



HERE Technologies Directors' Report 2022

HERE International B.V.

Table of contents

A year in review	3	Risk management and control	27
Company overview	6	Risk management	
Market trends	8	Key risks and risk management	
We are HERE Technologies	10	Market risks	
Strategy	11	Credit risk	
Competitive strengths		Liquidity assessment / capital restructuring	
UniMap: the next generation of mapping technology		Leadership and corporate governance	33
A track record of mapmaking leadership		Supervisory Board committees	
Portfolio	18	Industry Advisory Board	
Our content portfolio		Sustainability and ESG at HERE	42
Our software portfolio		Net-zero announcement	
HERE's comprehensive product portfolio and technology stack		Human Rights and Modern Slavery Statement	
Revenue model		Responsible operations at HERE	46
Customers and strategic partnerships	22	Sustainability Advisory Committee	
Research & Development	23	Supplier management	
2022 Financial overview	24	Ethical sourcing	
Sales		Environment, Health and Safety	
Operating expenses / Adjusted EBITDA		Data security and privacy	
Cash flow from operations		Pasionate employees at HERE	52
		HERE values in action	
		HERE's humanitarian efforts for Ukraine	
		Gender and diversity at HERE	



A year in review

HERE Technologies CEO Edzard Overbeek on the 2022 financial year

Reflecting on the past year, 2022 continued to test the world's collective resilience in profound ways. Emerging from the pandemic, we have witnessed geopolitical unrest, continued supply chain constraints, coupled with rising inflation, interest and energy rates – all creating further macroeconomic volatility around the globe. Despite this, I am pleased with how HERE Technologies has maneuvered through last year, and further deepened partnerships, as well as expanded our ecosystem in strategic areas. HERE continues to showcase our commitment to serving our customers and helping them navigate through the complexities of our world today.

In challenging market conditions, we recorded a slight decrease in revenue for 2022. However, we made progress on key operational priorities and secured a record level of new business.

With road safety becoming ever more critical to institutions, governments, citizens and carmakers alike, the rise and effect of the Intelligent Speed Assistance (ISA) has proven to be a huge growth driver for us. In 2022, HERE won new agreements for our ISA map content, meaning that we are serving, or soon will serve, accurate speed limit information to 16 automotive companies and collectively 38 car and truck brands. In addition, our HERE ISA Map was recognized as the “ADAS & Autonomous Product/Service of the Year” at the 2022 Informa Tech Awards.



Moreover, as CASE (Connected, Autonomous, Shared & Electric) steers the automotive industry forward, HERE engaged in an array of exciting ecosystem collaborations across 2022:

Firstly, it was great to see Level 3 in reality for the first time with HERE's HD Live Map powering BMW Group and Mercedes Benz vehicles during the year. Thanks to these partnerships and other strategic wins secured in 2022, we are building a solid leadership position in automated driving map content.



Last year, as the world collectively strived for greater sustainability, there was a welcomed surge in vehicle electrification. HERE is helping a range of vehicle makers go electric, including a new collaboration with smart on their new SUVs. We also broadened our ecosystem through new partnerships with EV innovators such as Scania and Lotus.

For businesses everywhere, 2022 was a year which truly accelerated the importance of collaboration to collectively solve challenges. These days collaboration up, down and across value chains is essential. At HERE, we've furthered momentum with our open business model. One example of this was our new multi-party partnership with Jaguar Land Rover and what3words to help bring the latter's navigation capability into Jaguar and Land Rover vehicles.

Beyond automotive, in 2022 we also strengthened our partnership with Amazon Web Services through a five-year strategic collaboration agreement to help companies improve their supply chain visibility, run their fleets and operations safely and efficiently.

Asia-Pacific remains a region of strategic importance for our business. Accordingly, we gained multi-industry traction through our existing strategic partnerships, like we have with Mitsubishi Corporation and Designium on an initiative to improve bus transit experiences in Japan. Equally important, we have been forging bonds with new customers, including Cility, an integrated mobility platform from India that is leveraging our APIs and HERE location services for smart city solutions.

On a global level, our software portfolio of location services continued to perform well across markets and industries.

A cumulative result of all this, is that we achieved a significant expansion of our order book, which was valued at €4.9 billion

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by year-end, a testament to the trust our customers are placing in us. Our strong backlog provides us with good visibility to future revenues and supports our continued significant investment into our business and product portfolio.

One of our most exciting investments is UniMap, a new generation of mapping technology that combines automation, machine learning, and our deep location expertise. UniMap revolutionizes the way maps are created, updated, and used, providing HERE and our customers with significant advantages in terms of data freshness, coverage, and quality.



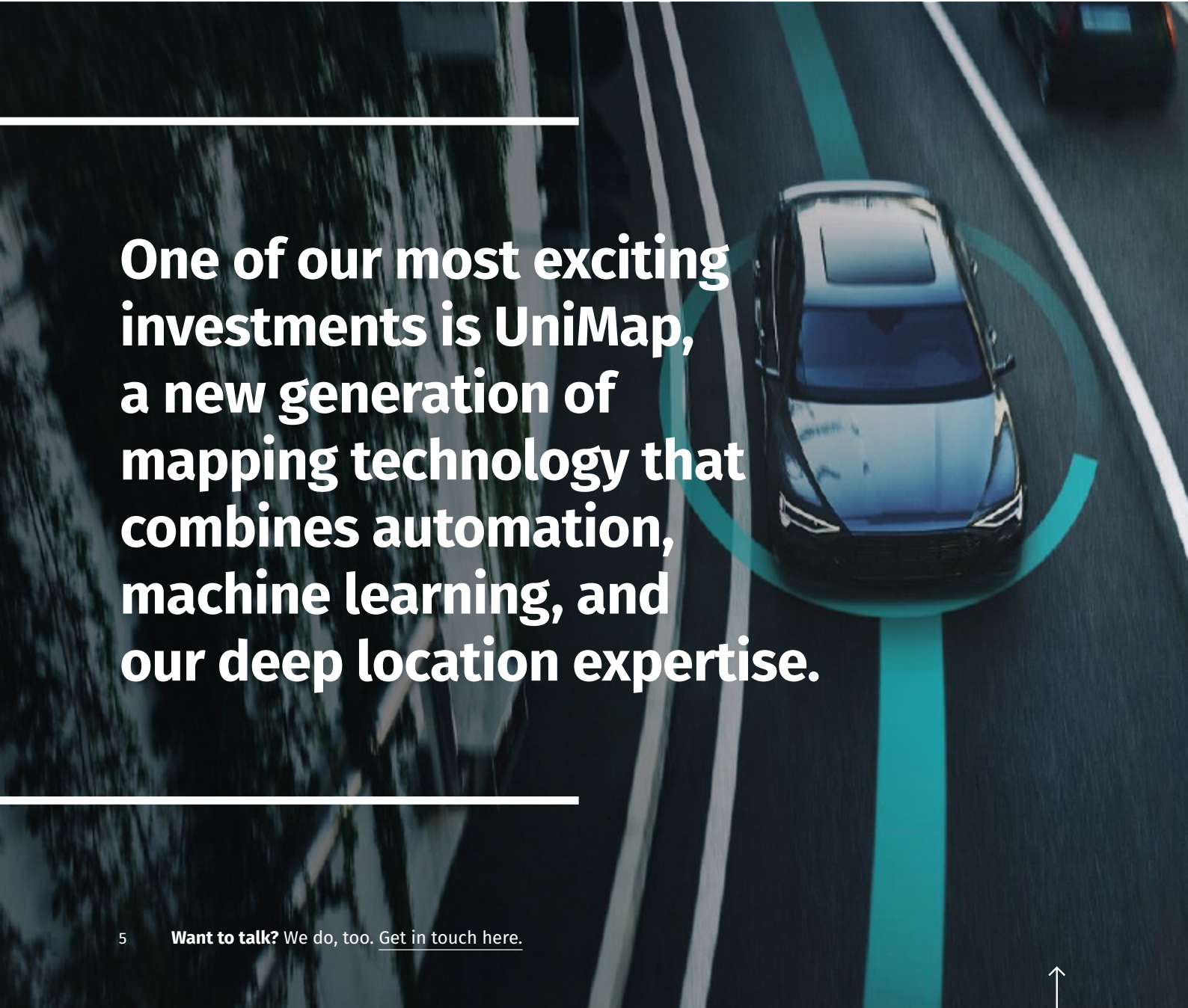
After rigorous testing in 2022, we are now enabling selected customers to experience the benefits of UniMap, with a broad rollout planned for 2024.

Our investments in other priority areas, such as supporting automotive groups with their electric vehicle transitions and helping logistics businesses plan and optimize complex tours, continue to position HERE to create value for our customers today and in the future. We are also developing our private map making capabilities as a core and differentiated experience on the HERE platform, with a vision to have enterprises around the world creating private maps and

running location services on our platform.

Overall, the accomplishments of the HERE team in 2022 make me immensely proud. While there continues to be macroeconomic uncertainty at least for the near term, this is an exciting time for our business and we look forward to showing the world what we can achieve in 2023 with our advancing portfolio and customer-centric platform capabilities.

Moving forward, HERE remains focused on working together with our ecosystem of customers, partners and developers to advance innovation and collective progress.

An aerial photograph of a dark-colored car driving on a multi-lane road. A bright teal circular graphic is superimposed over the car, suggesting a sensor range or a specific map feature. The background shows the road's lane markings and some blurred greenery on the left side.

One of our most exciting investments is UniMap, a new generation of mapping technology that combines automation, machine learning, and our deep location expertise.





Company overview

HERE Technologies has been a pioneer in mapping and location technology for almost 40 years. Today, HERE's location platform is recognized as the most complete in the industry, powering location-based products, services and custom maps for organizations and enterprises across the globe.

HERE is backed by several leading global brands and serves more than 1,300 enterprise customers, including the world's largest logistics companies, automotive brands like BMW, Volkswagen and Ford, and technology companies like Amazon Web Services and Verizon. Customers use the HERE platform to access the map data, location services and software development kits (SDKs) they need to enable applications such as automated driving, middle mile and last mile logistics, and smartphone navigation. Many of our customers value the flexibility they have when using the HERE platform, including their ability to retain full control over their data and safeguard the privacy of their users.

→ **Founded in 1985**

→ **6,100 employees**

→ **Direct and indirect shareholders:**

Audi AG, BMW AG, Robert Bosch GmbH, Continental AG, Mercedes-Benz Group AG, Intel Corporation, Mitsubishi Corporation, Nippon Telegraph and Telephone Corporation (NTT) and Pioneer Corporation



Key analyst evaluations rank HERE as the number one global location platform

“HERE is a unique company in its ability to not only remain vital to the LBS market in the face of organizational and industry changes from their legacy as NAVTEQ, through to Nokia, but also in presenting and executing on their vision of the future. The company has asserted its leadership in ADAS and autonomous driving and is rolling out new and exciting services to address the growing IoT market. After rigorous analysis of major LBS vendors, Omdia has ranked HERE as the clear leader in this space.” – Omdia, January 2023

#1

“As various industries undergo digitization projects, the role of location intelligence is becoming more critical. We see the demand for industrial-grade, highly accurate maps increase as enterprises look to draw insights that improve efficiency and business performance. Map making is complex and requires significant investment and expertise in acquiring, extracting, and orchestrating flows of different datasets and content at scale. HERE remains the leader in map-making, automotive and industry growth vision. HERE’s platform approach maintained its momentum with strong non-automotive growth across its target sectors, e.g. transport and logistics. The key pillars of HERE’s growth strategy remain partnerships, an open, multi-platform approach, industry vision and innovation.” – Strategy Analytics, June 2022

“HERE leads the global location platform rankings in terms of comprehensiveness, completeness, capabilities and customer success. HERE has leapfrogged competition in multiple aspects, from providing accurate location data and services content via its platform to helping the companies transform themselves digitally with its consulting, implementation and support services...With its advanced mapping, navigation content and highly scalable and automated location platform, HERE remains the number one choice when it comes to automotive, logistics and enterprise verticals. HERE’s location platform is nearing an inflection point looking at its strong pipeline of licensing, monetization, and co-creation of IP opportunities across the ecosystem.” – Counterpoint, January 2023





Market trends

Location technology has application in so many spheres of life. Cars need it to navigate safely and efficiently. Logistics companies use it to deliver 5,000 parcels every second globally. And emergency services use it to precisely track first responders.

Based on internal analysis of third-party data from Gartner, S&P Global, ABI and others, we estimate that the market for location technology – including map

content, location services, and location-enabled software applications – was worth in the region of €15–16 billion in 2022. As the use of location technology becomes increasingly pervasive across consumer and enterprise markets, our analysis of those third-party data sources suggests that the market could expand to be worth more than €28 billion by 2027, representing a compound annual growth rate (CAGR) of 12%.



This growth won't occur in a vacuum, but rather in conjunction with several market and technology trends, including:

- ESG and sustainability, with location data assisting in the optimization of the environmental impact of supply chains and enabling electric vehicles' efficiency
- Smart edge, where an increasing number of connected devices are capturing real-time location data
- Data privacy and security, where enterprises seek 'trust platforms' for their proprietary data
- Ubiquitous connectivity, where businesses have continuous awareness of their assets and operations across all locations
- Autonomous assets, where precision location data is required for vehicle, drone and machine navigation
- Reconfiguring value chains, where location contextual awareness enables more efficient transportation of goods

Over time, we expect these market and technology developments will give rise to potentially dozens of new location-enabled applications requiring large pools of location data and deep access to spatial context. Vehicles navigating public roads and private environments like parking garages, ports and factory yards will need a precise understanding of their environments as they become more automated. Businesses will leverage location-based trust mechanisms to verify financial transactions. And consumer brands and gaming studios will add rich location context to business data to provide highly personalized, augmented reality experiences. We also see the concept of digital twins expanding from machine and plant-level scale to encompass whole transportation systems and road networks. These large-scale digital twins will provide valuable insight into the reality of conditions on the road as well as aid in simulations of traffic and future states.



We are HERE Technologies

Location expertise

38

Years in map making

#1

Location platform in analyst evaluations¹

Developer community

2m+

Indirect developers²

550k

Direct developers

Operating at scale

180m

Vehicles with HERE maps on board

153bn

API calls per month³

200

Countries & territories

38k

3D landmarks

147m

Points of interest

162m

3D building footprints

40m

Est. vehicles providing HERE real-time sensor & probe data

3.9k

Patent assets

Customers and strategic partnerships

1.3k+

Unique enterprise customers across multiple markets

accenture

AT&T

Alibaba.com

DESCARTES

Atos

Baidu 百度

Capgemini

CISCO

mastercard

Microsoft

aws

SAP

SIEMENS

Telefonica

verizon

vodafone

Mahindra

ORACLE

VW

LG

HYUNDAI

HONDA

mazda

TOYOTA

Singtel

SK telecom

PSA GROUPE

Tencent 腾讯

FUJITSU

experian.

GARMIN

Mobile

esri

¹. As recognized by Strategy Analytics (06/2022), Omdia (01/2023), and Counterpoint (01/2023) – ². Defined as developers that can access HERE's Content & Software through integrations with HERE Partner platforms – Source: HERE management – ³. Average per month over 2022





Strategy


Our strategy is centered on offering best-in-class map content, location services, and application software that's easy to use, customizable, and scales with our customers' business. We provide access to our portfolio through our location platform, which we are continually optimizing to support different customer use cases. In addition, we provide professional services and technical support, helping customers that are unaccustomed to working with location data as well as large teams of geospatial experts involved in complex deployments of location technology.

With our platform, organizations can:

- Access the largest set of curated map data with 800 attributes, covering 200 countries and territories
- Build solutions with standard definition (SD) and high definition (HD) data sets – all in one place
- Access the largest set of location services, such as routing, search, rendering and transit algorithms, while enjoying the ability to customize HERE's standard services to their liking
- Create private maps grounded in the live context of their own organization
- Manage privacy risks and leverage privacy-enhancing technologies
- Leverage flexible consumption models

We generate the majority of our revenue in the automotive industry, where we serve most major car manufacturers as well as many automotive tier one suppliers. We also work with leading companies across a wide range of other industries, including transport and logistics, mobility, manufacturing and retail and the public sector.





We expect our content business to remain attractive and profitable in the future, with solid growth over the next years. We expect software to be a high growth business. All our new software products are designed to operate on recurring business models. Over time, we expect our revenue mix to evolve from largely licensing-based revenue to subscription and consumption-based revenue streams. We also expect that many existing products will reflect more recurring models as we implement self-serve capabilities.

Another key enabler for HERE's business growth is UniMap, our new mapping technology. Rolling out to selected customers in 2023 before coming online fully in 2024, UniMap is highly automated software that's designed to deliver unmatched levels of map freshness, quality and coverage. At the heart of the HERE platform, the technology will produce the entire HERE map as well as enable customers to rapidly create their own private maps and customized location services.

A key element of our go-to-market strategy involves collaboration with strategic partners such as Amazon Web Services (AWS), Atos, Esri, Oracle, Microsoft, Mitsubishi Corporation and SAP to expand the audience for our technology and support new and future use cases. Over two million developers can access HERE content and location services through partner ecosystems such as AWS, Azure, Red Hat, Salesforce's MuleSoft and Alibaba. We also have more than 550,000 developers directly registered with our platform.

To maintain a strong position in the market, HERE invests significantly in the development of both map content and location software. The two segments are complementary: our content investments enrich our map information, which in turn supports the development and scaling of our software products; meanwhile, our software investments facilitate the creation of data loops, giving HERE access to data about how the world has changed and enabling us to update our map content accordingly. We intend to leverage this mutual reinforcement loop to further grow our business.





For successive years, HERE has been ranked as the world's leading location platform in major analyst benchmarks. Notable players in the location platform market also include Google, Mapbox and TomTom. We also face competition from businesses which compete with portions of our portfolio, including content (e.g., HD mapping and niche location data providers), platform software (e.g., big data processing) and application software (e.g., fleet software and supply chain software). Based on our portfolio and competitive positioning, we believe that we are well-positioned to serve enterprise needs across multiple businesses and use cases.

Competitive strengths

We believe that the following strengths differentiate HERE and will enable us to continue our leadership position in our target markets.

- Location expertise: HERE has deep experience in the location domain, developed over the last four decades delivering map content and services to large and small enterprises
- AI-enabled mapping technology: HERE has invested significantly in automation and artificial intelligence capabilities to create UniMap, which we believe gives HERE a significant competitive advantage over other mapping technologies
- Open and customizable: Our platform enables high degrees of configurability to any participant or data set through standardization and data interoperability
- Multi cloud: Our multi-cloud architecture operates on a variety of cloud platforms, enabling speed to market as well as full flexibility to support customer data wherever it is located
- Data ownership: Our platform preserves data ownership and provides customers with complete control to monetize and exchange their data
- Shared economics: We offer flexible business and consumption models to complement the value chain and monetization preferences of our customers
- Privacy by design: Our secure enterprise grade approach provides high levels of data privacy and security





UniMap: the next generation of mapping technology

A new way of making maps is here: automated, unified, and fresher than ever. **Executive Vice President and Chief Product & Technology Officer at HERE, Giovanni Lanfranchi**, explains how UniMap works and what it will mean for logistics, automotive, and other industries.

What is UniMap?

“UniMap is the new map content factory at the heart of our platform. It’s really the foundational fabric of everything we do, powering all parts of our portfolio.

We started developing the technology three years ago. It came out of conversations with automotive customers like BMW Group about how we could develop a radically new approach to mapping – one that would enable HERE to serve customers with ever fresher and higher quality map content, available either directly or via our location services and SDKs on the platform.

UniMap uses automation to help us truly scale our content production. All datasets are brought together and made consistent,

flexible, and – for the first time – unified. This is what the ‘uni’ in UniMap stands for. The catalog is continuously validated with thousands of validation rules ensuring the quality and integrity of our map.”

What are some of the ways it can be used to benefit different industries?

“Any application that needs up-to-date, accurate map content will benefit. UniMap will be especially useful for applications where location data plays a pivotal role in their functioning or the end-user experience.

Automated vehicles, for example, need access to a reliable view of what’s happening around them and beyond the vantage point of their sensors.

Logistics companies also need access to an up-to-date representation of the world so they can quickly react to unexpected events in the supply chain.

Because UniMap produces unified map content and stores it in a single environment, customers can easily select and combine all the different map layers they need for their products.

Customers can even use our UniMap-enabled platform to create private maps. In fact, this was one of our goals from the outset: we wanted to ensure that businesses can easily use UniMap to transform their own data into private maps within their full control while enabling massive scale.”

Why would customers need to create private maps?

“A lot of organizations produce vast amounts of location data and most of it is under-used. Location data only becomes useful when you can take action with it. Private maps are a great way of making it actionable.

For example, automakers are creating private map layers that tell their vehicles and drivers where automated driving is safe. Rural firefighters have mapped their own trails and tracks across public and private land so they can easily access the landscape to tackle wildfires. You can also create maps of factories, ports, mines or any other environment.

Once you have a navigable private map, routing and other services can be added on top to help your drivers and machine operators navigate complex environments. You can also connect your map to the HERE public map to enable true end-to-end visibility into your operations and supply chains. Journey and delivery times will become more accurate this way. The best part is that private map extensions and customizations are yours; you control how they're used and who sees them – everyone, just your drivers, or your authorized users.”

Do customers need a lot of geospatial expertise to create private maps?

“It certainly helps, but we want to simplify everything with a low-code development environment. So we've developed dedicated templates to help in every step of the way, from ingesting the data, to conflating it, to processing it, to publishing it. The idea is that you spend less time on the heavy lifting and get quickly to the part where you use the map, as that's what will give you competitive advantage.”

What is HERE's Map Object Model and why does it matter?

“When raw spatial data flows into the platform, we transform it into different categories of map content like speed limits, road geometry, or place information. Ever since the first digital maps, the challenge has been fitting it all together. You might have overhead imagery, industrial lidar and road sensor observations all telling you what a road looks like, and you want to make sure these disparate sources are conflated into one consistent view. UniMap cracks this conundrum by using an extendible unified map content data model we developed called Map Object Model (MOM).

MOM semantically aligns different elements of the map, turning them into map layers that can fit seamlessly together with one another for different purposes. If you're an automaker, you might start by building a product with basic road information, then add things like live parking availability, electric charging points and high-definition lane information. You could then also layer on your own private map data, and MOM will make sure everything lines up.”

How fresh is UniMap?

“Data is continuously updated and streamed. That is opposed to being processed and delivered in batches each month or quarter, which is typical in the industry, especially when serving automotive customers. In practice, UniMap enables changes detected in the physical reality to become visible on the map within 24 hours, while customers will now have anytime access to the map. This is a big leap forward for anyone building location data applications.”

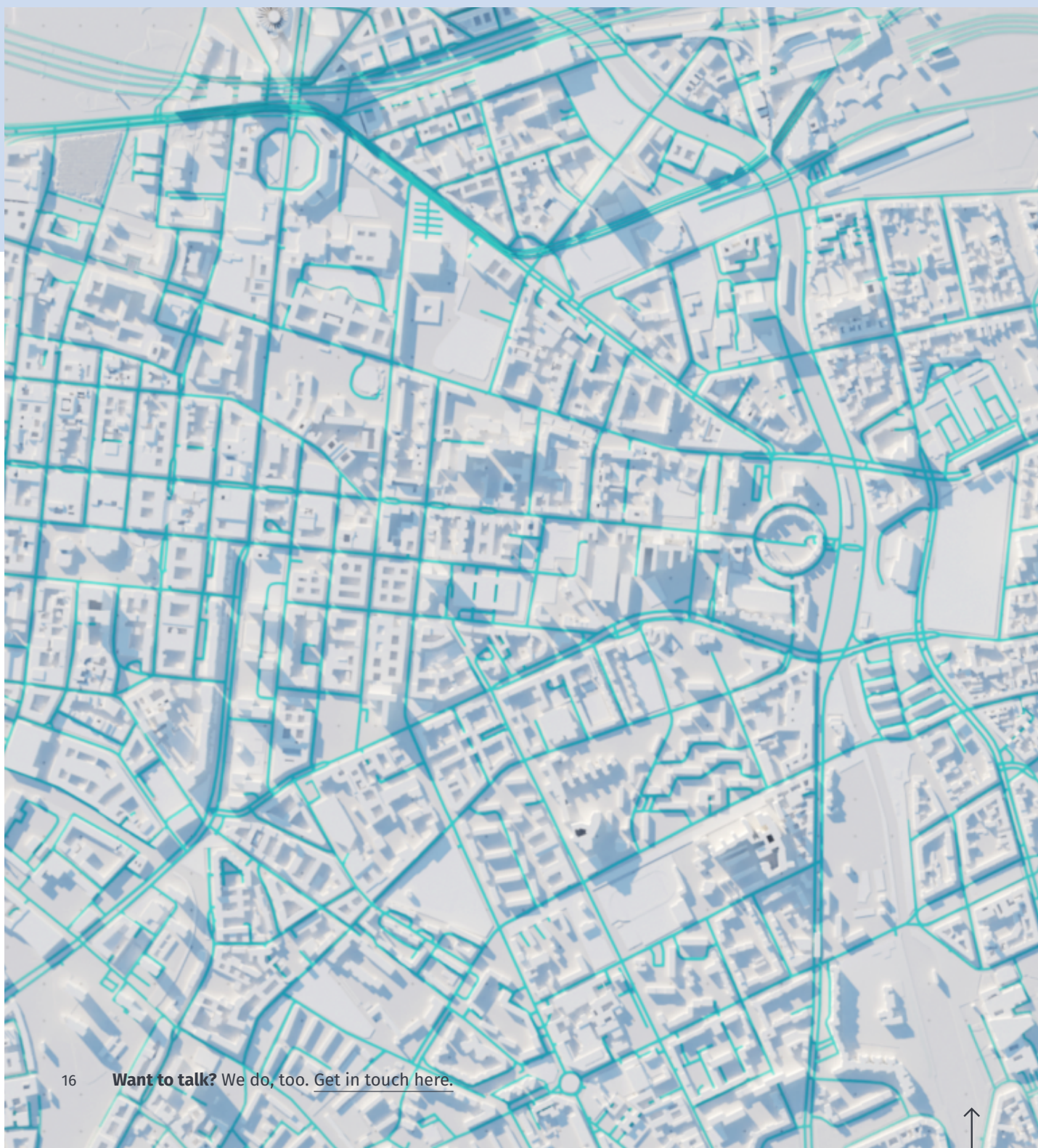


Does UniMap use AI in the map creation process?

“Yes, AI and machine learning are used extensively. We have trained algorithms to transform spatial data into map form. If you feed UniMap with pictures, probe data, car camera feeds, lidar and IoT data, UniMap will rapidly transform and conflate that data into an actionable, navigable digital map.”

When is UniMap available?

“We were proud that Gartner recognized UniMap as one of the five main automotive innovations when we launched UniMap at CES in January 2023. UniMap is already producing map content, undergoing in-depth tests by several automakers in vehicles on the road and will go into production vehicles beginning in the second half of 2023, with a broader production rollout planned in 2024.”



A track record of mapmaking leadership

The roots of HERE Technologies extend back to the mid-1980s, when Karlin and Collins, Inc., a California company, began creating a digital map database of the Bay Area

In 1994, HERE, by now operating as Navigation Technologies, shipped its first map product for in-car navigation – a limited map of Germany covering major cities and interconnecting highways available as a CD Rom – for the BMW Group

In 1996, HERE launched the first in-car navigation system in the U.S.

In 2004, HERE introduced support for vehicle ADAS

In 2007, the Nokia N95 became the first flagship smartphone featuring integrated GPS and hybrid (online and offline) maps, provided by HERE

In 2013, HERE began development of HD maps, machine-readable maps designed for automated vehicles rather than people; in the same year, HERE delivered a research prototype for the 'Bertha Benz' drive from Mercedes-Benz

In 2017, HERE accelerated efforts to democratize access to industry-grade mapping and location technology by launching a location platform

In 2019, HERE launched the industry's first SaaS solution for navigation

In 2021, HERE began supporting Level 3 automated driving in Mercedes-Benz's DRIVE PILOT system, leveraging HERE HD Live Map

Since 2022, BMW has been using HERE HD Live Map to power Level 2 automated driving through its hands-free function Highway Assistant and to support the upcoming Level 3 function in BMW's new 7 Series

In January 2023, HERE announced UniMap, the company's revolutionary, highly automated mapping technology that enables rapid creation of digital maps and location products



Portfolio

Our content portfolio

(80% of total revenue)

We offer standard definition (SD) maps, high definition (HD) maps, advanced driver assistance system (ADAS) maps, and dynamic content offerings (real-time traffic and weather, among others). These offerings provide various benefits to our automotive and multi-industry customers. For instance, our SD map content supports navigation and routing for our OEM customers, and our real-time traffic content enables customers to determine highly accurate estimated times of arrival.

In 2022 and early 2023, we continued to develop our portfolio of map content, with highlights including the following:

- We continued development of, and introduced, UniMap, our new mapping technology, with rigorous testing together with selected automotive customers. Selected customers are now using content produced by our new UniMap mapping technology ahead of a broader rollout in 2024.
- We released our ISA (Intelligence Speed Assistance) Map product, which provides fresh and accurate speed limit information, with comprehensive coverage across the globe. As of July 2022, all new-model passenger and commercial vehicles introduced in the EU must be equipped with ISA information to help drivers acknowledge and comply with legal speed limits on any given road.
- We announced that we are helping car manufacturers comply with the latest updates to New Car Assessment Programs (NCAP) in Europe and Australia. As part of our NCAP offering, in early 2023 HERE announced HERE Road Alerts, a new cloud-based service that fuses vehicle sensor data with traffic incident data to provide real-time hazard warnings to drivers.
- We released HERE Lidar Data, a global library of terrestrial lidar data for real-world 3D modelling applications. The product captures millions of kilometers of roadways and their surroundings in high-fidelity across more than 50 countries and territories. HERE Lidar Data has a wide range of uses, including virtualized infrastructure asset management, road network planning and traffic congestion analysis; performing site selection analysis and design impact simulations; and conducting centralized pole/wire inventory management and assessment.
- We announced a new service that predicts the likelihood of an electric vehicle (EV) public charge point being available for use by a driver in the future. We plan to make the service available to customers in 2023.



20%

Our software portfolio

(20% of total revenue)

Our software leverages our industry leading location content to provide the tools to extract insights from HERE, as well as our customers' own data. Our application software consists of vertical solutions tailored towards focus markets including connected driving, automated driving, fleet management and supply chains.

Our platform software includes location services that consist of APIs and SDKs for geocoding, search, routing, map rendering and more for use within customer applications. Our platform software is also composed of middleware environments, including HERE Workspace, which provides tools for developers to create and maintain private maps.

In 2022 and early 2023, we continued to develop our portfolio of software, with highlights including the following:

- We announced HERE Automated Driving Zones, a cloud-hosted software product with which automakers can transparently decide where, when and under which operating conditions it is safe to activate the automated driving functionalities of their cars.
- We further evolved HERE Workspace as a low-code environment for map making and editing, introducing HERE Map Making as a new capability enabling businesses to create and maintain their own maps. Using this solution, businesses can easily derive, standardize, validate and manage map data as well as use it in scalable location services and applications. We believe that every business needs a map to represent its business and operational reality so that it can deliver better services, optimize costs or improve safety or ESG targets.
- We expanded the possibilities for customers to customize HERE's standard location services with their own data and business logic. HERE enables customers to bring their own data (BYOD) – including the private maps they create in HERE Workspace – and use them in combination with HERE's location services and applications. Additionally, HERE offers self-hosting capabilities, allowing customers and partners to install and run HERE location services directly on their servers or cloud environment, creating another level of privacy and security to interact with sensitive end-user data.
- We added truck navigation in HERE SDK 4.x, including support for the Japanese market. This software development kit (SDK) is a set of programming interfaces that gives access to HERE's rich portfolio of services, such as in-vehicle navigation, traffic alerts, transit information and fleet management features.
- We introduced HERE Style Editor, a map style customization tool for customers using HERE SDK 4.x, HERE Navigation or Maps API for JavaScript.

HERE's comprehensive product portfolio and technology stack

Professional Services and Technical Support

Software

Application	Automotive applications	Logistics applications	Consumer applications
Location Services and Development enablers	SDKs		
	Routing	Positioning	Geocoding & Search
			Rendering

Self serve and builder experience

Buy HERE products and build your private location intelligence
Template workflows with low-code tools

- Visualize data
- Generate insights
- Build applications
- Develop services
- Make maps
- Monetize assets

Content

	Core Content	Spatial & Dynamic Content
Map Content	SD Map HD Map ADAS	Places & Points Events (Incidents & Hazards) Parking 3D and Visuals Traffic Indoor Maps EV Charging
Data	Probe data	Lidar data
	Vehicle sensor data	Satellite images
		Street level images & video

Marketplace

Workspace

Platform Foundation

Revenue model

Across our products, we primarily use three distinct business revenue models:

One-time licensing: A typical point of sale (POS) based revenue model where customers purchase the right for perpetual usage of an offline product. This license can include update rights as an upsell, in which case a portion of the revenue recognition is deferred.

Recurring: Composed of two types of recurring revenues: subscription based revenue and consumption based revenue. In subscription-based revenue, the customer 'rents' software or content from HERE and pays an ongoing, periodic usage fee, typically based on the subscription tier. In consumption based revenue models, the customer pays a fee per every use or duration of usage. Consumption fees are predominantly driven by number of transactions or service usage.

Other: Includes payment as a share of third party revenue or as a one-time consulting fee from professional services. Revenue recurrence is generally volatile depending on services provided.

HERE expects its overall revenue to be increasingly composed of recurring revenue, primarily driven by growth in our software business and our continued expansion into a multi-industry provider.





Customers and strategic partnerships

During 2022, we publicly announced several new and expanded collaborations to extend the reach of HERE location data and technology. These included the following:

- A collaboration with APCOA and Propark Mobility, adding more than 400 indoor parking garages across Europe and North America to the HERE indoor map
- A partnership with Ericsson, the 5G communication technology and service provider, to bring custom mapmaking and location services to the mining industry
- A collaboration with Swiss retailer Migros to offer CO₂ Insights, a tool that predicts the amount of CO₂ produced for any given commercial truck route
- Scania, a world class provider of transport solutions, selecting HERE to power its next generation infotainment platform for its fleet of trucks globally
- Goodyear integrating HERE location services into the Goodyear Total Mobility one-stop fleet management solution to help minimize vehicle downtime and make fleets more efficient
- A five-year strategic collaboration agreement with AWS to help organizations improve their supply chain visibility, transportation and logistics (T&L), fleet routing, and estimated times of arrival (ETAs) from the first-to-last mile of delivery
- A collaboration with Designium and Mitsubishi Corporation through which HERE provided location technology to improve bus transit experiences in the Aizu region of Japan
- A collaboration with VinFast, supporting Vietnam's leading manufacturer of premium automobiles with ISA map content in European markets, as well as providing software to power navigation for selected models of its smart electric vehicles (EVs)
- BMW Group using HERE HD Live Map, HERE's high-definition map, to enable hands-free driving in the United States and Canada
- Lotus selecting HERE to power the navigation experience of the Lotus ELETRE, the automaker's first pure electric hyper-SUV
- DANA, one of Indonesia's largest digital wallet services, using HERE location services to bolster inclusive financial services in the country
- A collaboration with Citility, an integrated mobility platform in India, which is leveraging HERE location services and APIs for its solutions and products
- smart utilizing HERE Connected Vehicle Services and the HERE SDK to power its highly anticipated, all-new electric SUV





Research & Development

HERE's product management, product development and long-term research activities are led by our Product & Technology team. We also have a Platform Foundation team that consolidates our content engineering activities as well as a Data team whose responsibilities include data acquisition, data monetization and the operation of our IT, cloud and security infrastructure.

Product & Technology, Platform Foundation and Data work together to enhance the usability, functionality, reliability, quality, security and performance of our portfolio, as well as ensure that our platform caters to our customers' needs and expectations. The teams have embedded key principles of customer centricity, quality and productivity in their ways of working.

They also employ DevOps practices and agile methodologies to help ensure that HERE collaborates effectively both internally and externally. Co-creation with customers is a powerful engine for innovation at HERE as it allows us to apply our content and software to their unique context, while continual feedback loops guide development and iteration throughout the development lifecycle.

During 2022, a key focus of HERE's R&D activities was on the development of UniMap and self-serve platform capabilities; strengthening map content quality; and progressing in key strategic areas, such as electric and software-defined vehicles, private map making, and location service customization. During the year, we also further concentrated our R&D activities and made internal adjustments to focus on our fastest growth products and areas.





2022 Financial overview

Year ended December 31 (€ million)	2022	2021	Change %
Net automotive sales	699	721	-3.1%
Net non-automotive sales	229	225	1.8%
Total net sales	928	946	-1.9%
Cost of sales	(231)	(219)	5.5%
Gross profit	697	727	-4.1%
Gross margin	75.1%	76.8%	
Research and development expenses	(467)	(496)	-5.8%
Selling, general and administrative expenses	(303)	(342)	-11.4%
Other expenses, net	(28)	(2)	1300%
Operating income	(101)	(113)	10.6%
Financial expenses, net	(42)	(24)	75%
Income before tax	(143)	(137)	-4.4%
Income tax expense	(22)	(22)	0%
Net result for the year	(165)	(159)	-3.8%
Adjusted EBITDA*	122	106	15.1%
Adjusted EBITDA margin*	13.1%	11.2%	

* A non-IFRS measure, Adjusted EBITDA is defined as EBITDA adjusted for the impact of certain non-cash and other items. These items include share-based compensation, transaction expenses and unrealized foreign exchange gains or losses that we do not believe reflect our underlying business performance.



Sales

In 2022, HERE's net sales were €928 million, a decrease of 1.9% compared to the prior year, demonstrating solid execution in the face of several macroeconomic headwinds, including rising global inflation and interest rates plus ongoing supply chain constraints. Despite these headwinds, HERE delivered a record level of bookings* of €2 billion, an increase of 65% compared to the prior year. The total order book** at the end of 2022 was €4.9 billion, providing strong visibility to future revenue growth.

HERE also made good progress on its strategy to diversify its business across both industry verticals and product offerings. Net sales in our core automotive vertical were €699 million. Net Sales in our non-automotive vertical were €229 million, an increase of 1.8% compared to the prior year and expanding to a 25% mix of our overall portfolio. Net sales of software and services grew double-digits compared to the prior year.

HERE's cost of sales was €231 million in 2022, a 5.5% increase from €219 million in 2021. This increase was due primarily to an increase in cloud infrastructure costs that are being optimized. Cost of sales consists of costs to deliver our data to our customers, partners and developers in a physical format as well as to provide access via our cloud-based platform. Cost of sales also includes royalties to be paid to third-party data providers.

Operating expenses / Adjusted EBITDA

HERE's total operating expenses were €798 million in 2022, a decrease of 5% compared to the prior year, driven by continued operational efficiency efforts, including optimizing third-party costs and executing an enhanced labor strategy. HERE also maintained critical R&D spend, prioritizing investments that management believes can generate higher-value growth opportunities, including software and multi-industry offerings to drive more profitable growth in the future.

HERE delivered another year of positive adjusted EBITDA in 2022 of €122 million, an increase of 15% compared to the prior year, and an adjusted EBITDA margin of 13.1% in 2022, an increase of 2 percentage points compared to the prior year. This was driven by the cost optimization and prioritization efforts that will continue to be a focus going forward.

* HERE's bookings constitute the estimated long-term revenue HERE expects to recognize based on contracts signed with customers during the calendar year. The booking value is based on a set of assumptions HERE makes at the moment the booking is made. HERE estimates the value of bookings based on actual contractual or projected pricing terms and good faith estimates of take rates of HERE's technology by customers, such as its use in vehicles. Estimates of take rates are based on customer commitments and will also be affected by HERE's ability to successfully execute and deliver against those commitments.

** HERE's order book represents an estimate of future revenue to be recognized by HERE based on existing contracts with customers. It is calculated as the sum of all bookings less revenue already recognized against those bookings and other adjustments.



Cash flow from operations

€ million	2022	2021
Net cash used in operating activities	(15)	(25)
Net cash used in investing activities	(76)	(69)
Net cash provided by financing activities	90	43
Effect of movements in exchange rates on cash held	–	3
Increase (decrease) in cash and cash equivalents	(1)	(48)

Cash used in operating activities was €15 million in 2022, an improvement of €10 million compared to the prior year, resulting from benefits including favorable movements in working capital.

Cash used in investing activities primarily consisted of capitalized development costs and the purchase of property, plant and equipment and other intangible assets. The capitalized development costs were €68 million in 2022, an increase of €5 million compared to the prior year due to higher capitalization costs of our new, highly automated mapping system and platform assets. On December 31, 2022, the balance of capitalized development costs was €180 million.

HERE continued to invest in property and equipment to meet the demands of growing our business by providing the necessary infrastructure. Capital expenditures were €19 million in 2022.

Cash provided by financing activities was €90 million in 2022, primarily related to €100 million of subordinated shareholder loans. Net debt amounted to €675 million as of December 31, 2022, comprising €114 million drawn under our €125 million Revolving Credit Facility (RCF) and a €263 million term loan, plus €386 million in subordinated shareholder loan agreements, less €88 million in cash and cash equivalents. On December 31, 2022, HERE's total equity was €906 million.





Risk management and control

Risk management

HERE has a systematic and structured approach to risk management across business operations and processes, laid down in its Global Enterprise Risk Management (ERM) Policy. ERM is a group-wide framework applied to HERE strategy planning, long-term plans and annual business planning, as well as operational decision making. The goal is to capitalize on opportunities and treat risks that may prevent achievement of HERE's performance objectives. HERE defines risk as "the possibility that an event will occur and adversely affect the achievement of HERE objectives." ERM is designed to identify potential events that may affect HERE, resulting in a deviation from HERE's objectives. The Supervisory Board together with the Management Board agree to HERE's risk appetite by means of specific Supervisory Board approvals on (amongst others) HERE's Strategic Execution Plans, Long Term Plans, Annual Plans, Incentive Plans, Acquisitions, External Financing Agreements, and Management Board nominations as stipulated in the Shareholders' Agreement relating to HERE International B.V. and its Articles of Association.

HERE's ERM helps it to:

- drive risk mitigation and exploitation of opportunities based on informed decisions
- encourage proactive management and increase the likelihood of achieving objectives
- improve operational effectiveness, incident management, and loss prevention
- comply with relevant legal and regulatory requirements and international norms
- build/contribute to customer and stakeholder confidence and trust

Risks are managed through the components of Risk Assessment, Risk Treatment, Risk Monitoring and Risk Communication/Reporting. Business units and functions are required to document specific standards and guidelines that define how risk management has been applied in the context of each business unit and functions. Risk management processes are part of HERE's system of Governance, Risk & Compliance (GRC). The GRC Committee oversees our GRC activities, acting as a cross-functional body between all areas, such as quality, security, finance, internal audit, people management and legal matters.

Key risks and risk management

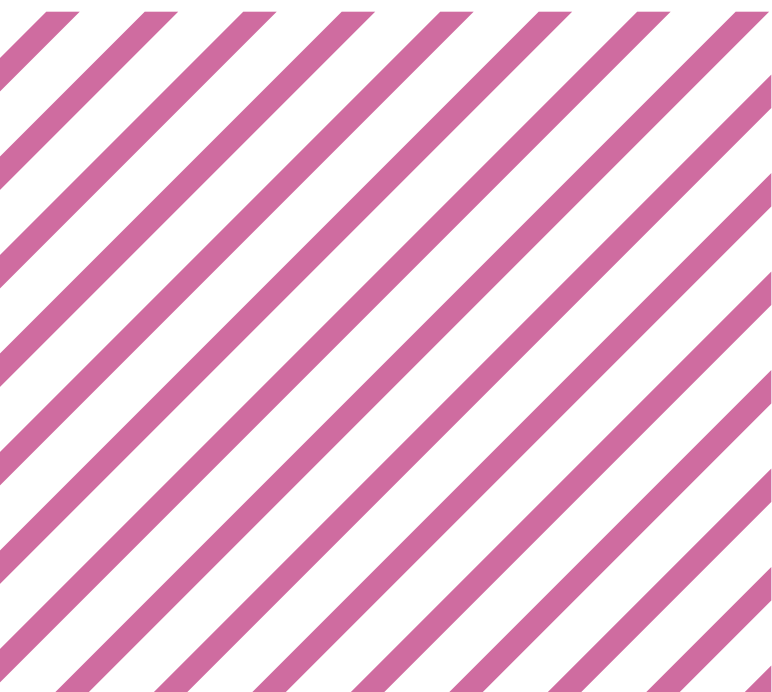
Our business faces various risks and uncertainties. These risks, either individually or together, could adversely affect our business, sales, profitability, results of operations, financial condition, costs, expenses, liquidity, bank covenants, market share, brand and reputation from time to time. It is important to understand the nature of these risks and the impact they may have.

Some of the more relevant risks and the steps we have implemented to manage these risks are described below. Although we have a good understanding of potential risks, there may always be unknown risks and certain risks currently classified as not material that could become material in the future, and our efforts to mitigate the risks we have identified may not be successful.

Macroeconomic, systemic and other external risks could impact our ability to execute our strategy, including the following key risks:

→ We derive the majority of our revenue (75% in 2022) from sales to the automotive industry, which is mostly based on a license fee per vehicle produced. This concentration makes our sales volume dependent on overall developments in that industry. In times of economic decline, global automotive production decreases as a response to lower demand. Production levels also can be impacted by operational difficulties, such as when production levels decreased due to employee safety measures implemented in response to COVID-19 in 2020 and 2021, or supply chain production shortages or disruptions such as the ongoing semiconductor shortage or the ongoing Russia-Ukraine conflict. It is uncertain how these situations will develop.

→ Some of our offerings may no longer be competitive, or another participant may provide a more competitive new offering or introduce a new, more efficient or affordable way of providing map content creation that may require us to reduce our prices or change our business model. Through our research and development activities, we actively search for ways in which to translate our customer preferences into new technologies for incorporation into future products, while our innovation management process deploys tools, technologies and resources to convert strategies into projects and plans, develop products and relevant communication, and successfully roll out new products to our customers. Competitive factors also may reduce the prices that our customers are willing to pay for our products, which is managed in the short term due to the long-term contractual commitments our customers agree to buy our products, especially in our automotive business.



Our business is exposed to various risks and uncertainties affecting our effectiveness and efficiency of our operations, including the following key risks:

- Our goal is to expand the breadth and scope of the products and services we offer our customers by making HERE a key player in new and emerging location-based services, offering products such as augmented reality, new vehicle software systems, and autonomous driving systems. We are also working to build products and solutions that would deeply integrate our products in vehicle driver assistance systems. Our competitiveness may be adversely affected if we are unable to effectively collate, process and analyze data, such as end-user behavioral data or sensor data, and to derive high-quality intelligence from that data that we can use to enhance our product offering. To mitigate these impacts, our business plans are designed to ensure that resources are prioritized towards those products and markets that we believe can generate the greatest long-term revenue potential. We regularly review our ways of working and organization structures to ensure that we drive speed and simplicity through our business to remain agile and responsive to marketplace trends.
- The performance of the parties we partner and collaborate with may not meet our expectations, and our efforts to continuously review the performance of our third-party outsourced providers may not prevent the time and cost associated with installing alternative providers if our out-sourced providers are not performing adequately at an acceptable cost and service level.
- We may fail to retain, motivate, develop and recruit appropriately skilled employees. To mitigate, we have targeted programs which include the Talent Development Process (TDP) to attract and retain top talent, and we actively monitor our performance in retaining talent within HERE. We have policies and procedures designed to ensure the health and safety of our employees and to deal with major incidents, including business continuity and disaster recovery. We also continue to implement lessons learned from events that have happened. During the COVID-19 pandemic, the health and safety of our employees was top priority. We have embraced and successfully adapted to hybrid working.
- We may be subject to IT issues or cybersecurity breaches, which could disrupt our online service continuity, cause privacy breaches and compromise our data security. We fully back up our hardware and core operating data, and we operate separate contingency systems to provide real-time back-up operations if required. In addition, we maintain a global system to control and report access to our critical IT systems, which is reviewed at a minimum annually.



Risks relating to law, legislation and taxes include the following key risks:

- Our products, services and business models depend on Intellectual Property Rights (IPR) in technologies that we have developed as well as technologies that are licensed to us by certain third parties. Evaluating the rights related to the technologies we use or intend to use is increasingly challenging, and we may face claims of alleged infringement of third parties' IPR. The use of these technologies may also result in increased licensing costs for us, restrictions on our ability to use certain technologies in our products or costly and time-consuming litigation. We have an active IP protection program for our innovation efforts through patents, copyrights and trade secret protection. Our patent assets can be used assertively when we identify an infringement of our IPR and defensively should we be accused of infringement. Our vendors also contractually affirm their freedom of action when acquiring rights to use third party assets in our product.
- Our products and services may generate product liability and warranty claims and associated adverse publicity. Warranty claims may cause field actions and serial damage and may generate the risk of recall of products. Responding to such claims could be costly. We maintain what we believe to be an appropriate insurance portfolio to protect against hazard risks that cannot be internally managed effectively and efficiently and where insurance markets offer acceptable terms and conditions.
- Our products and services will increasingly depend on the use of a broad range of types of data, including in some instances personally identifiable information. Regulations governing the collection, storage and use of data are dynamic, with new legislation being introduced around the world and existing regulation subject to differing interpretations. Legislation, regulation and regulatory interpretation may restrict our and our customers' ability to carry out or develop planned business activities. Regulatory infractions could generate penalties and other costs and give rise to reputational damage. Further, our products and services, or the products and services of our customers, may become the target of cyber-attacks. If we or our customers were to experience a cyber-attack, the repercussions could be costly and give rise to adverse publicity.
- We have established procedures to ensure company-wide adherence to the EU's General Data Protection Regulations (GDPR) and other applicable data protection laws. We have standardized ways of hosting information on our public website, and we have processes in place to monitor compliance with appropriate privacy laws and regulations, as well as with our own policies in these areas.
- We operate globally, which exposes us to complex tax, privacy, trade compliance, or other local regulatory issues. We could be subject to tax or other regulatory disputes that could result in additional taxes or penalties or restrictions on our activity. Our legal specialists monitor and review our practices to remain aware of and in line with all relevant laws and legal obligations in the countries in which we operate. We may also be required to take action that affects our operations in order to comply with trade sanctions, which are continuing to evolve in response to geopolitical events.



- Our ability to utilize our deferred tax assets could be reduced by changes in our ownership or financial performance, among other factors, which could result in increases in the taxes we owe or our effective tax rate. Changes in the application of tax laws, policies and interpretations could also adversely affect our global tax position. We monitor proposed changes in taxation legislation and take these into account in our global operations.

Risks impacting our financial position and reporting include the following key risks:

Market risks

- Foreign exchange risk: Our global operations expose us to transaction and translation foreign exchange risks. Transaction risk arises from foreign currency denominated assets and liabilities together with foreign currency denominated future cash flows. Transaction exposures are managed in the context of various functional currencies of foreign HERE Group companies. We use financial derivatives to hedge our transaction exposure where we deem appropriate. As of December 31, 2022, no financial derivatives were outstanding. While our group consolidated functional currency is the euro, some of our entities do not use the euro as their functional currency, which exposes our consolidated shareholders' equity to fluctuations in foreign exchange rates. Equity changes caused by movements in foreign exchange rates are shown as currency Translation differences in our consolidated financial statements. We do not currently hedge foreign exchange exposure arising from our global net investments.

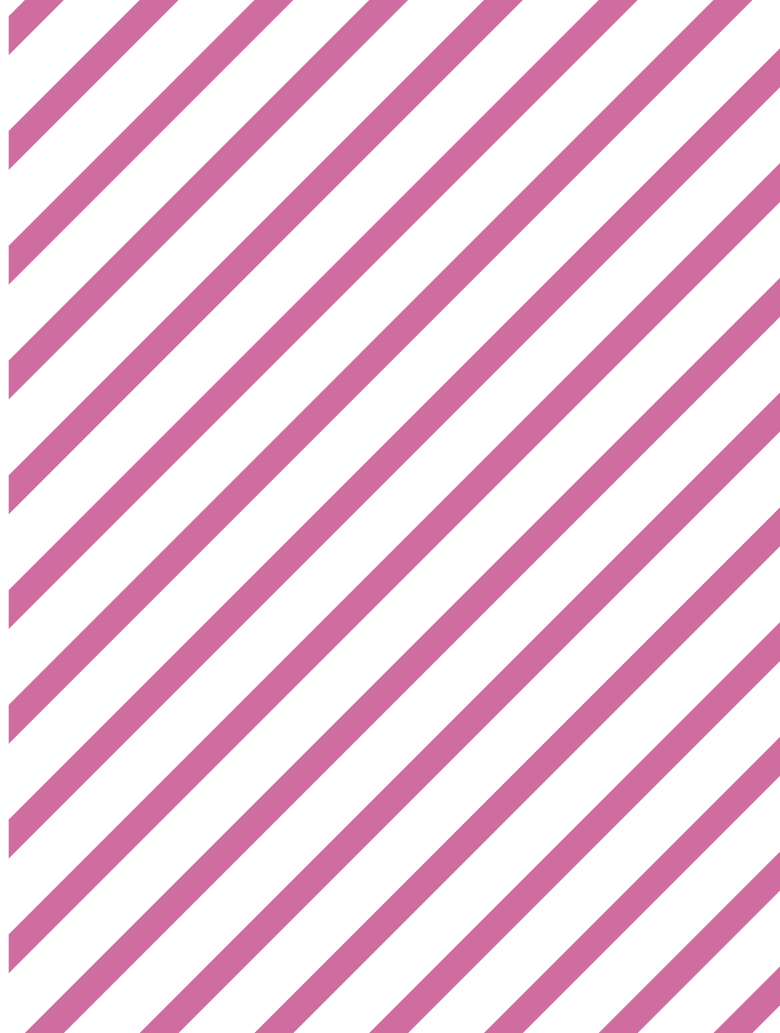
- Inflationary currency impact: In 2022, our Argentina and Turkey subsidiaries met the criteria for inflationary accounting. We did not make any adjustments on our consolidated group results, as the impact did not meet the materiality thresholds of IAS 29. While there are no other entities where the functional currency is the currency of a hyperinflationary economy, if other entities were to operate in such economic environments, the inflationary accounting rules could impact our consolidated group results.

- Other market risks: In certain emerging market countries, local exchange control regulations restrict cross-border fund transfers, which together with other related regulations, impact our ability to control our entities.

Credit risk

- Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to us. Credit risk arises from credit exposures to customers related to outstanding receivables, as well as financial institutions related to cash and cash equivalents. Credit risk is managed separately for business-related and financial credit exposures.



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- **Business-related credit risk:** Our credit policy and the related procedures lay out the framework for managing our business-related credit risks. Our credit policy provides that we apply defined rating principles when evaluating our credit decisions. We aim for high quality accounts receivable, and as of December 31, 2022, our accounts receivable did not include any significant concentrations of credit risk by customers.
 - **Financial credit risk:** Our treasury team measures and monitors financial credit risk by actively limiting our financial counterparties to major banks and financial institutions, and we regularly monitor the creditworthiness and the size of our exposure to these institutions. Our primary financial credit risk exposure relates to our cash and cash equivalents held with banks. As of December 31, 2022, 98% of our cash and cash equivalents is held with banks of investment grade credit rating.

HERE acknowledges the importance of internal controls and risk management systems. Under the supervision of its Chief Financial Officer, HERE's Accounting team conducts an annual evaluation of the effectiveness of HERE's internal control over financial reporting based upon its internal control framework. In addition, HERE's internal audit function performs audits at different office sites around the world and reports its findings to the Chief Financial Officer and HERE's Audit Committee.

Liquidity assessment / capital restructuring

- As of December 31, 2022, we had access to a €125 million revolving line of credit (RCF) to satisfy our short-term liquidity needs. A portion of this revolving credit facility has been reserved for outstanding financial guarantees. As of December 31, 2022, we had utilized €124 million against this facility (of which €114 million has been drawn and €10 million is used as collateral for guarantees). Subsequent to year end, HERE agreed with its lenders to extend the RCF maturity to January 30, 2025, on the condition that certain of HERE's shareholders provide funding to repay HERE's €263 million term loan by April 26, 2023, and inject €100 million in the first quarter of 2023 to strengthen HERE's liquidity position, which has been agreed by our shareholders.





Leadership and corporate governance

HERE has an experienced Management Team (MT) that brings diverse experience from map making technology, platform technology, application software, finance, sales, intellectual property rights licensing, consumer services, operations and many other areas. The MT is responsible for the strategic and operative management of HERE.



Edzard Overbeek
Chief Executive Officer



Werner Buskermolen
Senior Vice President
and Chief Human Resources
Officer



Denise Doyle
Senior Vice President
and Chief Data Officer



Fred Hessabi
Executive Vice President
and Chief Customer Officer



David Kenzer
Chief Legal
and Compliance Officer



Damandeep Kochhar
Senior Vice President,
Platform Foundation



Giovanni Lanfranchi
Executive Vice President
and Chief Product &
Technology Officer



Adeel Manzoor
Executive Vice President
and Chief Financial Officer



Edzard Overbeek

Chief Executive Officer

Since joining HERE as CEO in 2016, Edzard Overbeek has driven the development of HERE as an open, flexible location platform for enterprises, partners and developers across a variety of industries. Mr. Overbeek has a unique mix of sales and technology experience, having joined HERE from Cisco where he was responsible for the company's Global Services organization. Before that he served as President of Cisco's Asia Pacific, Japan and Greater China region, overseeing strategy and execution across all customer segments and strategic partner engagement. Prior to Cisco, he held leadership positions in companies including Fujitsu and Siemens. Overbeek holds a master's degree in business administration from NIMBAS, University of Bradford, United Kingdom.

Werner Buskermolen

Senior Vice President
and Chief Human Resources Officer

Werner Buskermolen leads the Human Resources team at HERE. With more than 20 years of HR experience to draw upon, he acts as a senior advisor on all people-related and organizational matters to ensure the talent agenda aligns with the company's vision in a best-in-class global, inclusive workplace. Before taking on the CHRO role, Mr. Buskermolen was responsible for HR Operations and Talent Acquisition at HERE, uniting all HR operations and regional consultancy work into one single team. Prior to joining HERE in 2016, he held positions at Informatica and NetApp as well as several consulting roles in the HR domain. He holds a degree in Commercial Economics from the College of Europa (Europa College).

Denise Doyle

Senior Vice President
and Chief Data Officer

Since joining NAVTEQ – which later became HERE – in 1999, Denise Doyle has held a number of senior leadership positions in the company, spanning areas such as corporate and strategy development, intellectual property licensing, monetization and risk management. As Chief Data Officer, Ms. Doyle is responsible for, among other areas, HERE's data acquisition strategy, which plays a critical role in the company's mapmaking process and location service development, as well as IT, Security & Privacy, and Quality. Prior to joining HERE, Ms. Doyle held business analyst roles at AOL and Miller Brewing Company. She holds a BA in International Business from St. Norbert College in the United States.





David Kenzer

Chief Legal & Compliance Officer

David Kenzer is responsible for all legal and regulatory matters for the company. In his role, Mr. Kenzer oversees the management of HERE's world class intellectual property portfolio, which includes approximately 3,900 assets that protect over 1,800 different inventions. A seasoned legal professional, David joined HERE in 2017 from Toptal, a global network of software developers, designers and finance experts. Prior to that he served in a variety of legal executive and leadership roles for other technology companies, most notably Google, Lenovo and Motorola Mobility, where he served as Corporate Vice President, General Counsel and Corporate Secretary. He earned a Juris Doctorate from the Pritzker School of Law at Northwestern University; he also earned a Master of Science degree in Materials Science and Engineering and a Bachelor of Science degree in Ceramic Engineering from the University of Illinois at Urbana-Champaign.

Fred Hessabi

Executive Vice President
and Chief Customer Officer

Fred Hessabi leads HERE's global Sales and Professional Services teams and is responsible for growing HERE's business and diversifying the customer base globally. Mr. Hessabi has more than 25 years of experience in the technology industry, with a wealth of expertise in Software- and Platform-as-a-Service sales. Prior to joining HERE, he served in senior leadership roles at companies including C3 AI, a market leader in the enterprise artificial intelligence space, SAP, BDNA, and Siebel Systems. Mr. Hessabi is a founder board member of Positive Planet, a Multinational NGO dedicated to the development of microfinance institutions across the world. He holds an MBA from SKEMA Paris / Concordia University Montreal.

Damandeep Kochhar

Senior Vice President,
Platform Foundation

Damandeep Kochhar leads the company's core engineering activities, including the development and operation of our highly automated mapping system for creating, updating and publishing map content. Mr. Kochhar joined HERE in 2015, bringing to the company his two decades of experience in the technology and product domains. Much of his early career was spent in senior roles at Genpact, a global professional services company. Daman graduated in Engineering from Delhi College of Engineering and completed his post graduate in Management from the Indian Institute of Management, Calcutta.

Giovanni Lanfranchi

Executive Vice President and Chief Product & Technology Officer

Giovanni Lanfranchi leads the development of the HERE platform and the company's broad portfolio of products and services for everything from automated driving and asset tracking to fleet management and private map creation. His team is located around the world and includes software engineers, artificial intelligence researchers, designers and product managers. Dr. Lanfranchi joined HERE from IBM in 2018, where he served as Vice President Global Technology Services and Head of WW Service Delivery Architecture & Technology in charge of the overall IBM Services Platform with Watson. Dr. Lanfranchi holds a Ph.D. in Physics from the University of Milan, as well as a rich patent portfolio.

Adeel Manzoor

Executive Vice President and Chief Financial Officer

As CFO, Adeel Manzoor has overall responsibility for finance, accounting, risk management, treasury and investor relations at the company. Mr. Manzoor joined HERE in May 2022, bringing to the company a wealth of experience in senior finance leadership roles at both large and small technology companies. Prior to HERE, he was Chief Administrative Officer and CFO at C3 AI, a market leader in the enterprise artificial intelligence space. He also served two and a half years as CFO at Telenav Inc., a global leader in the automotive navigation space, and 13 years at Hewlett Packard where he held a variety of senior finance and investor relations roles, including serving as CFO and Vice President of the company's Storage, Big Data & Value Compute division. Mr. Manzoor holds a Master's degree in Accounting and Finance from New Mexico State University, an MBA from the Asian Institute of Technology, and bachelors degrees in Commerce and Marketing from the University of Punjab.

HERE has a two-tier board structure consisting of a Supervisory Board and a Management Board. The current Management Board members are our Chief Executive Officer, our Chief Financial Officer and our Chief Human Resources Officer.

The Supervisory Board and Management Board oversee HERE's strategy, business affairs, corporate culture, risk management and corporate social responsibility, as well as managing HERE's relationship with its shareholders and safeguarding HERE's integrity in reporting and compliance. The Supervisory Board advises and supervises the Management Board, while the Management Board determines and executes HERE's policy, strategy and day-to-day general affairs. The Supervisory Board and the Management Board are committed to operating with integrity in full compliance with the HERE Code of Conduct.

There is a clear separation between our automotive shareholders' roles as customers, suppliers and investors. HERE is committed to open and independent corporate governance. HERE's maintains policies to ensure the clear segregation between its shareholders' roles as customers, suppliers and investors, and remains open to new investors to further broaden HERE's shareholder base.

The Supervisory Board consists of:

- Three members nominated by there Holding B.V., the holding company through which Audi, BMW, Mercedes-Benz, Bosch and Continental hold their shares in HERE
- One member nominated by Mitsubishi Corporation
- One member nominated by Nippon Telegraph and Telephone Corporation (NTT)
- Four independent members appointed by HERE shareholders



Mr. Pekka Ala-Pietilä

Chairman of the Supervisory Board


Mr. Pekka Ala-Pietilä is the Chairman of the Board of packaging company Huhtamäki and learning company Sanoma Corporation. He was also co-founder and CEO of Blyk Services Oy from 2006–2011. During 1984–2005 he held several different roles at Nokia Corporation, his last positions as President (1999–2005), Member of the Group Executive Board (1992–2005) and Nokia Mobile Phones, President (1992–1998). During 2018–2020 he was Chairman of the EU Commission's High-Level Expert Group on Artificial Intelligence (AI HLEG). He has also had other key positions of trust such as Climate Leadership Coalition, Board member (2021–); SAP SE, Supervisory Board member (2002–2021); Finland's Artificial Intelligence Programme, Chair (2017–2019); Netcompany A/S, Chairman of the Board (2017–2019); Pöyry PLC, Board member (2006–2017); Solidium Oy, Chairman of the Board (2011–2015).

In addition, Mr. Ala-Pietilä acts as a mentor for many young future experts and decision makers, and holds an honorary Doctor in Technology from Tampere University of Technology and in Science from the Helsinki School of Business. Mr. Ala-Pietilä was appointed as Chairman of the HERE Supervisory Board effective as of February 17, 2021.

Mr. Sanjay Brahmawar

Board member

Sanjay Brahmawar is a distinguished technology executive, who heads Software AG as CEO. With over two decades of international experience, he has extensive software and Internet of Things expertise and leads the organization with a strong entrepreneurial approach. Prior to joining Software AG, Sanjay held several senior positions at IBM, most recently that of General Manager for Global Revenue at Watson IoT. He started as an Associate Partner and transitioned into numerous high-level positions, including General Manager, Vice President & Executive Partner, across several subsidiaries at IBM. Prior to that, he served at PwC, FedEx, DSM and Honda. He earned his bachelor's degree in civil engineering from Delhi College of Engineering and M.B.A in Finance and Marketing from University of Leeds. He is a citizen of the world, born in India, and having worked and lived in England, Finland, Belgium, Holland, and Germany. Mr. Brahmawar was appointed to the HERE Supervisory Board effective as of January 1, 2023.



Mr. Axel Dewitz

Board member

Mr. Axel Dewitz is vastly experienced across the automotive industry, currently holding the position of EVP and Head of Taxes, Customs and M&A at Audi Group. Prior to this, Mr. Dewitz was Director, Mergers and Acquisitions at Audi, as well as Director, Controlling at Volkswagen Group Italia. He has a successful track record in tax and customs management, transactions, M&A, board relations, strategy, and business development. Mr. Dewitz was appointed to the HERE Supervisory Board effective as of August 18, 2020.

Ms. Adine Grate

Board member

Ms. Adine Grate is a well-known and respected professional in the European investment community. She spent 13 years at Investor AB where she was an EVP and Executive Director on the Executive Board. Ms. Grate has extensive investment, strategy and corporate finance expertise and has been intimately involved with some of Europe's largest M&A deals of the last 20 years. She has carved out a reputation as a highly effective Non-Executive Director, Committee Chair, Chair and Advisor. Her board experience ranges from large FTSE 100 companies to smaller private equity-backed businesses. She has deep domain knowledge, in particular in TMT (technology/media/ telecom), financial services and turnarounds. Ms. Grate is currently, amongst other things, Advisor to CK Hutchison Holdings, board member for KOKO Ltd. and co-founder of Skiff Capital Advisors Ltd. She is chair of the HERE Audit Committee and was appointed to the HERE Supervisory Board effective as of February 16, 2021.

Dr. Rainer Feurer

Board member

Dr. Rainer Feurer, Senior Vice President, Corporate Investments at BMW Group. Since joining BMW Group in 1998, Dr. Feurer has held various strategic planning positions and was deeply involved in the strategic set-up of the BMW Group in China. In 2019 Dr. Feurer became responsible for BMW's equity stakes in joint ventures in China, and investments in Mobility, Energy, Digital & Professional Service companies. Dr. Feurer was appointed to the HERE Supervisory Board effective as of February 18, 2020.

Mr. Daisuke Nagatsuma

Board member

Mr. Daisuke Nagatsuma is Vice President of Smart Solution in the Strategic Business Development Division of Nippon Telegraph and Telephone Corporation (NTT). Previously serving as regional head of NTT DOCOMO in the company's Kobe branch, Mr. Nagatsuma has built a strong track record in developing new businesses over the last 20 years, including the "i-mode" service. In the venture capital field, he has demonstrated leadership in nurturing various startups through multiple funds. Mr. Nagatsuma was appointed to the HERE Supervisory Board effective as of May 31, 2022.





Mr. Alexander Nediger

Board member

Alexander Nediger is Vice President Corporate Development at Mercedes-Benz Group AG, with global responsibility for M&A, Cooperation Management and Real Estate. Mr. Nediger has worked with Mercedes-Benz Group AG over 13 years in various positions. As Vice President since 2020 and Director since 2016, he has been responsible for strategic partnerships and M&A transactions around automotive software and innovation across Mercedes-Benz Group and the expansion of its global digital RD Footprint. Mr. Nediger was appointed to the HERE Supervisory Board effective as of June 16, 2022.

Mr. Koji Tashiro

Board member

Mr. Koji Tashiro is General Manager of Industry Value Chain DX Department at Mitsubishi Corporation. In this role, he spearheads the development and deployment of innovative digital services that provide local and global operators with high-value-added Digital Transformation through the utilization of industrial data, including location data. Mr. Tashiro previously served as General Manager at HERE Project Office based in the Netherlands to accelerate HERE business since 2021 after envisioning and promoting company-wide digital strategies as Group CIO of the Machinery Group. Mr. Tashiro was appointed to the HERE Supervisory Board effective as of February 5, 2021.



Mr. Robert Siegel

Board member

Robert Siegel is a Lecturer in Management at the Stanford Graduate School of Business. He has led primary research and written cases on, among others, Google, Charles Schwab, Daimler, Stripe, Roblox, Target, C3.ai, Softbank, Tableau, PayPal, Medium, Autodesk, Zuora, and Michelin. Mr. Siegel is also Venture Partner at Piva and General Partner at XSeed Capital; sits on the Board of Directors of Luum, Avocado, Findmine and Cluster and the Supervisory Board of TTTech Auto AG; and is Chairman of the Strategic Advisory Board of TTTech Computertechnik AG. Mr. Siegel's extensive experience includes serving in senior management roles at GE Security, Pixim, Inc., and Weave Innovations. He graduated with a BA in Political Science from UC Berkeley and an MBA from Stanford Graduate School of Business. Mr. Siegel was appointed to the HERE Supervisory Board effective as of January 1, 2023.

Supervisory Board committees:

The Supervisory Board, while retaining overall oversight and responsibility, has installed two committees: The Audit Committee (AC) and the Nomination and Compensation Committee (NCC). The AC and NCC advise and support the decision-making of the full Supervisory Board.

→ **Audit Committee (AC)**

The AC advises and supports the Supervisory Board in overseeing the integrity and quality of HERE's financial reporting and the effectiveness of internal risk management and internal controls. The AC has four members: Ms. Grate (Chair); Mr. Dewitz; Dr. Feurer; and Mr. Nagatsuma.

→ **Nomination and Compensation Committee (NCC)**

The NCC advises and supports the Supervisory Board with the preparation of the selection criteria, appointment and remuneration of Management Board and EVPs and with the set-up of variable remuneration plans for HERE's employees like bonus and long-term incentive plans, including the corporate goals and objectives relevant for those plans. The NCC has three members: Mr. Siegel (Chair), Mr. Tashiro, and Mr. Nediger.

Industry Advisory Board

HERE has an Industry Advisory Board made up of a group of acclaimed international experts and global thought leaders who provide the company's executives with advice, guidance and insight. The HERE Industry Advisory Board meets regularly to engage in dialogue focused on sparking innovation and promoting collaboration.





Sustainability and ESG at HERE

ESG

HERE Technologies recognizes that a focus on ESG (Environment, Social and Governance) is both an imperative and an opportunity. We have a duty to operate our business in an environmentally and socially responsible way, ensuring we exceed the expectations of both our customers and stakeholders. To do this, we assess and reduce the impact of our environmental footprint, invest in our communities and employees and hold ourselves accountable to the highest of ethical business standards.

However, no single entity can achieve societal sustainability targets alone. It requires collaboration. Our customers use our location platform as a tool to contribute to a more sustainable future. Logistics providers use real-time hazard data to find the most efficient routing to reduce emissions, infrastructure developers leverage traffic patterns and usage data to build resilient infrastructure and drivers use waypoint information to find their next EV charging station. The HERE platform has an important role to play in achieving broader societal sustainability goals.

In 2022, we advanced our sustainability proposition by investing in certain efforts to meet the needs of our stakeholders, reduce operational and strategic risk, align with developing local and global regulatory requirements and build the foundation for future sustainable growth.

Rather than using ESG as a separate strategic initiative, HERE's Management Team committed to integrating ESG throughout our business strategy by:

- Committing to a net-zero carbon emissions target
- Completing our carbon footprint reduction framework and reduction approach
- Empowering our Sustainability Advisory Committee to implement change across all parts of our organization
- Improving our ethical sourcing program to ensure our suppliers adhere to sustainable business practices
- Enabling our people to practice sustainability in both their professional responsibilities and personal lives

With these initiatives, HERE is committed to building a sustainable future, not just by eliminating emission and waste but by investing in a holistic approach that includes key elements of social responsibility and corporate governance.





Net-zero announcement

Improving our environment and the well-being of those around us is a responsibility we all share. This focus is central to our mission at HERE and equally as important to our customers, partners, developers and stakeholders. Simply put, it is how we do business.

Together with the publication of this report, HERE is announcing its commitment to reaching a net-zero target by 2035. Our net-zero target encompasses Scope 1 and Scope 2 emissions: emissions from owned or controlled sources (e.g., company vehicles) and indirect emissions from the generation of purchased electricity, steam, heating and cooling.

HERE chose a net-zero target to focus risk management, continuous improvement, synergy identification and compliance efforts, as opposed to a carbon-neutral strategy, where no specific level of ambition is necessary and business activities can be offset exclusively with carbon credits.

HERE is in the process of setting a science-based emissions reductions target as defined by the **Science-Based Target initiative** (SBTi). More than 1,000 companies worldwide are committing to Science Based Targets to achieve net-zero, including many of our customers and partners. HERE is excited to have the opportunity to do the same and reaffirm our commitment to reducing greenhouse gas emissions in line with the company's ongoing science-based approach to tackling climate change.

climate
change





Human Rights Policy and Modern Slavery statement

Human rights are a non-negotiable at HERE. HERE's Human Rights policy adheres to The Universal Declaration of Human Rights and the United Nations' Global Compact. We do not tolerate, contribute to or facilitate any activity that restricts, conflicts with or violates human rights or the right to exercise these rights. In 2022, we also prepared employee training on the company's Human Rights Policy that we intend to roll out in 2023.

HERE extends its human rights standards to every company in its supply chain through the HERE Supplier Code of Conduct and HERE's Ethical Sourcing program. HERE reviews its potential exposure to human rights risks or breaches annually, which includes a standardized questionnaire to suppliers.



In practice, this means HERE:

- Trains HERE people on international human rights standards and what they mean in practice
 - Conducts self-assessments based on environmental, social and governance (ESG) factors to identify gaps and remedy known impacts
 - Conducts ESG supply chain audits and engages suppliers in remediation plans based on severity of known impacts; participates in our customers' supplier audits
 - Participates in industry initiatives that advance and promote the business responsibility to respect human rights, mitigate common risks and remedy known impacts
 - Conducts due diligence on suppliers and other business partners in alignment with global trade laws to mitigate the risk of HERE solutions being used to infringe upon rights
 - Complies with UN, European, United States and other applicable sanctions
 - Provides annual reporting in alignment with the United Nations Guiding Principles Reporting framework, beginning in 2020
- Operates to the standard of international human rights law and applies these standards when local law falls short of international human rights standards or when there are no relevant national laws. Where local laws conflict, HERE aims to honor the principles of internationally recognized human rights
 - Prohibits the hiring of child labor. The minimum age for full-time employment must be 15 or the legal minimum age for employment under applicable law, whichever is higher. Further prohibits the hiring of individuals that are under 18 years of age for positions in which hazardous work is required
 - Prohibits any form of forced labor including bonded labor, prison labor, indentured labor and slave labor, or human trafficking
 - Provides employees, suppliers, and business partners with access to grievance mechanisms with a clear policy of no retaliation. Promptly investigates and remedies human rights violations
- In 2022, HERE also published its **Modern Slavery Statement**, pursuant to section 54(1) of the United Kingdom Modern Slavery Act 2015.





Responsible operations at HERE

Sustainability Advisory Committee

In October 2022, Denise Doyle, Chief Data Officer, assumed responsibility of the Sustainability Advisory Committee as executive sponsor. The Sustainability Advisory Committee was established in 2021 as an internal body to drive greater accountability and transparency on ESG topics throughout the company. The committee comprises a cross-functional group from across our business functions, with representatives bringing their own expertise and perspective to support our sustainability activities.

In 2022, the Sustainability Advisory Committee agreed upon HERE's net-zero target and ESG framework, aligned HERE products to the Sustainable Development Goals, reviewed HERE's ethical sourcing program and discussed HERE's emission reduction targets.

The Sustainability Advisory Committee will empower and enable HERE employees and stakeholders to achieve commitments to sustainability by:

- Ensuring accountability by reviewing progress against company targets and goals
- Providing frameworks and actionable insights to assist business units in achieving our sustainability vision
- Influencing company strategy at the highest levels to integrate commitment to environmental, social, and governance-related topics

sustainable
development



Supplier management

Supplier management is a crucial part of our sustainability efforts. HERE continues the push towards implementing corporate responsibility and ethical practices into its supply chain, including external vendors, suppliers and service providers we collaborate and do business with.

HERE is committed to working with vendors which share our high ethical standards when it comes to the environment, diversity, inclusion and abiding by the laws and policies of the countries in which we operate. To ensure suppliers meet HERE's expectations, we established a supplier audit program in 2019.



HERE's supplier management framework was designed to effectively measure and manage supplier performance to ensure that quality standards are met at the fairest possible value. This framework manages performance and costs, aiming to reduce supply chain risks.

A key element of this was entering into a partnership with a sustainability specialist to use their platform to monitor and score our sustainability and ethics performance across our supply chain (starting with our strategic and key suppliers). These scores were added to the supplier scorecards.

In addition, HERE introduced a more robust and extensive due diligence questionnaire as part of the supplier onboarding process managed in the sourcing tool powered by Coupa. Suppliers are requested to abide by the HERE Supplier Code of Conduct when they are onboarded.

ethical
standards



HERE's Ethical Sourcing program entered its third year in 2022. Our program consists of the following:

- 1** Ensuring suppliers comply with all requirements of our sustainability principles, captured in our HERE Supplier Code of Conduct
- 2** Tracking supplier compliance with the Supplier Code of Conduct once they are formally onboarded by HERE
- 3** Developing new ESG policies such as our Responsible Sourcing of Data policy
- 4** Updating our Sourcing agreement to include ESG requirements

In 2023, we will continue to improve our supplier management using recommendations from our customers, areas of improvement identified via customer ESG surveys and best practices from industry associations, such as CSR-Europe.

Our 2023 objectives are:

- Complete policy updates and associated contractual provisions
- Continue to assess our supply chain and formulate recommendations to help improve its sustainability performance
- Develop supplier awareness and education



Environment, Health and Safety

During 2022, HERE continued its established focus on Environment, Health and Safety (EHS). HERE deploys an integrated approach to managing the EHS aspects of its activities, products, services and operations. The EHS Management System is part of HERE's wider sustainability strategy and impacts all employees and products within our company.

Just over two years ago, consistent with the strategic direction from HERE leadership, the company committed to establishing and documenting HERE's global management systems for EHS, as well as pursuing formal external certification for ISO14001 and ISO45001 standards. During the course of 2022, we made significant progress against these commitments, helping ensure we operate our facilities and business in a safe and environmentally friendly manner and are well positioned to satisfy changing customer demands.

The commitment of our workforce to the environment continues to be a motivating factor and source of inspiration. As always, we encourage and support employee participation and volunteer work in environmental awareness campaigns. Additionally, all HERE employees and team members uphold our environmental management guidelines as outlined in the HERE Code of Conduct and reaffirm their understanding on an annual basis.

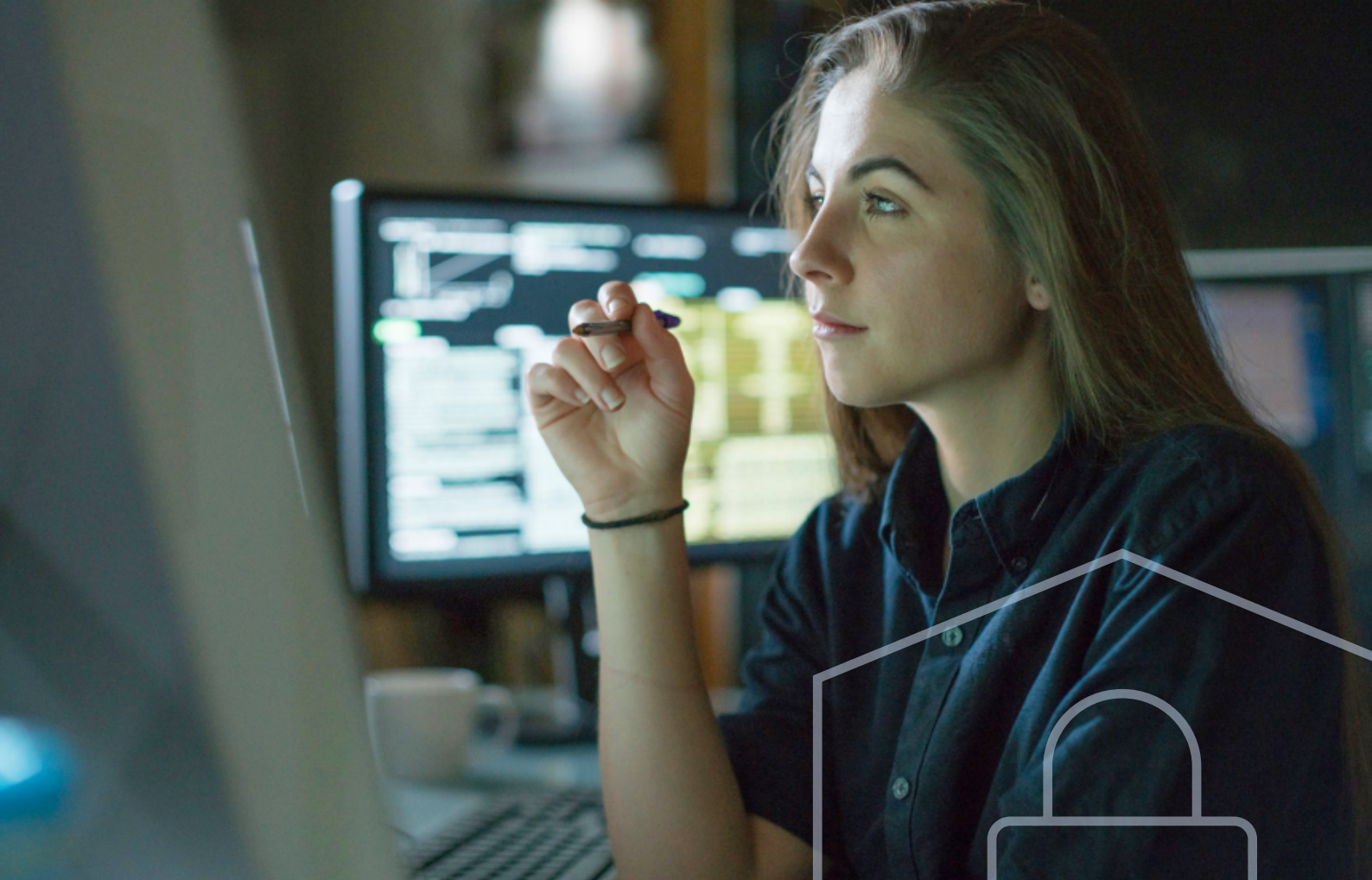
HERE remains invested in reducing our environmental risks and impacts of our business. We review our environmental risks on a continual basis as part of our management system processes. Focus areas are energy use and emissions. For example, we trace energy use at our offices and calculate associated emissions to understand how to bring these to net-zero in line with our 2035 targets.

Along with the health of our planet, HERE is just as committed to the health and safety of our employees, suppliers and communities. HERE creates and upholds standards that make for a safe and healthy workplace. We continuously work to reduce hazards and risks and strive to prevent workplace injuries and illnesses.

During 2022, we put a special focus on:

- Environment: Rolling out a new software solution to capture utility data from our offices
- Health & safety: Publishing an ergonomic workplace assessment survey, a tool that can be used by employees to assess their workstation at home and make sure it is in line with ergonomic standards
- EHS training: Establishing a global mandatory EHS awareness training, informing our employees of our EHS commitments and security precautions at HERE offices
- External ISO certification: Implementing a robust EHS Management System and achieving ISO14001 and ISO45001 certification after a series of internal and external audits (with final certification of ISO14001 and ISO45001 expected to be received in 2023)





Data security and privacy

HERE applies a multi-faceted approach to privacy to achieve comprehensive coverage that goes beyond regulatory compliance. We are continuously improving privacy and security compliance assurance practices, achieving industry leading ISO 27701, ISO 27018 certifications as well as an attestation of our GDPR compliance. In 2022, we applied for the Health Information Trust Alliance (HITRUST) Common Security Framework (CSF) certification and are proud that our efforts came to fruition in Q1 2023. The HITRUST CSF is a certifiable framework that provides organizations with a comprehensive, flexible and efficient approach to regulatory compliance and risk management.

Regulatory compliance needs to be supported by technology. That is why HERE has a dedicated team of privacy engineers who are constantly innovating to achieve balance between privacy and data value preservation. As location data poses unique challenges to privacy protection, HERE developed an advanced location data anonymization product, HERE Anonymizer, to protect the privacy of trajectory data while preserving its location intelligence. In fact, HERE has a leading invention portfolio in anonymization intellectual property with over 30 patent applications.

When developing products, HERE addresses privacy concerns in the earliest stages. This enables us to enhance our products with privacy differentiating features.



In 2022, the Trust Organization at HERE:

- 1 Launched Zero Trust capability and Secure Service Edge (SSE) via Zscaler to enable a remote and secure workforce and improved user experience
- 2 Implemented a comprehensive ransomware prevention, response and recovery strategy to combat our top cyber threat
- 3 Onboarded approximately 53% of HERE's 230+ enterprise applications to Single Sign-On (SSO) with Multi-Factor Authentication (MFA) enabled, providing a seamless and simple login experience for employees
- 4 Identified €500k+ savings through improved data governance
- 5 Improved enterprise governance, risk and compliance capabilities by expanding the scope and breadth of our risk management function through a cross-functional Enterprise Governance, Risk, and Compliance (GRC) Committee
- 6 Established the Product Trust team to enable product teams to seamlessly fulfill security, privacy, legal and compliance requirements during all stages of the product lifecycle
- 7 Ramped up physical security to support return to offices, travel, and executive protection

In addition, HERE maintained key certifications with zero nonconformities:

ISO 27001 - Information Security Management System (ISMS)

ISO 27017 - Security Controls for Cloud Services

ISO 27018 - Protection of Personally Identifiable Information (PII)

ISO 27701 - Privacy Information Management System (PIMS)

We also expect to achieve HIPAA compliance in 2023, which will allow us to serve the US healthcare market.



Passionate employees at HERE

HERE values in action

Our Core Values enable us to conduct our business with integrity as well as build and preserve trust with customers, governments, partners, representatives, developers and each other. These values lead the “how” in all things we do. They support our vision, shape our culture and reflect our company principles and beliefs

- **Be Bold.** Act with eagerness and fearlessness to deliver game-changing products, services and solutions that make the world better
- **Be True.** Engage our customers, partners, developers and one another with trust, integrity and respect
- **Learn Fast.** Be responsive and flexible to outrun the ever-evolving pace of emerging technologies
- **Give Back.** Embrace our responsibility to safeguard the environment and give back to society, starting with the places where we work and live
- **Win Together.** One team united, made greater by the sum of our knowledge, experience, passion and talent



HERE's humanitarian efforts for Ukraine

As a truly global company, HERE teams comprise employees of many different nationalities and backgrounds, working collaboratively across countries and time zones to deliver products and services to our customers. This diversity is a source of pride and a competitive differentiator for HERE. In addition, HERE stands by the United Nations Charter that disputes be settled peacefully; hence, HERE's position was clear during the Russian invasion of Ukraine.

In the spirit of Learn Fast, HERE set up an emergency response team to closely monitor events and take actions to ensure our business continuity. As a technology company, we implemented actions intended to prevent our products from being misused, such as disabling our live traffic data in Ukraine, while maintaining our core navigation technology to support refugees leaving Ukraine.

But just as importantly, HERE employees lived up to our value of Give Back. Employees mobilized to offer help and support to impacted civilians in Ukraine. HERE employees in Poland and Germany personally donated and transported supplies to support Ukrainian refugees. Other employees took time off work to welcome and aid arriving refugees from Ukraine, some even opening their homes to host families.

As a company, we evaluated how we could be most impactful with our humanitarian contribution efforts. Through our engagement with local NGOs, we focused on helping provide much needed medical relief by making a financial contribution to Doctors Without Borders (Médecins Sans Frontières). We also matched employee donations to humanitarian efforts in Ukraine.

The HERE community continues to support impacted refugees, demonstrating commitment to act as responsible members of the places where we live and work.



Gender and Diversity at HERE

HERE believes innovation thrives in a diverse workforce, and the HERE community shares a fundamental belief in equality for all employees. We are committed to a diverse workplace encompassing diversity of nationality, age, gender, education, religion, sexual orientation, professional experience and socio-economic background. In 2022, we continued to implement actions to advance gender equality, increase underrepresentation in leadership roles, and promote a diverse workforce in general.

When seeking new representation in our boards and senior leaders, we seek a diverse slate of candidates with a broad range of experience, skills, educational and professional background and diverse characteristics.

Overall, the percentage of female employees at HERE remained largely unchanged in 2022, from 34.2% on December 31, 2021, to 33.4% on December 31, 2022, although the female employee percentage working in technical and

engineering areas increased from 15.5% to 18.8% over the same period. Improving the number of women in our technical and engineering jobs is a key priority, given that the number of women in engineering-related fields globally trends low, while the demand for these jobs is substantial, making it harder to recruit a balanced workforce. According to data reported in a 2021 UNESCO Science Report¹, in 2018, on a global basis, women accounted for 28% and 40% of university graduates from engineering and computer sciences programs, respectively, and represented less than a quarter (22%) of those working in the Artificial Intelligence (AI) field. The challenge of building a diverse technical and engineering team at HERE is further exacerbated by the strong demand for workers with engineering and AI experience in our markets. The same UNESCO report estimates that, between 2015-2025, demand in the European labor market for STEM skills will almost triple, from 8% to 23% of the workforce, while the available workforce to fill these jobs will only increase by 6.5%².

1. The Race Against Time for Smarter Development, available at <https://unesdoc.unesco.org/ark:/48223/pf0000377433/PDF/377433eng.pdf.multi>, pages 50-52.

2. Pages 109-110.



During 2022, our new Chief Financial Officer, Adeel Manzoor, joined our Management Board, and two new members were selected for our Supervisory Board (Sanjay Brahmawar and Robert Siegel), who joined in January 2023. In the searches for these candidates, we worked closely with employment recruiters to seek and evaluate a broad range of potential candidates representing a diverse range of experiences and backgrounds, resulting in diverse candidate slates presented to management, directors and our shareholders for consideration.

We defined gender representation targets for our Supervisory Board, Management Board and senior leadership in line with the Dutch requirements for gender diversity. During 2022, the number of female members of our Supervisory Board (one) remained unchanged, the female member of our Management Board left the company, and the percentage of women among our senior leaders (which we define as Job Grade 12 (director-level position) and above) declined by 1%, from 21% to 20%. Our goal for 2022 was to add an additional female member to each of the Supervisory Board and Management Board and increase our percentage of female leaders to 21.5%. Our goals for 2023 are to emphasize diverse candidate slates in response to any vacant position that may arise within the Management Board or the Supervisory Board. Our long-term goal is to reach 33% female representation in our Management Board and our Supervisory Board and increase our female senior leaders to 25% by 2025.

In accordance with Dutch legislation, HERE's Management Board has adopted a concrete action plan of measures to meet our target goals for increasing female representation in leadership positions by nurturing a pipeline of talent at senior levels, which HERE has been implementing during 2022 and 2023. At the core of these initiatives is our commitment to maintain-

ing a HERE culture in which every employee feels that HERE's working environment values individuals and supports them in being their true selves. "At HERE, we are committed to fostering a culture that values diversity and inclusiveness, where everyone feels supported, respected and valued," says Svenja Dietrich, who recently joined HERE to manage our Inclusivity, Diversity & Belonging programs and initiatives. Specifically, management is committed to the following activities and initiatives:

- Developing a mentoring program that pairs female employees with senior leaders, providing guidance and support to help them advance their careers, which includes training for mentors and mentees and regular check-ins to monitor progress
- Establishing a career development program to provide training and development opportunities specifically tailored for women, such as workshops on leadership skills, public speaking and negotiation, which promotes interaction with senior leaders and networking opportunities
- Reviewing and updating policies and practices to ensure they are gender-neutral and do not create barriers for women in the workplace, such as recruitment processes, to ensure job descriptions and selection criteria are not gender biased
- Increasing visibility of our female employees to highlight their successes and accomplishments through internal communications, social media, or public speaking opportunities
- We intend to regularly review and monitor the effectiveness of our initiatives to ensure we are making progress towards our goal of increasing the number of senior female leaders. We intend to not only look at the total population of female employees and senior leaders but also analyze the hiring, promotion, and attrition numbers and define realistic business-specific targets for each of our business units.

E. J. C. Overbeek

Chief Executive Officer / Managing Director

W. L. M. Buskermolen

Chief Human Resources Officer / Managing Director

A. Manzoor

Chief Financial Officer / Managing Director





About HERE Technologies

HERE has been a pioneer in mapping and location technology for almost 40 years. Today, HERE's location platform is recognized as the most complete in the industry, powering location-based products, services and custom maps for organizations and enterprises across the globe. From autonomous driving and seamless logistics to new mobility experiences, HERE allows its partners and customers to innovate while retaining control over their data and safeguarding privacy. Find out how HERE is moving the world forward at here.com.

