

**THIRD QUARTER 2021 RESULTS****TomTom pushes forward despite reduced car production****TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN**

"The first nine months of 2021 have delivered both positives and negatives. Enterprise continues to perform solidly. But the recovery of Automotive has lagged expectations because industrywide semiconductor supply chain issues are hampering car production volumes.

Encouragingly, the way we engage with our customers is evolving from a traditional supplier relationship to a partner approach. This is leading to longer-term partnerships, customer intimacy, productive software engineering collaborations and better products."

**OPERATIONAL SUMMARY**

- The extension of our long-standing partnership with Enterprise software company Precisely, a leading player in data management and integrity
- The launch of the new Jeep Grand Cherokee and Jeep Compass including our full stack navigation technology
- The launch of the new Fiat Ducato, Europe's most popular van, equipped with navigation, ADAS and connected services

**FINANCIAL SUMMARY THIRD QUARTER 2021**

- Group revenue decreased by 14% (Q3 '20: €148 million)
- Location Technology decreased by 10% (Q3 '20: €106 million)
- Automotive operational revenue decreased by 17% to €58 million (Q3 '20: €70 million)
- Free cash flow is an outflow of €14 million (Q3 '20: outflow of €20 million)
- Net cash of €302 million (Q2 '21: €319 million)

**KEY FIGURES**

(€ in millions)	Q3 '21	Q3 '20	y.o.y. change	YTD '21	YTD '20	y.o.y. change
Location Technology	95.4	105.6	-10 %	303.4	290.7	4 %
Consumer	32.1	42.3	-24 %	88.4	112.1	-21 %
<b>Revenue</b>	<b>127.5</b>	<b>147.9</b>	<b>-14%</b>	<b>391.8</b>	<b>402.8</b>	<b>-3%</b>
<b>Gross result</b>	<b>103.6</b>	<b>112.0</b>	<b>-7%</b>	<b>312.9</b>	<b>320.3</b>	<b>-2%</b>
Gross margin	81%	76%		80%	80%	
<b>EBITDA</b>	<b>-5.3</b>	<b>3.9</b>		<b>-0.4</b>	<b>5.7</b>	
EBITDA margin	-4%	3%		0%	1%	
<b>Operating result (EBIT)</b>	<b>-22.5</b>	<b>-67.6</b>		<b>-57.8</b>	<b>-209.6</b>	
Operating margin	-18%	-46%		-15%	-52%	
<b>Net result</b>	<b>-20.8</b>	<b>-67.0</b>		<b>-55.9</b>	<b>-191.7</b>	
<b>Free cash flow (FCF)</b>	<b>-13.5</b>	<b>-20.0</b>		<b>-33.2</b>	<b>-60.3</b>	
FCF as a % of revenue	-11%	-14%		-8%	-15%	

This report includes the following non-GAAP measures which are further explained at the end of this report: operational revenue; gross margin; EBITDA (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 declined 10% compared with the previous year as semiconductor supply chain issues limited car production volumes, and therefore Automotive revenue. Enterprise performed solidly with 8% growth compared to the previous year, because of contract expansions from previous periods.

We reiterate our revenue guidance, though we anticipate full year revenue will be at the low end of the range because supply chain issues will continue to limit car production volumes. This has a direct impact on our operational revenue and thus on our cash flow. Consequently, we are lowering our full year 2021 FCF guidance as a percentage of group revenue to around 2%."

### OUTLOOK 2021

(€ in millions, unless stated otherwise)	Updated Outlook 2021	Previous Outlook 2021	Actual 2020
Revenue	500 - 530	500 - 530	528
Of which Location Technology	400 - 430	400 - 430	392
FCF as % of group revenue	Around 2%	Around 5%	-5%

### REVENUE

Revenue for the third quarter amounted to €127 million, a decrease of 14% year on year (Q3 '20: €148 million).

#### Location Technology

(€ in millions)	Q3 '21	Q3 '20	y.o.y. change	YTD '21	YTD '20	y.o.y. change
Automotive	52.4	65.9	-21 %	176.0	167.3	5 %
Enterprise	43.0	39.7	8 %	127.4	123.3	3 %
<b>Revenue</b>	<b>95.4</b>	<b>105.6</b>	<b>-10%</b>	<b>303.4</b>	<b>290.7</b>	<b>4%</b>

Automotive operational revenue is calculated as follows:

(€ in millions)	Q3 '21	Q3 '20	y.o.y. change	YTD '21	YTD '20	y.o.y. change
Automotive revenue	52.4	65.9	-21 %	176.0	167.3	5 %
Movement of Automotive deferred revenue	5.8	4.1		19.7	22.0	
<b>Automotive operational revenue</b>	<b>58.2</b>	<b>70.0</b>	<b>-17%</b>	<b>195.7</b>	<b>189.3</b>	<b>3%</b>

Location Technology revenue was €95 million, a decrease of 10% year on year (Q3 '20: €106 million), resulting from a decrease in Automotive revenue.

Automotive generated revenue of €52 million in the quarter, a decrease of 21% compared with the same quarter last year (Q3 '20: €66 million). Automotive operational revenue was €58 million in the quarter, a year-on-year decrease of 17% (Q3 '20: €70 million).

Enterprise revenue increased to €43 million in Q3 '21, 8% higher than the same quarter last year (Q3 '20: €40 million) resulting mainly from higher revenue from existing customers.

Within Automotive, the new Jeep Grand Cherokee and the Jeep Compass were launched including our full stack solution of navigation software, over-the-air-updated maps and connected services. Additionally, Fiat launched its new Ducato, Europe's best-selling light commercial vehicle. The new Ducato, which is also offered as a campervan, utilizes our full stack navigation, extensive connected services and ADAS to ensure safety and avoid roads not suited for the vehicle.

One of the announcements we want to highlight in the Enterprise segment is the extension of our long-term partnership with Precisely, to which we will continue to provide map and traffic data. Precisely incorporates our data into their location and enrichment products. These products are used by insurance, telecommunications, retail and financial companies that rely on highly accurate data to make business decisions. Furthermore, we worked together with Greater Than on a proof of concept to create safer roads and assess the potential to globally predict where, when and why road accidents occur.

## Consumer

(€ in millions)	Q3 '21	Q3 '20	y.o.y. change	YTD '21	YTD '20	y.o.y. change
Consumer products	30.6	38.4	-20 %	81.7	101.4	-19 %
Automotive hardware	1.5	3.9	-62 %	6.6	10.7	-38 %
<b>Consumer revenue</b>	<b>32.1</b>	<b>42.3</b>	<b>-24%</b>	<b>88.4</b>	<b>112.1</b>	<b>-21%</b>

Consumer reported revenue of €32 million for the quarter, a decrease of 24% compared with the same quarter last year (Q3 '20: €42 million).

## GROSS MARGIN

The gross margin for the quarter was 81% compared with 76% in Q3 '20. The Q3 '20 gross margin was negatively impacted by the start of production of new software platforms in Automotive. The start of production triggers the release of capitalized contract costs associated with customized non recurring engineering (NRE).

## OPERATING RESULT

Operating result (EBIT) in the quarter was a loss of €23 million (Q3 '20: loss of €68 million). Total operating expenses in the quarter were €126 million, a decrease of €53 million compared with the same quarter last year (Q3 '20: €180 million). The year-on-year decrease in total operating expenses, reflected in Research and development (R&D) associated with our geographic data, is mainly from lower Depreciation and amortization (D&A) as the Tele Atlas databases were fully amortized during 2020.

Excluding the impact of D&A, operating expenses increased by 1% mainly from increases in R&D associated with our Application layer, partly offset by a decline in Sales and marketing.

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

(€ in millions)	Q3 '21	Q3 '20	y.o.y. change	YTD '21	YTD '20	y.o.y. change
R&D - Geographic data	45.3	47.7	-5 %	130.7	138.0	-5 %
R&D - Application layer	35.5	31.2	14 %	101.4	89.4	13 %
Sales and marketing	11.0	12.4	-12 %	32.5	38.7	-16 %
General and administrative	17.2	16.9	2 %	48.7	48.5	0 %
<b>Operating expenses excluding D&amp;A</b>	<b>109.0</b>	<b>108.1</b>	<b>1%</b>	<b>313.2</b>	<b>314.6</b>	<b>0%</b>
Depreciation and amortization	17.2	71.5	-76 %	57.5	215.3	-73 %
<b>Operating expenses</b>	<b>126.2</b>	<b>179.6</b>	<b>-30%</b>	<b>370.7</b>	<b>529.9</b>	<b>-30%</b>

## FINANCIAL INCOME, EXPENSES AND INCOME TAX

Total financial result, for the quarter was an income of €2 million (Q3 '20: expense of €4 million), which consisted primarily of foreign exchange gains from the revaluation of monetary balance sheet items.

The income tax expense for the quarter was €0.5 million compared with a gain of €4 million in Q3 '20. The tax gain in Q3 '20 resulted from a release in deferred tax assets and liabilities, which was driven by the amortization of acquisition-related intangible assets.

## BALANCE SHEET

Other intangible assets decreased to €81 million from €117 million at the end of 2020 mainly due to amortization of map database. Cash balances, including fixed-term deposits were €302 million at the end of the quarter (Q4 '20: €372 million). The decrease during the year is from share repurchases under the share buyback program and negative cash flow from operating activities.

At the end of the quarter, inventory was €19 million, a €7 million decrease from the end of last year, mainly due to supply constraints. Trade receivables were €130 million at the end of Q3 '21 compared with €80 million at the end of 2020. The increase is due to the seasonality of invoicing.

Current liabilities, excluding deferred revenue, were €106 million, compared with €116 million at the end of 2020. The decrease is mainly due to decreases in trade payables and provisions.

**DEFERRED REVENUE**

Deferred revenue increased to €433 million from €404 million at the end of 2020 due to increased deferrals in Automotive and Enterprise, partly offset by the release of deferred revenue in Consumer.

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

(€ in millions)	30 September 2021	31 December 2020
Automotive	371.4	351.7
Enterprise	54.2	34.9
Consumer	27.4	39.7
<b>Gross deferred revenue</b>	<b>452.9</b>	<b>426.3</b>
Less: Netting adjustment to unbilled revenue	19.7	22.6
<b>Deferred revenue</b>	<b>433.2</b>	<b>403.7</b>

**CASH FLOW**

In Q3 '21, free cash flow (FCF) was an outflow of €14 million versus an outflow of €20 million in the same quarter last year. The improved FCF reflects the timing of cash receipts from customers.

The cash flow from financing activities for the quarter was an outflow of €4 million and relates to the payment of lease liabilities. No options relating to our long-term employee incentive programs were exercised during the quarter (Q3 '20: 12 thousand).

On 30 September 2021, the Group had no outstanding bank borrowings and reported a net cash position of €302 million (Q4 '20: net cash of €372 million).

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

(€ in millions)	Q3 '21	Q3 '20	YTD '21	YTD '20
Cash flow from operating activities	-10.9	-19.0	-24.7	-55.3
Investments in property, plant and equipment	-2.6	-1.0	-8.5	-5.0
<b>Free cash flow</b>	<b>-13.5</b>	<b>-20.0</b>	<b>-33.2</b>	<b>-60.3</b>

- END -

**CONSOLIDATED CONDENSED STATEMENT OF INCOME**

	<b>Q3 '21</b>	<b>Q3 '20</b>	<b>YTD '21</b>	<b>YTD '20</b>
(€ in thousands)	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
Revenue	127,469	147,851	391,762	402,750
Cost of sales	23,842	35,861	78,890	82,413
<b>Gross profit</b>	<b>103,627</b>	<b>111,990</b>	<b>312,872</b>	<b>320,337</b>
Research and development expenses - Geographic data	55,822	109,177	164,350	323,793
Research and development expenses - Application layer	37,040	35,271	107,710	100,959
Sales and marketing expenses	10,994	13,536	32,536	42,124
General and administrative expenses	22,315	21,616	66,120	63,016
<b>Total operating expenses</b>	<b>126,171</b>	<b>179,600</b>	<b>370,716</b>	<b>529,892</b>
<b>Operating result</b>	<b>-22,544</b>	<b>-67,610</b>	<b>-57,844</b>	<b>-209,555</b>
Financial result	2,213	-3,716	4,850	-1,094
<b>Result before tax</b>	<b>-20,331</b>	<b>-71,326</b>	<b>-52,994</b>	<b>-210,649</b>
Income tax (expense)/gain	-452	4,358	-2,884	18,914
<b>Net result<sup>1</sup></b>	<b>-20,783</b>	<b>-66,968</b>	<b>-55,878</b>	<b>-191,735</b>
<b>Earnings per share (in €):</b>				
Basic	-0.16	-0.51	-0.44	-1.47
Diluted <sup>2</sup>	-0.16	-0.51	-0.44	-1.47

<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>30 September 2021</b>	<b>31 December 2020</b>
	<b>Unaudited</b>	<b>Audited</b>
Goodwill	192,294	192,294
Other intangible assets	80,771	117,475
Property, plant and equipment	23,585	22,220
Lease assets	33,248	43,609
Other contract-related assets	17,909	19,130
Other investments	18,533	8,733
Deferred tax assets	4,400	4,273
<b>Total non-current assets</b>	<b>370,740</b>	<b>407,734</b>
Inventories	18,815	26,146
Trade receivables	130,234	79,661
Unbilled receivables	65,925	58,313
Other contract-related assets	4,348	6,950
Other receivables and prepayments	23,330	26,765
Fixed-term deposits	60,000	140,930
Cash and cash equivalents	242,187	231,520
<b>Total current assets</b>	<b>544,839</b>	<b>570,285</b>
<b>Total assets</b>	<b>915,579</b>	<b>978,019</b>
<b>Total equity</b>	<b>317,477</b>	<b>387,616</b>
Lease liabilities	21,662	28,801
Deferred tax liability	1,342	1,344
Provisions	35,862	41,014
Deferred revenue	242,272	238,793
<b>Total non-current liabilities</b>	<b>301,138</b>	<b>309,952</b>
Trade payables	15,374	21,998
Lease liabilities	13,513	14,872
Provisions	5,518	7,918
Deferred revenue	190,956	164,913
Other contract-related liabilities	18,506	19,084
Income taxes	2,676	1,893
Accruals and other liabilities	50,421	49,773
<b>Total current liabilities</b>	<b>296,964</b>	<b>280,451</b>
<b>Total equity and liabilities</b>	<b>915,579</b>	<b>978,019</b>

## CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

(€ in thousands)	Q3 '21 Unaudited	Q3 '20 Unaudited	YTD '21 Unaudited	YTD '20 Unaudited
<b>Operating result</b>	<b>-22,544</b>	<b>-67,610</b>	<b>-57,844</b>	<b>-209,555</b>
Financial gains/(losses)	2,753	-2,249	4,867	-3,163
Depreciation and amortization	17,210	71,465	57,486	215,281
Change in provisions	-2,166	-1,610	-5,684	-4,834
Equity-settled stock compensation expenses	955	1,688	4,008	4,561
Other non-cash movement	2	0	-152	0
Changes in working capital:				
Change in inventories	4,969	3,782	9,205	-3,688
Change in receivables and prepayments	-61,340	-52,925	-52,095	-24,320
Change in liabilities (excluding provisions) <sup>1</sup>	50,777	29,958	20,401	-21,670
<b>Cash flow from operations</b>	<b>-9,384</b>	<b>-17,501</b>	<b>-19,808</b>	<b>-47,388</b>
Interest received	14	266	320	946
Interest paid	-418	-353	-1,324	-1,537
Corporate income taxes paid	-1,109	-1,399	-3,923	-7,335
<b>Cash flow from operating activities</b>	<b>-10,897</b>	<b>-18,987</b>	<b>-24,735</b>	<b>-55,314</b>
Investments in property, plant and equipment	-2,612	-1,027	-8,461	-4,987
Dividends received	228	0	228	162
Decrease in fixed-term deposits	0	37,367	82,930	71,432
<b>Cash flow from investing activities</b>	<b>-2,384</b>	<b>36,340</b>	<b>74,697</b>	<b>66,607</b>
Payment of lease liabilities	-3,741	-4,087	-11,107	-11,368
Proceeds on issue of ordinary shares	0	91	4,468	2,337
Purchase of treasury shares	0	0	-33,431	-16,569
<b>Cash flow from financing activities</b>	<b>-3,741</b>	<b>-3,996</b>	<b>-40,070</b>	<b>-25,600</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-17,022</b>	<b>13,357</b>	<b>9,892</b>	<b>-14,307</b>
Cash and cash equivalents at the beginning of period	258,908	186,058	231,520	213,941
Exchange rate changes on foreign cash balances	301	-2,952	775	-3,171
<b>Total cash and cash equivalents at the end of the period</b>	<b>242,187</b>	<b>196,463</b>	<b>242,187</b>	<b>196,463</b>
Cash held in short term fixed deposits	60,000	150,000	60,000	150,000
<b>Net cash at the end of the period</b>	<b>302,187</b>	<b>346,463</b>	<b>302,187</b>	<b>346,463</b>

<sup>1</sup> 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- and nine- month period ended 30 September 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<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 THIRD QUARTER 2021 RESULTS**

The information for our audio webcast is as follows:

Date and time: 14 October 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 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 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](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.*