expense of €0.3 million (Q1 '21: income of €4 million). Q1 '21 included a gain from revaluation of cash balances.

The income tax expense for the quarter was €1.4 million compared with an expense of €1.6 million in Q1 '21.

### BALANCE SHEET

Other intangible assets decreased to €67 million from €70 million at the end of 2021 mainly due to amortization of map databases, partially offset by capitalized investments in source material with a perpetual license. Cash balances, including fixed-term deposits were €331 million at the end of the quarter (Q4 '21: €356 million).

At the end of the quarter, inventory was €19 million, a €1 million decrease from the end of last year. Trade receivables were €66 million at the end of Q1 '22 compared with €56 million at the end of 2021.

Current liabilities, excluding deferred revenue, were €107 million, compared with €110 million at the end of 2021. The decrease is mainly due to decreases in trade payables and accruals.

**DEFERRED REVENUE**

Deferred revenue slightly decreased to €440 million from €441 million at the end of 2021 due to the release of deferred revenue in Enterprise and Consumer, partly offset by an increased position in Automotive.

The following table presents the deferred revenue including the effect of netting:

(€ in millions)	31 March 2022	31 December 2021
Automotive	402.8	395.0
Enterprise	30.5	41.5
Consumer	22.7	25.5
<b>Gross deferred revenue</b>	<b>456.0</b>	<b>461.9</b>
Less: Netting adjustment to unbilled revenue	16.2	21.2
<b>Deferred revenue</b>	<b>439.8</b>	<b>440.7</b>

**CASH FLOW**

In Q1 '22, free cash flow was an outflow of €23 million versus an outflow of €4 million in the same quarter last year. The opening trade receivables balance in 2022 was lower than the trade receivables balance at the beginning of 2021, resulting in lower cash collection during the first quarter. This, combined with higher operating expenses and investment in intangible assets, resulted in the decrease in free cash flow.

The cash flow from financing activities for the quarter was an outflow of €2 million which comprised of payments of lease liabilities partly offset by proceeds from the exercises of stock options. In the quarter 187 thousand options relating to our long-term employee incentive programs were exercised (Q1 '21: 108 thousand).

On 31 March 2022, the Group had no outstanding bank borrowings and reported a net cash position of €331 million (Q4 '21: net cash of €356 million).

**- END -**

**CONSOLIDATED CONDENSED STATEMENT OF INCOME**

(€ in thousands)	<b>Q1 '22</b> <b>Unaudited</b>	<b>Q1 '21</b> <b>Unaudited</b>
Revenue	128,449	131,191
Cost of sales	19,313	24,681
<b>Gross profit</b>	<b>109,136</b>	<b>106,510</b>
Research and development expenses - Geographic data	56,531	53,268
Research and development expenses - Application layer	39,365	34,831
Sales and marketing expenses	10,506	10,230
General and administrative expenses	22,567	22,421
<b>Total operating expenses</b>	<b>128,969</b>	<b>120,750</b>
<b>Operating result</b>	<b>-19,833</b>	<b>-14,240</b>
Financial result	-279	4,400
<b>Result before tax</b>	<b>-20,112</b>	<b>-9,840</b>
Income tax expense	-1,378	-1,641
<b>Net result<sup>1</sup></b>	<b>-21,490</b>	<b>-11,481</b>
<b>Earnings per share (in €):</b>		
Basic	-0.17	-0.09
Diluted <sup>2</sup>	-0.17	-0.09

<sup>1</sup> Fully attributable to the equity holders of the parent.

<sup>2</sup> When the net result is a loss, no additional shares from assumed conversion are taken into account as the effect would be anti-dilutive.

**CONSOLIDATED CONDENSED BALANCE SHEET**

(€ in thousands)	<b>31 March 2022</b>	<b>31 December 2021</b>
	<b>Unaudited</b>	<b>Audited</b>
Goodwill	192,294	192,294
Other intangible assets	66,521	70,478
Property, plant and equipment	25,199	26,241
Lease assets	28,148	31,488
Other contract-related assets	20,335	18,769
Other investments	16,541	17,982
Deferred tax assets	4,066	4,115
<b>Total non-current assets</b>	<b>353,104</b>	<b>361,367</b>
Inventories	18,872	19,585
Trade receivables	65,575	56,179
Unbilled receivables	64,472	67,311
Other contract-related assets	5,447	5,049
Other receivables and prepayments	28,051	25,429
Fixed-term deposits	150,000	150,000
Cash and cash equivalents	180,652	205,820
<b>Total current assets</b>	<b>513,069</b>	<b>529,373</b>
<b>Total assets</b>	<b>866,173</b>	<b>890,740</b>
<b>Total equity</b>	<b>265,960</b>	<b>282,723</b>
Lease liabilities	17,356	20,004
Deferred tax liability	3,561	3,934
Provisions	32,791	33,484
Deferred revenue	266,195	259,628
<b>Total non-current liabilities</b>	<b>319,903</b>	<b>317,050</b>
Trade payables	12,677	14,022
Lease liabilities	12,555	13,335
Provisions	7,600	6,537
Deferred revenue	173,600	181,099
Other contract-related liabilities	19,695	19,782
Income taxes	2,511	1,273
Accruals and other liabilities	51,672	54,919
<b>Total current liabilities</b>	<b>280,310</b>	<b>290,967</b>
<b>Total equity and liabilities</b>	<b>866,173</b>	<b>890,740</b>

## CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

(€ in thousands)	Q1 '22 Unaudited	Q1 '21 Unaudited
<b>Operating result</b>	<b>-19,833</b>	<b>-14,241</b>
Financial gains	1,392	3,084
Depreciation and amortization	15,244	21,520
Change in provisions	-590	759
Equity-settled stock compensation expenses	1,774	1,596
Changes in working capital:		
Change in inventories	2,876	3,217
Change in receivables and prepayments	-10,311	-3,447
Change in liabilities (excluding provisions) <sup>1</sup>	-6,018	-11,135
<b>Cash flow from operations</b>	<b>-15,466</b>	<b>1,353</b>
Interest received	5	39
Interest paid	-365	-437
Corporate income taxes paid	-1,107	-1,736
<b>Cash flow from operating activities</b>	<b>-16,933</b>	<b>-781</b>
Investments in intangible assets	-5,053	0
Investments in property, plant and equipment	-1,258	-3,117
Decrease in fixed-term deposits	0	21,465
<b>Cash flow from investing activities</b>	<b>-6,311</b>	<b>18,348</b>
Payment of lease liabilities	-3,586	-3,814
Proceeds on issue of ordinary shares	1,464	577
Purchase of treasury shares	0	-17,294
<b>Cash flow from financing activities</b>	<b>-2,122</b>	<b>-20,531</b>
<b>Net decrease in cash and cash equivalents</b>	<b>-25,366</b>	<b>-2,964</b>
Cash and cash equivalents at the beginning of period	205,820	231,520
Exchange rate changes on foreign cash balances	198	2,100
<b>Total cash and cash equivalents at the end of the period</b>	<b>180,652</b>	<b>230,656</b>
Cash held in short term fixed deposits	150,000	121,313
<b>Net cash at the end of the period</b>	<b>330,652</b>	<b>351,970</b>

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

Free cash flow is reconciled to the cash flow statement as follows:

Cash flow from operating activities	-16,933	-780
Investments in intangible assets	-5,053	0
Investments in property, plant and equipment	-1,258	-3,117
<b>Free cash flow</b>	<b>-23,244</b>	<b>-3,897</b>

## ACCOUNTING POLICIES

The condensed consolidated financial information for the three-month period ended 31 March 2022 and the related comparative information has been prepared using accounting policies and methods of computation which are based on International Financial Reporting Standards (IFRS) as disclosed in the Financial Statements for the year ended 31 December 2021.

Unless otherwise indicated, the quarterly condensed consolidated information in this press release is neither audited nor reviewed. Due to rounding, amounts may not add up precisely to totals. All change percentages are calculated before rounding.

## NON-GAAP MEASURES

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 as 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.

**Operational revenue** is IFRS revenue adjusted for the movement of gross deferred revenue

**Gross margin** is calculated as gross profit divided by revenue

**EBIT** is equal to our operating result

**Free cash flow** is cash from operating activities minus capital expenditure (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<sup>1</sup> before the netting of unbilled receivables

<sup>1</sup> Deferred revenue reflects amounts not yet recognized as revenue as services still need to be delivered. Unbilled revenue 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.



**FOR MORE INFORMATION**

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**AUDIO WEBCAST FIRST QUARTER 2022 RESULTS**

The information for our audio webcast is as follows:

Date and time: 14 April 2022 at 14:00 CET

<https://corporate.tomtom.com/investors/financial-publications/quarterly-results>

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**ABOUT TOMTOM**

At TomTom we are mapmakers, providing geolocation technology for drivers, carmakers, enterprises and developers.

Our highly accurate maps, navigation software, real-time traffic information and APIs enable smart mobility on a global scale, making the roads safer, the drive easier and the air cleaner.

Headquartered in Amsterdam with offices worldwide, TomTom's technologies are trusted by hundreds of millions of drivers, businesses and governments every day.

For further information, please visit [www.tomtom.com](http://www.tomtom.com).

**FORWARD-LOOKING STATEMENTS / IMPORTANT NOTICE**

*This document contains certain forward-looking statements with respect to the financial position and results of TomTom's activities. We have based these forward-looking statements on our current expectations and projections about future events, including numerous assumptions regarding our present and future business strategies, operations and the environment in which we will operate in the future. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements, and you should not place undue reliance on them. Many of these risks and uncertainties relate to factors that are beyond TomTom's ability to control or estimate precisely, such as levels of customer spending in major economies, changes in consumer preferences, the performance of the financial markets, the levels of marketing and promotional expenditures by TomTom and its competitors, costs of raw materials, employee costs, exchange-rate and interest-rate fluctuations, changes in tax rates, changes in law, acquisitions or disposals, the rate of technological changes, political developments in countries where the company operates and the risk of a downturn in the market. Statements regarding market share, including the company's competitive position, contained in this document are based on outside sources such as specialized research institutes, industry and dealer panels in combination with management estimates.*

*The forward-looking statements contained herein speak only as of the date they are made. We do not assume any obligation to update any public information or forward-looking statement in this document to reflect events or circumstances after the date of this document, except as may be required by applicable laws.*

*This document contains inside information as meant in clause 7 of the Market Abuse Regulation.*