

FIRST QUARTER 2021 RESULTS**Location Technology delivers 15% year-on-year revenue growth****TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN**

"We had a positive start to the year, showing solid progress in product development and attracting new customers.

The release of TomTom Navigation for Automotive, our cloud-native hybrid solution, further strengthens our leading position as a Location Technology specialist. It is the most comprehensive navigation system available to automakers today.

In Enterprise we expanded our customer base in the fleet and logistics and on-demand markets."

OPERATIONAL SUMMARY

- The launch of [TomTom Navigation for Automotive](#)
- Our [TomTom ADAS map is powering](#) the new Mitsubishi Outlander
- Our database now covers almost 450,000 charging POIs for the fast-growing EV market
- 2.2 million shares repurchased through share buyback program

FINANCIAL SUMMARY FIRST QUARTER 2021

- Group revenue of €131 million (Q1 '20: €131 million)
- Location Technology revenue increased by 15% to €105 million (Q1 '20: €91 million)
- Automotive operational revenue decreased by 8% to €74 million (Q1 '20: €81 million)
- Free cash flow is an outflow of €4 million (Q1 '20: inflow of €14 million)
- Net cash is €352 million (Q4 '20: €372 million)

KEY FIGURES

(€ in millions, unless stated otherwise)	Q1 '21	Q1 '20	y.o.y. change
Location Technology	104.8	91.3	15 %
Consumer	26.4	39.9	-34 %
Revenue	131.2	131.2	0%
Gross result	106.5	102.6	4%
Gross margin	81%	78%	
EBITDA	7.3	-5.4	
EBITDA margin	6%	-4%	
Operating result (EBIT)	-14.2	-77.7	
Operating margin	-11%	-59%	
Net result	-11.5	-62.8	
Free cash flow (FCF)	-3.9	13.7	
FCF as a % of revenue	-3%	10%	

This report includes the following non-GAAP measures which are further explained on page 8: operational revenue; gross margin; EBITDA (margin); EBIT (margin); free cash flow and net cash.

FINANCIAL AND BUSINESS REVIEW

TOMTOM'S CHIEF FINANCIAL OFFICER, TACO TITULAER

"Growth in both Automotive and Enterprise contributed to a year-on-year increase of 15% in Location Technology revenue.

Our operating result improved compared with last year as a result of higher gross margin and lower operating expenses. The latter is mainly explained by lower acquisition-related amortization and cautious cost management.

During the quarter, we resumed our share buyback, purchasing over 2 million shares for €17 million.

We are reiterating our full-year guidance with the expectation that revenue will be more weighted to the second half of the year given the supply chain constraints within the automotive industry."

OUTLOOK 2021

(€ in millions, unless stated otherwise)	Outlook 2021	Actual 2020
Group revenue	520 - 570	528
Of which Location Technology	420 - 450	392
FCF as % of Group revenue	Around 6%	-5%

REVENUE

Revenue for the first quarter amounted to €131 million flat compared with the same quarter last year (Q1 '20: €131 million).

Location Technology

(€ in millions)	Q1 '21	Q1 '20	y.o.y. change
Automotive	62.7	49.8	26 %
Enterprise	42.1	41.5	2 %
Location Technology revenue	104.8	91.3	15%

Automotive operational revenue is calculated as follows:

(€ in millions)	Q1 '21	Q1 '20	y.o.y. change
Reported revenue	62.7	49.8	26 %
Movement of deferred revenue	11.7	30.9	-62 %
Operational revenue	74.4	80.7	-8%

Location Technology revenue in the quarter increased by 15% to €105 million (Q1 '20: €91 million) resulting from a strong increase in Automotive and a marginal increase in Enterprise.

Automotive revenue in the quarter was €63 million representing a 26% increase from last year as Q1 '20 included adjustments to the estimated total contract value of some contracts to account for the impact of COVID-19. Automotive operational revenue decreased by 8% to €74 million (Q1 '20: €81 million) as production volumes decreased year on year.

Enterprise revenue in Q1 '21 was €42 million, 2% higher compared with the same quarter last year (Q1 '20: €41 million), reflecting increased revenue from existing customers.

We launched TomTom Navigation for Automotive, our new-generation cloud-native and full hybrid navigation solution. It includes a brand-new user interface that can be implemented across brands and configured for both internal combustion engines and electric powertrains, functioning in both online and offline situations.

The solution can be integrated with vehicle sensors, enabling it to display vital information linked to advanced driver assistance systems and refueling or recharging needs. It can be offered as one pre-integrated stack and delivered through easy-to-use SDKs and APIs that can be easily integrated in any in-vehicle infotainment system.

The new Mitsubishi Outlander showcases the new MI-PILOT Assist which incorporates TomTom ADAS Map data, such as road curvature and speed limits. With this data, the ADAS function can pro-actively adapt speed based on accurate and up-to-date information about the road at hand and ahead, helping increase drivers' safety and comfort.

Our geographic database expanded to include around 450 thousand charging points of interest (POIs) enhancing our offering for the fast-growing EV market. TomTom routing technology optimizes routes to save energy and guides EV drivers to compatible, available charging stations within reachable EV range, reducing driver range anxiety.

New deals within Enterprise expanded our reach in the fleet and logistics and on-demand markets, broadening our client base and increasing the use of our Maps APIs.

Consumer

(€ in millions)	Q1 '21	Q1 '20	y.o.y. change
Consumer products	23.5	35.1	-33 %
Automotive hardware	2.9	4.8	-40 %
Total Consumer revenue	26.4	39.9	-34%

Consumer revenue decreased year-on-year by 34% to €26 million (Q1 '20: €40 million). The Consumer revenue is negatively impacted by governmental COVID-19 measures such as travel limitations and retail closures. During the quarter Consumer launched the TomTom GO Discover, our most powerful navigation device to date.

GROSS MARGIN

The gross margin increased to 81% compared with 78% in Q1 '20 as it continues to benefit from higher proportions of software and content revenue.

OPERATING RESULT

Operating result in the quarter improved year-on-year to a loss of €14 million compared with a loss of €78 million in Q1 '20. This is mainly the result of improved gross margin combined with a decrease in operating expenses of €60 million.

Operating expenses (Q1 '21 €121 million; Q1 '20: €180 million) decreased mainly because of lower acquisition-related amortization as the Tele Atlas databases, acquired in 2008, were fully amortized in 2020. Excluding the impact of depreciation and amortization (D&A), cautious cost management resulted in a year-on-year decrease in underlying operating expenses.

Presented below is an overview of operating expenses excluding D&A:

(€ in millions)	Q1 '21	Q1 '20	y.o.y. change
Research and development expenses - Geographic data	41.4	46.3	-11 %
Research and development expenses - Application layer	32.3	28.4	14 %
Sales and marketing expenses	10.2	15.0	-32 %
General and administrative expenses	15.3	18.3	-16 %
Operating expenses excluding D&A	99.2	108.0	-8%
Depreciation and amortization	21.5	72.3	-70 %
Operating expenses	120.7	180.3	-33%

FINANCIAL INCOME, EXPENSES AND INCOME TAX

Total financial result for the quarter was an income of €4.4 million (Q1 '20: income of €5.1 million) mainly from the revaluation of cash balances.

The net income tax expense for the quarter was €1.6 million compared with a gain of €9.9 million in Q1 '20. The tax gain in Q1 '20 is mainly the result of a release of deferred tax liability in line with the amortization of acquisition-related intangible assets which were fully amortized at the end of 2020.

BALANCE SHEET

Other intangible assets decreased to €104 million from €117 million at the end of 2020 due to amortization. Cash balances, including fixed-term deposits, decreased by €20 million due to a combination of a negative cash flow from operating activities and the repurchase of shares under the share buyback program.

Trade receivables were €61 million in Q1 '21 compared with €80 million at the end of 2020, resulting from lower operational revenue in the quarter. The inventory level at the end of the quarter was €24 million, a €3 million decrease from the end of last year.

Current liabilities excluding deferred revenue, were €114 million, compared with €116 million at the end of 2020. The decrease is mainly due to decreases in trade payables as well as personnel-related accruals included in 'Accruals and other liabilities'.

DEFERRED REVENUE

Deferred revenue is €398 million at the end of Q1 '21, built up of a gross deferral of €421 million and an unbilled netting adjustment of €23 million. The decrease in deferred revenue from Q4 '20 is driven by the release of deferred revenue in Enterprise and Consumer, partly offset by increasing deferrals in Automotive.

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

(€ in millions)	31 March 2021	31 December 2020
Automotive	363.5	351.7
Enterprise	23.6	34.9
Consumer	34.2	39.7
Gross deferred revenue	421.3	426.3
Less: Netting adjustment to unbilled revenue	23.3	22.6
Deferred revenue¹	397.9	403.7

¹ 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.

CASH FLOW

In Q1 '21, the free cash flow from was an outflow of €4 million versus an inflow of €14 million in the same quarter last year. The opening trade receivables balance was lower when compared with the opening balance in Q1 '20, resulting in lower cash collection during the quarter. This, combined with lower operational revenue partly offset by lower variable personnel expenses explains the year-on-year decrease in free cash flow.

The cash flow from financing activities for the quarter was an outflow of €21 million (Q1 '20: outflow of €19 million). The outflow reflects payments for shares purchased under the share buyback program and payments of lease liabilities offset by cash received from the exercise of 108 thousand options relating to our long-term employee incentive programs (Q1 '20: 392 thousand options).

On 31 March 2021, the Group had no outstanding bank borrowings and reported a net cash position of €352 million (Q4 '20: €372 million).

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

(€ in millions)	Q1 '21	Q1 '20
Cash flow from operating activities	-0.8	15.8
Investments in property, plant and equipment	-3.1	-2.1
Free cash flow	-3.9	13.7

SHARE BUYBACK

We resumed our share buyback program on 15 February 2021. During the quarter we repurchased 2,215,398 shares for an aggregate consideration of €17.3 million.

Since the start of the program in 2020, we have repurchased 4,569,831 shares for an aggregate consideration of €33.9 million. This leaves a remaining repurchase amount of €16.1 million.

- END -

CONSOLIDATED CONDENSED STATEMENT OF INCOME

(€ in thousands)	Q1 '21	Q1 '20
	Unaudited	Unaudited
Revenue	131,191	131,197
Cost of sales	24,681	28,631
Gross profit	106,510	102,566
Research and development expenses - Geographic data	53,268	108,788
Research and development expenses - Application layer	34,831	32,147
Sales and marketing expenses	10,230	16,161
General and administrative expenses	22,421	23,217
Total operating expenses	120,750	180,313
Operating result	-14,240	-77,747
Financial result	4,400	5,079
Result before tax	-9,840	-72,668
Income tax (expense)/gain	-1,641	9,915
Net result¹	-11,481	-62,753
Earnings per share (in €):		
Basic	-0.09	-0.48
Diluted	-0.09	-0.48

¹ The net result is fully attributed to the equity holders of the parent

CONSOLIDATED CONDENSED BALANCE SHEET

(€ in thousands)	31 March 2021	31 December 2020
	Unaudited	Audited
Goodwill	192,294	192,294
Other intangible assets	104,403	117,475
Property, plant and equipment	22,938	22,220
Lease assets	38,909	43,609
Other contract-related assets	18,296	19,130
Other investments	10,917	8,733
Deferred tax assets	4,299	4,273
Total non-current assets	392,056	407,734
Inventories	23,500	26,146
Trade receivables	60,706	79,661
Unbilled receivables	73,541	58,313
Other contract-related assets	8,003	6,950
Other receivables and prepayments	33,617	26,765
Fixed-term deposits	121,313	140,930
Cash and cash equivalents	230,657	231,520
Total current assets	551,337	570,285
Total assets	943,393	978,019
Total equity	364,950	387,616
Lease liabilities	25,116	28,801
Deferred tax liability	1,293	1,344
Provisions	39,821	41,014
Deferred revenue	232,433	238,793
Total non-current liabilities	298,663	309,952
Trade payables	15,337	21,998
Lease liabilities	15,823	14,872
Provisions	7,481	7,918
Deferred revenue	165,497	164,913
Other contract-related liabilities	18,790	19,084
Income taxes	2,622	1,893
Accruals and other liabilities	54,230	49,773
Total current liabilities	279,780	280,451
Total equity and liabilities	943,393	978,019

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

(€ in thousands)	Q1 '21	Q1 '20
	Unaudited	Unaudited
Operating result	-14,240	-77,747
Financial gains	3,084	145
Depreciation and amortization	21,520	72,305
Change in provisions	759	-413
Equity-settled stock compensation expenses	1,596	1,213
Changes in working capital:		
Change in inventories	3,217	1,525
Change in receivables and prepayments	-3,447	21,384
Change in liabilities (excluding provisions) ¹	-11,135	-313
Cash flow from operations	1,354	18,099
Interest received	39	95
Interest paid	-437	-386
Corporate income taxes paid	-1,736	-2,004
Cash flow from operating activities	-780	15,804
Investments in property, plant and equipment	-3,117	-2,111
Dividends received	0	162
Decrease in fixed-term deposits	21,465	0
Cash flow from investing activities	18,348	-1,949
Payment of lease liabilities	-3,814	-3,612
Proceeds on issue of ordinary shares	577	1,548
Purchase of treasury shares	-17,294	-16,569
Cash flow from financing activities	-20,531	-18,633
Net decrease in cash and cash equivalents	-2,963	-4,778
Cash and cash equivalents beginning at the of the period	231,520	213,941
Exchange rate changes on foreign cash balances	2,100	-123
Cash and cash equivalents at the end of the period	230,657	209,040
Cash held in short term fixed deposits	121,313	222,523
Net cash at the end of the period	351,970	431,563

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

ACCOUNTING POLICIES

The condensed consolidated financial information for the three-month period ended 31 March 2021 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 2020.

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

EBITDA is equal to our operating result plus depreciation and amortization charges

EBITDA margin is calculated as operating result plus depreciation and amortization charges divided by revenue

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 minus the nominal value of our outstanding bank borrowings

Gross deferred revenue is deferred revenue before the netting of unbilled receivables

FOR MORE INFORMATION

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AUDIO WEBCAST FIRST QUARTER 2021 RESULTS

The information for our audio webcast is as follows:

Date and time: April 14, 2021 at 14:00 CET

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

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ABOUT TOMTOM

At TomTom we're mapmakers, providing location 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 in 30 countries, TomTom's technologies are trusted by hundreds of millions of drivers, businesses and governments worldwide.

For further information, please visit **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.