

SECOND QUARTER AND HALF YEAR 2022 RESULTS**TomTom shows solid performance in first half of 2022****TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN**

"Our Location Technology business performed according to expectations in the second quarter, recording solid growth in Enterprise, and performing in line with the Automotive market.

In the Enterprise business we secured several deals, underlining the versatility and competitiveness of our technology and offerings. Deal activity in Automotive, meanwhile, remains strong this year.

We have made significant progress with the automation of our mapmaking platform and are in the process of realigning our Maps organization. With these higher levels of automation and the integration of a variety of new digital sources, we will have fresher and richer maps, with wider coverage."

OPERATIONAL SUMMARY

- We launched our [Navigation SDK for mobile](#), enabling companies and developers to build professional navigation applications that can be customized for end users
- Our full stack navigation solution supports the [Opel Astra](#) and Citroën C5 launched by Stellantis, featuring advanced driver assistance technology
- We partnered with the [Dutch Ministry of Infrastructure and Water Management](#) to provide traffic services with more extensive and effective safety warnings to drivers
- We announced [improvements in our mapmaking process](#), resulting in a realignment of our Maps organization

FINANCIAL SUMMARY SECOND QUARTER 2022

- Group revenue remained constant at €133 million (Q2 '21: €133 million)
- Location Technology revenue increased by 2% to €105 million (Q2 '21: €103 million)
- Automotive operational revenue increased by 12% to €71 million (Q2 '21: €63 million)
- Operating expenses included a restructuring charge of €31 million
- Free cash flow is an inflow of €0.2 million (Q2 '21: outflow of €16 million)
- Net cash of €329 million (Q1 '22: €331 million)

KEY FIGURES

(€ in millions, unless stated otherwise)	Q2 '22	Q2 '21	y.o.y. change	H1 '22	H1 '21	y.o.y. change
Location Technology	105.3	103.2	2%	210.5	208.0	1%
Consumer	27.3	29.9	-9%	50.5	56.3	-10%
Revenue	132.6	133.1	0%	261.0	264.3	-1%
Gross result	109.8	102.7	7%	218.9	209.2	5%
Gross margin	83%	77%		84%	79%	
Operating expenses	165.2	123.8	33%	294.2	244.5	20%
Operating result (EBIT)	-55.5	-21.1		-75.3	-35.3	
Operating margin	-42%	-16%		-29%	-13%	
Net result	-55.0	-23.6		-76.5	-35.1	
Free cash flow (FCF)	0.2	-15.8		-23.1	-19.7	
FCF as a % of revenue	0%	-12%		-9%	-7%	

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

FINANCIAL AND BUSINESS REVIEW

TOMTOM'S CHIEF FINANCIAL OFFICER, TACO TITULAER

"We had a solid first half of the year, despite external uncertainties such as high inflation and strained supply chains. In the second quarter, group revenue was flat year on year. Stable performance in Automotive and growth in Enterprise offset a foreseen decline in Consumer.

Our operating expenses were impacted by a €31 million restructuring charge related to the realignment of our Maps organization. In addition, underlying operating expenses increased due to continued investments we are making to support our application roadmap.

Free cash flow for the quarter improved year on year, resulting from positive working capital development and a marked increase in Automotive operational revenue.

Despite the uncertainties in the market, we remain confident that we can deliver on our initial guidance. We expect relatively flat Location Technology revenue for 2022, and growth for 2023. The expected FCF increase between 2022 and 2023 is driven by a combination of efficiency gains following the improvements in our mapping technology and operational revenue growth, whereby the latter accounts for more than half of the effect."

OUTLOOK

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

Free cash flow guidance excludes restructuring charges. Throughout 2022 and 2023, we will report FCF excluding restructuring charges. Cash outflows related to the restructuring are expected to be weighted towards the second half of 2022, with roughly one third of the total expected to arise in 2023.

REVENUE

Revenue for the second quarter amounted to €133 million, flat compared with the same quarter last year (Q2 '21: €133 million).

Location Technology

(€ in millions)	Q2 '22	Q2 '21	y.o.y. change	H1 '22	H1 '21	y.o.y. change
Automotive	60.0	61.0	-2 %	120.4	123.6	-3 %
Enterprise	45.3	42.2	8 %	90.1	84.4	7 %
Location Technology revenue	105.3	103.2	2%	210.5	208.0	1%
Segment EBIT				-46.0	-42.8	
EBIT margin (%)				-22%	-21%	

(€ in millions)	Q2 '22	Q2 '21	y.o.y. change	H1 '22	H1 '21	y.o.y. change
Automotive revenue	60.0	61.0	-2 %	120.4	123.6	-3 %
Movement of Automotive deferred revenue	10.6	2.1		18.4	13.9	
Automotive operational revenue	70.6	63.1	12%	138.8	137.5	1%

Location Technology revenue in the quarter increased by 2% to €105 million (Q2 '21: €103 million).

Automotive generated €60 million revenue in the quarter, representing a 2% decrease year on year. Automotive operational revenue increased by 12% to €71 million (Q2 '21: €63 million). The marked year-on-year growth in Automotive operational revenue resulted from increased car production and the ramp-up of some contracts.

Enterprise revenue increased year on year by 8% to €45 million (Q2 '21: €42 million), mainly benefiting from a stronger US dollar.

Location Technology segment EBIT for the first half of 2022 showed a year-on-year decline as a marginal revenue increase was more than offset by higher operating expenses.

In Enterprise, we launched our new Navigation SDK for mobile, enabling companies and developers to access our market-leading navigation software. The modular SDK combines all of TomTom's location APIs with turn-by-turn navigation to create an effective toolkit for developers. Supporting both Android and iOS, the SDK provides a host of features for drivers and fleet management providers. It includes detailed information on complex intersections, lane-level guidance, support for multiple scheduled delivery points and access to the latest, and highly accurate ETAs with our real-time traffic.

We have signed a three-year cooperation with the Dutch Ministry of Infrastructure and Water Management and five other companies so that drivers that rely on TomTom Traffic Services will benefit from improved safety features. Our data will be combined with data from the national road traffic database. As such, it will provide an even more complete picture of traffic obstacles, slow-moving traffic, and incidents such as roadwork, road closures and restrictions.

Our Automotive business saw the Citroën C5 and Opel Astra launched, both models showcasing our upgraded full-stack connected navigation solution, including over-the-air updates to provide fresh map information and accurate navigation. The suite also features extensive information on EV charging points, safety-enhancing ADAS Maps, and Virtual Horizon software, so drivers will know the road ahead, even beyond the vehicle sensors. The launches of the Astra and C5 signify a new milestone in our longstanding relationship with Stellantis.

Consumer

(€ in millions)	Q2 '22	Q2 '21	y.o.y. change	H1 '22	H1 '21	y.o.y. change
Consumer products	26.1	27.7	-6 %	47.7	51.1	-7 %
Automotive hardware	1.2	2.2	-45 %	2.8	5.2	-47 %
Consumer revenue	27.3	29.9	-9%	50.5	56.3	-10%
Segment EBIT				4.9	10.9	
EBIT margin (%)				10%	19%	

Consumer revenue for the quarter was €27 million, compared with €30 million in the same quarter last year. In the first half of 2022, Consumer segment EBIT declined following lower revenue.

GROSS MARGIN

The gross margin for the quarter was 83% compared with 77% in Q2 '21. Last year's second-quarter gross margin was impacted by the release of non-recurring engineering costs (NRE).

OPERATING RESULT

Operating result (EBIT) in the quarter was a loss of €55 million (Q2 '21: loss of €21 million). Total operating expenses in the quarter were €165 million, an increase of €41 million compared with the same quarter last year (Q2 '21: €124 million). Operating expenses in Q2 '22 include restructuring charges of €31 million related to the realignment of our Maps organization. Excluding the impact of the restructuring charge and D&A, our operating expenses increased by €15 million, mainly from increases in Research and Development (R&D) associated with our Application layer.

A reconciliation of Operating expenses excluding D&A and restructuring charge is presented below:

(€ in millions)	Q2 '22	Q2 '21	y.o.y. change	H1 '22	H1 '21	y.o.y. change
R&D - Geographic data	46.3	44.0	5 %	93.7	85.4	10 %
R&D - Application layer	43.0	33.6	28 %	81.4	65.8	24 %
Sales and marketing	12.1	11.3	7 %	22.6	21.5	5 %
General and administrative	18.7	16.2	15 %	36.2	31.5	15 %
Total excluding D&A and restructuring	120.1	105.0	14%	233.9	204.2	14%
Depreciation and amortization	14.4	18.8	-23 %	29.6	40.3	-26 %
Restructuring	30.7	0.0	100 %	30.7	0.0	100 %
Total operating expenses	165.2	123.8	33%	294.2	244.5	20%

FINANCIAL INCOME, EXPENSES AND INCOME TAX

Total financial result, for the quarter was an income of €2.2 million (Q2 '21: expense of €1.8 million), consisting primarily of foreign exchange gains from the revaluation of monetary balance sheet items.

The income tax expense for the quarter was €1.7 million compared with an expense of €0.8 million in Q2 '21.

BALANCE SHEET

Other intangible assets decreased to €58 million from €70 million at the end of 2021 primarily due to the amortization of map databases. Cash balances, including fixed-term deposits, decreased by €26 million to €329 million (Q4 '21: €356 million) reflecting cash consumed in H1 '22.

At the end of the quarter, inventory was €15 million, a €5 million decrease from the end of last year. Inventory levels were exceptionally low as PND production was impacted by lockdown measures in China. Trade receivables were €66 million at the end of Q2 '22 compared with €56 million at the end of 2021. The balance at the end of 2021 was relatively low mainly due to faster than anticipated collection.

Current liabilities, excluding deferred revenue, increased to €145 million compared with the end of 2021 (Q4 '21: €110 million) mainly due to the restructuring provision recognized in the quarter.

DEFERRED REVENUE

Deferred revenue was €434 million at the end of quarter. The decrease in deferred revenue from Q4 '21 is driven by the release of deferred revenue in Enterprise and Consumer, partly offset by the increase in deferred revenue of Automotive.

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

(€ in millions)	30 June 2022	31 December 2021
Automotive	413.4	395.0
Enterprise	16.0	41.5
Consumer	22.2	25.5
Gross deferred revenue	451.6	461.9
Less: Netting adjustment to unbilled revenue	17.4	21.2
Deferred revenue	434.2	440.7

CASH FLOW

In Q2 '22, free cash flow (FCF) was an inflow of €0.2 million versus an outflow of €16 million in Q2 '21. The year-on-year improvement is mainly because of positive working capital development and higher Automotive operational revenue.

Cash flows from investing activities include cash flows from fixed-term deposits. The year-on-year decrease mainly reflects movements in the fixed-term deposit balance as some fixed-term deposits matured during the quarter.

The cash flow from financing activities for the quarter was an outflow of €1.9 million mainly comprising of cash outflow relating to lease payments partly offset by cash inflows from the exercise of employee stock options. During Q2 '22, 212 thousand options relating to our long-term employee incentive programs were exercised (Q2 '21: 773 thousand options).

On 30 June 2022, the Group had no outstanding bank borrowings and reported a net cash position of €329 million (Q4 '21: net cash of €356 million).

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

(€ in millions)	Q2 '22	Q2 '21	H1 '22	H1 '21
Cash flow from operating activities	1.2	-13.1	-15.7	-13.8
Investments in intangible assets	0.0	0.0	-5.1	0.0
Investments in property, plant and equipment	-1.0	-2.7	-2.3	-5.8
Free cash flow	0.2	-15.8	-23.1	-19.7

TomTom NV
Interim Financial Report
30 June 2022
(Unaudited)

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Semi-annual financial report

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SEMI-ANNUAL FINANCIAL REPORT

TomTom N.V. (the 'company' and together with its subsidiaries referred to as 'the group') is a leading independent location technology specialist, shaping mobility with highly accurate maps, navigation software, real-time traffic information and services. TomTom has around 4,400 employees (FTE) working across all continents.

The commercial activities of the group are carried out through two segments - Location Technology and Consumer. Location Technology provides maps, traffic services and navigation software to business customers in two different sales channels. Automotive serves automotive customers (mainly OEMs and Tier1 head unit vendors), while Enterprise serves a wide range of technology customers. Consumer generates revenue mainly from the sale of consumer electronics devices such as Portable Navigation Devices (PNDs).

Within our Location Technology segment, we aim to grow through technology leadership in mapmaking, traffic, and navigation software. We are ideally positioned to capitalize on opportunities in connected navigation, automated driving, and Maps APIs.

Our Consumer business aims to maximize cash flows from the sale of PNDs.

MARKET AND TOMTOM OUTLOOK 2022

In H1 '22 the markets in which the group operates are impacted by external uncertainties such as high inflation and strained supply chains and we expect these to continue in the remainder of the year.

Despite the uncertainties in the market, we remain confident that we can deliver on our initial revenue guidance of between €470 million and €510 million. We expect relatively flat Location Technology revenue for 2022. Free Cash Flow (excluding restructuring charges) is expected to be around -5% of group revenue in 2022.

We have made significant improvements in our mapmaking technology, which leads to a change in mapmaking activities. As a result of the realignment of our maps organization we announced in June that approximately 500 employees in our Maps unit, equivalent to around 10% of our total global headcount, will be impacted by a restructuring. TomTom is committed to continue to invest in our mapmaking technology and our applications.

FINANCIAL REVIEW FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

The group generated revenue of €261 million in H1 '22, €3 million lower compared with €264 million in the same period of 2021.

Gross margin for H1 '22 was 84% (H1 '21: 79%). Our operating result for H1 '22 was a loss of €75 million. Operating result excluding restructuring charges was a loss of €45 million compared with a loss of €35 million in the same period last year.

Location Technology generated revenue of €211 million in H1 '22, an increase of 1% compared with €208 million in H1 '21. Within Location Technology, Automotive revenue decreased by 3% to €120 million (H1 '21: €124 million) while Enterprise revenue increased by 7% to €90 million, compared with €84 million in H1 '21.

Consumer revenue for H1 '22 declined year-on-year by 10% to €51 million.

GROSS RESULT

The gross profit for H1 '22 was €219 million, compared with €209 million in the same period last year. The gross margin in H1 '22 was 84%, an increase compared with 79% in H1 '21. The improved gross profit and margin is due the fact that the gross profit in H1 '21 was negatively impacted by the release of capitalized non-recurring engineering costs (NRE).

OPERATING RESULT

Operating expenses in H1 '22 increased by €50 million year-on-year to €294 million (H1 '21: €245 million and the operating result for H1 '22 was a loss of €75 million (H1 '21: loss of €35 million).

The operating expenses in H1 '22 include a restructuring charge of €31 million related to realignment of our map organization as a result of higher degree of automation in our mapmaking process. Excluding the restructuring charge, our operating expenses increased year on year by €19 million mainly due to higher R&D expenses in our Application layer.

FINANCIAL RESULT

The financial result for H1 '22 was an income of €1.9 million (H1 '21: income of €2.6 million).

INCOME TAXES

In H1 '22, the group recorded an income tax expense of €3.0 million versus an expense of €2.4 million in the same period last year.

CASH FLOW

The cash flow from operating activities was an outflow of €16 million, €2 million lower compared with the same period last year (H1 '21: outflow of €14 million).

The cash flow from investing activities during H1 '22 includes an inflow of €14 million from fixed-term deposits as some deposits matured during the period (H1 '21: inflow of €83 million from matured fixed-term deposits).

The cash flow from financing activities in H1 '22 was an outflow of €4.1 million. The cash flow from financing activities during H1 '22 includes a cash inflow of €3.1 million from the exercise of 399 thousand options related to our long-term employee incentive program.

RELATED PARTY TRANSACTIONS

For related party transactions please refer to note 9 of our interim financial report.

PRINCIPAL RISKS AND UNCERTAINTIES H1 '22

The group risks mentioned in the group risk profile section of TomTom's 2021 Annual Report are still relevant and deemed incorporated and repeated in this report by reference.

Looking ahead to the second half of 2022, we do recognize uncertainties in relation to the war between Russia and Ukraine as well as increasing inflation. These could impact supply chains, cost levels, general macro-economic activity as well as the valuation of our assets and liabilities on the balance sheet. We closely monitor the situation to ensure we can react swiftly and decisively.

RESPONSIBILITY STATEMENT

With reference to the statement within the meaning of article 5:25d (2c) of the Financial Supervision Act, the Management Board hereby declares that, to the best of their knowledge:

- the interim financial statements prepared in accordance with IAS 34, "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position, profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the interim Management Board report gives a fair review of the information required pursuant to section 5:25d(8)/(9) of the Financial Supervision Act.

Amsterdam, July 15, 2022

The Management Board

Harold Goddijn / Chief Executive Officer

Taco Titulaer / Chief Financial Officer

Alain De Taeye / Member

CONSOLIDATED CONDENSED STATEMENT OF INCOME

	Q2 '22	Q2 '21	H1 '22	H1 '21
(€ in thousands)	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	132,578	133,102	261,028	264,293
Cost of sales	22,825	30,367	42,138	55,048
Gross profit	109,753	102,735	218,890	209,245
Research and development expenses - Geographic data	54,945	55,261	111,476	108,528
Research and development expenses - Application layer	43,658	35,839	83,023	70,670
Sales and marketing expenses	12,077	11,312	22,583	21,542
General and administrative expenses ¹	54,539	21,383	77,107	43,806
Total operating expenses	165,219	123,795	294,189	244,546
Operating result	-55,466	-21,060	-75,299	-35,301
Financial result	2,160	-1,764	1,880	2,638
Result before tax	-53,306	-22,824	-73,419	-32,663
Income tax expense	-1,670	-791	-3,049	-2,432
Net result²	-54,976	-23,615	-76,468	-35,095
Earnings per share (in €):				
Basic	-0.43	-0.19	-0.60	-0.27
Diluted	-0.43	-0.19	-0.60	-0.27

¹ Includes €31 million restructuring charge in Q2 '22 and H1 '22.

² Fully attributable to the equity holders of the parent.

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Q2 '22	Q2 '21	H1 '22	H1 '21
(€ in thousands)	Unaudited	Unaudited	Unaudited	Unaudited
Net result	-54,976	-23,615	-76,468	-35,095
Other comprehensive income¹				
<i>Items that will not be reclassified to profit or loss</i>				
Actuarial gain on defined benefit plans	1,933	0	1,933	0
Fair value remeasurement of financial instruments	-2,038	2,768	-3,105	4,403
<i>Items that may be subsequently reclassified to profit or loss</i>				
Currency translation differences	2,766	-318	5,478	2,003
Other comprehensive income for the period	2,661	2,450	4,306	6,406
Total comprehensive income for the period²	-52,315	-21,165	-72,162	-28,689

¹ The items of other comprehensive income are presented net of tax (if applicable).

² Fully attributable to the equity holders of the parent.

CONSOLIDATED CONDENSED BALANCE SHEET

(€ in thousands)	30 June 2022	31 December 2021
	Unaudited	Audited
Goodwill	192,294	192,294
Other intangible assets	58,010	70,478
Property, plant and equipment	24,369	26,241
Lease assets	27,277	31,488
Other contract-related assets	21,470	18,769
Other investments	13,795	17,982
Deferred tax assets	3,175	4,115
Total non-current assets	340,390	361,367
Inventories	14,975	19,585
Trade receivables	66,134	56,179
Unbilled receivables	63,537	67,311
Other contract-related assets	7,164	5,049
Other receivables and prepayments	24,194	25,429
Fixed-term deposits	136,000	150,000
Cash and cash equivalents	193,364	205,820
Total current assets	505,368	529,373
Total assets	845,758	890,740
Total equity	218,174	282,723
Lease liabilities	17,257	20,004
Deferred tax liability	2,907	3,934
Provisions	28,369	33,484
Deferred revenue	262,247	259,628
Total non-current liabilities	310,780	317,050
Trade payables	12,676	14,022
Lease liabilities	11,717	13,335
Provisions	36,714	6,537
Deferred revenue	171,965	181,099
Other contract-related liabilities	23,926	19,782
Income taxes	3,072	1,273
Accruals and other liabilities	56,734	54,919
Total current liabilities	316,804	290,967
Total equity and liabilities	845,758	890,740

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

(€ in thousands)	Q2 '22 Unaudited	Q2 '21 Unaudited	H1 '22 Unaudited	H1 '21 Unaudited
Operating result	-55,466	-21,060	-75,299	-35,301
Financial gains/ (losses)	4,574	-970	5,965	2,114
Depreciation and amortization	14,369	18,756	29,613	40,276
Change in provisions	29,745	-4,277	29,155	-3,518
Equity-settled stock compensation expenses	2,713	1,457	4,487	3,053
Other non-cash movement	-42	-154	-42	-154
Changes in working capital:				
Change in inventories	2,633	1,019	5,509	4,236
Change in receivables and prepayments	152	12,692	-10,159	9,245
Change in liabilities ¹ (excluding provisions)	3,108	-19,241	-2,910	-30,376
Cash flow from operations	1,786	-11,778	-13,681	-10,425
Interest received	64	267	69	306
Interest paid	-307	-469	-672	-906
Corporate income taxes paid	-345	-1,078	-1,452	-2,814
Cash flow from operating activities	1,198	-13,058	-15,736	-13,839
Investments in intangible assets	-24	0	-5,077	0
Investments in property, plant and equipment	-998	-2,732	-2,256	-5,849
Dividends received	224	0	224	0
Decrease in fixed-term deposits	14,000	61,465	14,000	82,930
Cash flow from investing activities	13,202	58,733	6,891	77,081
Payment of lease liabilities	-3,599	-3,552	-7,185	-7,366
Proceeds on issue of ordinary shares	1,650	3,891	3,114	4,468
Purchase of treasury shares	0	-16,137	0	-33,431
Cash flow from financing activities	-1,949	-15,798	-4,071	-36,329
Net increase in cash and cash equivalents	12,451	29,877	-12,916	26,913
Cash and cash equivalents at the beginning of period	180,652	230,657	205,820	231,520
Exchange rate changes on foreign cash balances	261	-1,626	460	475
Total cash and cash equivalents at the end of the period²	193,364	258,908	193,364	258,908
Cash held in short-term fixed deposits	136,000	60,000	136,000	60,000
Net cash at the end of the period	329,364	318,908	329,364	318,908

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

Consolidated condensed statement of changes in equity

(€ in thousands)	Share capital	Share premium	Treasury shares	Other reserves ¹	Retained earnings	Total shareholders' equity
Balance as at 1 January 2021	26,473	338,124	-14,312	127,598	-90,267	387,616
Comprehensive income						
Result for the period	0	0	0	0	-35,095	-35,095
Other comprehensive income²						
Currency translation differences ²	0	0	0	2,003	0	2,003
Fair value remeasurement of financial instruments	0	0	0	4,403	0	4,403
Total other comprehensive income	0	0	0	6,406	0	6,406
Total comprehensive income	0	0	0	6,406	-35,095	-28,689
Transactions with owners						
Stock compensation related movements	0	0	6,767	73	672	7,512
Repurchase of shares	0	0	-33,431	0	0	-33,431
Other movements						
Transfers between reserves	0	0	0	-23,526	23,526	0
Balance as at 30 June 2021	26,473	338,124	-40,976	110,551	-101,164	333,008
Balance as at 1 January 2022	26,473	338,124	-40,746	99,172	-140,300	282,723
Comprehensive income						
Result for the period	0	0	0	0	-76,468	-76,468
Other comprehensive income²						
Currency translation differences ²	0	0	0	5,478	0	5,478
Actuarial gain on defined benefit plans	0	0	0	0	1,933	1,933
Fair value remeasurement of financial instruments	0	0	0	-3,105	0	-3,105
Total other comprehensive income	0	0	0	2,373	1,933	4,306
Total comprehensive income	0	0	0	2,373	-74,535	-72,162
Transactions with owners						
Stock compensation related movements	0	0	8,028	-3,634	3,219	7,613
Other movements						
Transfers between reserves	0	0	0	-15,412	15,412	0
Balance as at 30 June 2022	26,473	338,124	-32,718	82,499	-196,204	218,174

¹ Other reserves include the Legal reserve, the Stock compensation reserve, and the Revaluation reserve.

² The items of other comprehensive income are presented net of tax (if applicable).

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

1. GENERAL

TomTom N.V. ('the company') has its statutory seat and headquarters in Amsterdam, the Netherlands. The consolidated interim financial statements comprise the financial information of the company and its subsidiaries (together referred to as 'the group') and have been prepared by the Management Board and authorized for issue on 15 July 2022.

The consolidated interim financial statements have neither been reviewed nor audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies and methods of computation applied in these consolidated interim financial statements are consistent with those applied in the annual financial statements for the year ended 31 December 2021. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The consolidated interim financial statements for the six-months ended 30 June 2022 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as endorsed by the European Union (EU). As permitted by IAS 34, the consolidated interim financial statements do not include all of the information required for full annual financial statements and the notes to these consolidated interim financial statements are presented in a condensed format. Accordingly, the condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU. The presentation currency of the group is the Euro (€).

New accounting standards and interpretations

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2022, have been adopted by the group from 1 January 2022. These standards and interpretations had no material impact for the group.

All IFRS standards and interpretations that were in issue but not yet effective for reporting periods beginning on 1 January 2022 have not yet been adopted.

Use of estimates

The preparation of these interim financial statements requires management to make certain assumptions, estimates and judgments that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the date of the interim financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and the future periods if the revision affects both current and future periods. For areas involving a higher degree of judgment or areas where assumptions and estimates are significant to the (interim) financial statements, reference is made to note 3 of the Consolidated financial statements in the 2021 Annual Report.

3. SEGMENT REPORTING

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

The group's internal management reporting is structured primarily based on the nature of the business of each segment. Location Technology is engaged in developing and selling location based application components such as maps, services (e.g. traffic) and navigation software to customers in different market segments. Consumer generates revenue mainly from the sale of consumer electronic devices such as PNDs and navigation apps for mobile phones.

Management assesses the performance of segments based on the measures of revenue and operating result (EBIT), whereby EBIT includes allocations of expenses from supporting functions within the group. Such allocations have been determined based on relevant measures that reflect the level of benefits of these functions to each of the operating segments. The effects of non-recurring

items such as restructuring are excluded from management's measurement basis. Interest income and expenses and tax are not allocated to the segments.

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

(€ in millions)	H1 '22 Unaudited	H1 '21 Unaudited
Revenue	261.0	264.3
Location Technology	214.7	213.4
<i>External customers</i>	210.5	208.0
<i>Inter-segment</i>	4.2	5.4
Consumer	50.5	56.3
Eliminations	-4.2	-5.4
Revenue by nature	261.0	264.3
License revenue	143.6	140.5
Service revenue	81.3	86.2
Sale of goods revenue	36.1	37.6
Revenue by timing of revenue recognition	261.0	264.3
Goods and services transferred at a point in time	48.5	56.7
Goods and services transferred over time	212.5	207.6
EBIT	-41.1	-31.9
Location Technology	-46.0	-42.8
Consumer	4.9	10.9
EBITDA	-11.6	8.2
Location Technology	-16.9	-3.2
Consumer	5.3	11.4

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

(in € millions)	H1 '22 Unaudited	H1 '21 Unaudited
Total segment EBIT	-41.1	-31.9
Unallocated expenses ¹	-34.2	-3.4
Financial income	1.9	2.6
Result before tax	-73.4	-32.7

¹ Unallocated expenses in H1 '22 include restructuring charges for an amount of €31 million.

4. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following:

	H1 '22 Unaudited	H1 '21 Unaudited
Earnings (€ in thousands)		
Net result attributable to equity holders of the parent	-76,468	-35,095
Number of shares (in thousands)		
Weighted average number of ordinary shares for basic EPS	127,387	128,519
Effect of dilutive potential ordinary shares (in thousands)		
Share options and restricted stock units	1,793	1,407
Weighted average number of ordinary shares for diluted EPS	129,180	129,926

5. GOODWILL

The group performs its goodwill impairment test at least annually in December and when circumstances indicate the carrying value may be impaired. The methodology, key assumptions used to determine the recoverable amount for the different operating segments, as well as the amount of goodwill, were disclosed in the annual consolidated financial statements for the year ended 31 December 2021.

Following the war between Russia and Ukraine as well as high inflation, we assessed the implication of these situations on our business. Though we do note there are increased uncertainties, we do not expect at this stage that our expected cash flows will be materially impacted. Also, we have considerable headroom which is reflected in the sensitivity test we have disclosed in our 2021 Annual Report.

As such we do not see a triggering event that could potentially lead to an impairment. No impairment charge was recorded in H1 '22 or H1 '21.

6. SHAREHOLDER'S EQUITY

The authorized and issued share capital is as follows:

	30 Jun 2022 Unaudited Number	30 Jun 2022 Unaudited € in thousands	31 Dec 2021 Audited Number	31 Dec 2021 Audited € in thousands
Authorised:				
Ordinary shares	300,000,000	60,000	300,000,000	60,000
Preferred shares	150,000,000	30,000	150,000,000	30,000
Total authorized	450,000,000	90,000	450,000,000	90,000
Issued and fully paid:				
Ordinary shares	132,366,672	26,473	132,366,672	26,473
Of which held in Treasury	4,242,600		5,417,122	

All shares have a par value of €0.20 per share.

In H1 '22 1.2 million treasury shares were issued following the vesting of 0.8 million restricted stock units ('RSU') and the exercise of 0.4 million share options by employees (H1 '21: 1.0 million treasury shares issued for the vesting of 0.1 million RSU's and the exercise of 0.9 million share options).

7. PROVISIONS

As a result of further automation in our mapmaking process, the group recognized at the end of H1 '22 a restructuring provision of €31 million relating to the realignment of the maps organization. This restructuring program as well as the settlements are expected to be completed in the upcoming 12 months. The provision reflects management's best estimate of the expected cash outflows, however the final outcome may deviate depending on the negotiations and settlement terms agreed with the impacted employees.

8. STOCK COMPENSATION

Stock compensation expenses amounted to €4.7 million in H1 '22 versus an expense of €3.8 million in the same period last year.

During H1 '22, the group granted 2.0 million restricted stock units under the equity compensation plans, of which 206 thousand restricted stock units were granted to Management Board members. The restricted stock unit plan is accounted for as equity-settled, whereby costs are allocated over the vesting period. Management Board members are required to hold their shares for two years after their three-year vesting period. For further information on our stock compensation, reference is made to note 9 of our 2021 Annual Report.

9. RELATED PARTY TRANSACTIONS

Refer to note 8 for details of restricted stock units granted to the members of the Management Board during H1 '22.

10. SEASONALITY

In recent years revenue for both Location Technology and Consumer is not materially impacted by seasonality.

11. COMMITMENTS AND CONTINGENT LIABILITIES

There were no material changes to the group's commitments and contingent liabilities in the first half of 2022 from those disclosed in note 31 of our 2021 Annual Report.

12. FAIR VALUE AND FAIR VALUE ESTIMATION

The fair values of our monetary assets and liabilities as at 30 June 2022 are estimated to approximate their carrying value. There has been no changes in techniques for fair value estimation nor the hierarchy of the inputs used to measure financial assets and liabilities carried at fair value through profit or loss compared with the methods and hierarchy disclosed in our 2021 Annual Report.

13. SUBSEQUENT EVENTS

There has been no subsequent event from 30 June 2022 to the date of issue that affects the consolidated interim financial statements.

- END -

ACCOUNTING POLICIES

The condensed consolidated financial information for the three- and six- month period ended 30 June 2022 and the related comparative information has been prepared using accounting policies and methods of computation which are based on International Financial Reporting Standards (IFRS) as disclosed in the Financial Statements for the year ended 31 December 2021.

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

NON-GAAP MEASURES

The financial information in this report includes measures which are not defined by generally accepted accounting principles (GAAP) such as IFRS. We believe this information, along with comparable GAAP measurements, gives insight to investors as it provides a basis for evaluating our operational performance. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP. Wherever appropriate and practical, we provide reconciliations to relevant GAAP measures.

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

Gross margin is calculated as gross profit divided by revenue

EBIT is equal to our operating result

EBIT margin is calculated as operating result divided by IFRS revenue.

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

Free cash flow is cash from operating activities (excluding restructuring) minus capital expenditure (investments in intangible assets and property, plant and equipment)

Net cash is cash and cash equivalents, plus cash held in fixed term deposits

Gross deferred revenue is deferred revenue¹ before the netting of unbilled receivables

¹ Deferred revenue reflects amounts not yet recognized as revenue as services still need to be delivered. Unbilled revenue represents amounts accrued for when a contractual right to invoice exists. When a single contract has both an accrual, based on contractual invoicing terms, and a deferral, because the underlying services are not yet fully delivered, the unbilled and the deferred positions are netted for presentation on the balance sheet.

FOR MORE INFORMATION

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AUDIO WEBCAST SECOND QUARTER 2022 RESULTS

The information for our audio webcast is as follows:

Date and time: July 15, 2022 at 13:00 CET

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

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ABOUT TOMTOM

At TomTom we're mapmakers, providing location technology for drivers, carmakers, enterprises and developers.

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

Headquartered in Amsterdam with offices in 30 countries, TomTom's technologies are trusted by hundreds of millions of drivers, businesses and governments worldwide.

For further information, please visit www.tomtom.com.

FORWARD-LOOKING STATEMENTS / IMPORTANT NOTICE

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

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

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