

SECOND QUARTER AND HALF YEAR 2023 RESULTS

TomTom continues growth and increases 2023 outlook

TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN

"Our Location Technology business performed well in the second quarter, showing continuing momentum and good growth. After a strong first half of the year, we are increasing our outlook for 2023 revenue and free cash flow.

The roll-out of our new maps is progressing according to schedule. We delivered the new maps to selected partners in key verticals, including ride-hailing and automotive, for testing and validation.

The market has welcomed our new product offering with excitement. It provides customers with the future-proof location technology required to power new, advanced applications across map visualization, search, traffic, and routing. As our phased roll-out progresses, we will unlock increasingly sophisticated features, faster update cycles, and broader geographical coverage."

OPERATIONAL SUMMARY

- TomTom's maps and APIs now power [Alteryx](#)'s new cloud-based analytics solution, providing location insights through an easy-to-use map-based interface
- We further expanded our Automotive ADAS portfolio with [Live Speed Restrictions](#), supporting safer driving and helping OEMs deliver on safety requirements and regulations
- The TomTom co-founded Overture Maps Foundation announced the core technical part of its map data offering by releasing specifications for a [structured data model](#) and data interoperability

FINANCIAL SUMMARY SECOND QUARTER 2023

- Group revenue increased by 18% to €157 million (Q2 '22: €133 million)
- Location Technology revenue increased by 22% to €128 million (Q2 '22: €105 million)
- Automotive operational revenue increased by 28% to €90 million (Q2 '22: €71 million)
- Free cash flow¹ is an inflow of €3 million (Q2 '22: inflow of €0 million)
- Net cash of €316 million (Q4 '22: €304 million)

KEY FIGURES

(€ in millions, unless stated otherwise)	Q2 '23	Q2 '22	y.o.y. change	H1 '23	H1 '22	y.o.y. change
Location Technology	128.2	105.3	22%	246.2	210.5	17%
Automotive	90.9	60.0	52%	172.0	120.5	43%
Enterprise	37.3	45.3	-18%	74.2	90.1	-18%
Consumer	28.4	27.3	4%	51.0	50.5	1%
Revenue	156.5	132.6	18%	297.3	261.0	14%
Gross result	129.3	109.8	18%	250.0	218.9	14%
Gross margin	83%	83%		84%	84%	
Operating expenses	132.8	165.2	-20%	250.9	294.2	-15%
Operating result (EBIT)	-3.6	-55.5		-0.9	-75.3	
Operating margin	-2%	-42%		0%	-29%	
Net result	-4.5	-55.0		-1.5	-76.5	
Free cash flow¹ (FCF)	3.1	0.2		13.6	-23.1	
FCF ¹ as a % of revenue	2%	0%		5%	-9%	

¹ Free cash flow excludes restructuring payments related to the Maps realignment announced in June 2022.

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

TOMTOM'S CHIEF FINANCIAL OFFICER, TACO TITULAER

"We saw continued growth in Location Technology revenue in the second quarter. The Automotive business demonstrated robust underlying performance. Automotive operational revenue increased strongly, outperforming car production trends in our core markets. Enterprise revenue was in line with our expectations.

Operating expenses declined year on year, as the restructuring charge related to the realignment of our Maps organization affected our expenses last year. Underlying operating expenses were roughly flat, as efficiency gains were offset by inflationary pressures. The effective management of expenses, combined with a significant increase in revenue, resulted in positive free cash flow.¹

Our performance in the first half of the year exceeded our initial expectations. As such, we are increasing our guidance. We now expect Group revenue to be between €570 million and €600 million, while Location Technology revenue is expected to grow to between €480 million and €505 million. On top of that, we are upgrading our free cash flow¹ guidance to around +5% of group revenue."

OUTLOOK 2023

(€ in millions, unless stated otherwise)	Updated outlook 2023	Previous outlook 2023	Actual 2022
Revenue	570 - 600	540 - 580	536
Of which Location Technology	480 - 505	455 - 485	436
FCF ¹ as % of Group revenue	Around +5%	0% - +5%	-5%

Automotive revenue is positively impacted as a result of a change in the timing of IFRS revenue recognition for new map subscription contracts, which started in Q4 2022. We expect the 2023 full-year impact to be around €40 million.

¹ Free cash flow excludes restructuring payments related to the Maps realignment announced in June 2022.

REVENUE AND SEGMENT PERFORMANCE FOR THE PERIOD

Revenue for the second quarter amounted to €157 million, a significant increase of 18% compared with the same quarter last year (Q2 '22: €133 million).

LOCATION TECHNOLOGY

Location Technology revenue in the quarter increased by 22% to €128 million (Q2 '22: €105 million). Location Technology segment EBIT for the first half of 2023 showed a year-on-year increase, benefiting from a significant increase in revenue in combination with lower operating expenses resulting from the Maps realignment executed last year.

(€ in millions, unless stated otherwise)	Q2 '23	Q2 '22	y.o.y. change	H1 '23	H1 '22	y.o.y. change
Automotive	90.9	60.0	52%	172.0	120.5	43%
Enterprise	37.3	45.3	-18%	74.2	90.1	-18%
Location Technology revenue	128.2	105.3	22%	246.2	210.5	17%
Segment EBITDA				20.3	-16.9	
EBITDA margin (%)				8%	-8%	
Segment EBIT				-2.6	-46.0	
EBIT margin (%)				-1%	-22%	

Automotive generated €91 million revenue in the quarter, representing a 52% increase year on year. Automotive operational revenue increased by 28% to €90 million (Q2 '22: €71 million). This strong year-on-year growth in Automotive operational revenue mainly resulted from a combination of overall volume increases and market share gains, further supported by a one-off increase from royalties related to previous periods.

Automotive operational revenue is calculated as follows:

(€ in millions, unless stated otherwise)	Q2 '23	Q2 '22	y.o.y. change	H1 '23	H1 '22	y.o.y. change
Automotive revenue	90.9	60.0	52%	172.0	120.5	43%
Movement of Automotive deferred revenue	-0.4	10.6		2.1	18.4	
Automotive operational revenue	90.5	70.5	28%	174.1	138.9	25%

Enterprise revenue decreased by 18% year on year, to €37 million (Q2 '22: €45 million). This decrease is in line with our expectations and reflects the renewal of certain contracts at lower contract values.

In Enterprise, we expanded our relationship with analytics provider Alteryx. The company now integrates TomTom location data and Maps APIs into its new cloud-based analysis tools, enabling users to apply more advanced analytical techniques and easily visualize their analyses. By delivering these capabilities through a new cloud-connected platform, Alteryx will help an even broader user base benefit from TomTom-powered location intelligence.

Our Automotive business introduced new Live Speed Restrictions as an addition to its Advanced Driver Assistance Systems (ADAS) portfolio. The solution captures dynamic and temporary speed limit information along a driver's route to increase speed limit accuracy and improve road safety. By enabling safer driving, it also helps OEMs deliver on Intelligent Speed Assistance (ISA) and European New Car Assessment Program (Euro NCAP) safety requirements. The addition of Live Speed Restrictions further supports our strong position in the ADAS market, particularly in the Driver Warnings segment.

The TomTom co-founded Overture Maps Foundation released its Data Schema and Global Entity Reference System during the quarter. This is an important step in reaching our goal of developing interoperable open map data, together with co-founders AWS, Meta and Microsoft, as well as with the other organizations that have joined since the foundation's inception. The Data Schema and the Global Entity Reference System encompass the specifications that explain how geospatial data will be structured and how additional data can be added to the base map in an easy way. With this, we are creating the conditions needed to connect Overture's open map data with the proprietary geospatial data from organizations that are joining and using Overture.

CONSUMER

Consumer reported revenue of €28 million for the quarter, 4% higher compared with the same quarter last year (Q2 '22: €27 million). Consumer segment EBIT declined in the first half of 2023 compared with the same period last year.

(€ in millions, unless stated otherwise)	Q2 '23	Q2 '22	y.o.y. change	H1 '23	H1 '22	y.o.y. change
Consumer revenue	28.4	27.3	4%	51.0	50.5	1%
Segment EBITDA				3.8	5.3	
EBITDA margin (%)				7%	10%	
Segment EBIT				3.4	4.9	
EBIT margin (%)				7%	10%	

RESULT FOR THE PERIOD

GROSS MARGIN

The gross margin for the quarter was 83% equal to the same quarter last year (Q2 '22: 83%). The positive effect of a relatively higher proportion of high-margin Location Technology revenue was offset by some one-off cost of sales.

OPERATING RESULT

Operating result (EBIT) in the quarter was a loss of €4 million (Q2 '22: loss of €55 million). Total operating expenses in the quarter were €133 million, a decrease of €32 million compared with the same quarter last year (Q2 '22: €165 million) which included a restructuring charge of €31 million. Excluding the impact of the restructuring charges related to the Maps realignment, our operating expenses decreased by €2 million. This decrease reflects lower depreciation and amortization expenses, as well as realized efficiency gains resulting from last year's Maps realignment being offset by inflationary pressures.

FINANCIAL INCOME, EXPENSES AND INCOME TAX

The financial result for the quarter was an income of €0.7 million (Q2 '22: income of €2.2 million), as interest income was partially offset by foreign exchange losses resulting from the revaluation of balance sheet items.

The income tax expense for the quarter was €1.6 million, comparable with the same quarter last year (Q2 '22: income tax expense of €1.7 million).

CASH FLOW, LIQUIDITY, AND WORKING CAPITAL

A reconciliation from operating result to free cash flow, to net cash movement is presented below:

(€ in millions)	Q2 '23	Q2 '22	H1 '23	H1 '22
Operating result (EBIT)	-3.6	-55.5	-0.9	-75.3
Depreciation and amortization	11.2	14.4	23.7	29.6
Equity-settled stock compensation expenses	3.9	2.7	6.6	4.5
Other non-cash items	-1.9	34.3	-2.5	35.1
Movements in working capital (excl. deferred revenue)	-4.0	11.5	-15.0	-1.6
Movements in deferred revenue	-3.9	-5.6	-0.7	-6.0
Interest and tax payments	-1.6	-0.6	-3.1	-2.1
Investments in property, plant and equipment, and intangible assets	-2.9	-1.0	-4.2	-7.3
Free cash flow	-2.7	0.2	3.8	-23.1
Lease payments	-3.1	-3.6	-6.6	-7.2
Cash flow from other investing and financing activities	0.4	1.9	15.3	3.3
Exchange rate differences on cash and fixed-term deposits	0.2	0.3	-0.2	0.5
Net cash movement	-5.2	-1.3	12.3	-26.5

In Q2 '23, free cash flow was an outflow of €3 million versus an inflow of €0.2 million in the same quarter last year. The free cash flow includes payments related to the Maps realignment, which amounted to €6 million for the quarter and €10 million for H1 '23. Excluding these restructuring-related payments, free cash flow for the quarter was an inflow of €3 million (Q2 '22: €0.2 million). This year-on-year increase in free cash flow mainly reflects a higher operating result in our Location Technology business.

Working capital utilization was higher compared with the same quarter last year. The higher utilization of working capital during the quarter is explained by an increase in our unbilled and trade receivable position and by the aforementioned cash out related to the Maps realignment.

The movement in deferred revenue in the cash flow statement is equal to the change in the deferred revenue position in the period. During the second quarter, the deferred revenue position decreased by €3.9 million, from €442 million to €438 million. The movement in deferred revenue in H1 '23 was a marginal decrease of €0.7 million, from €439 million at the end of 2022.

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

(€ in millions)	30 June 2023	31 March 2023	31 December 2022
Automotive	433.4	433.8	431.2
Enterprise	13.6	17.5	11.6
Consumer	19.2	19.0	20.7
Gross deferred revenue	466.2	470.3	463.6
Less: Netting adjustment to unbilled revenue	28.2	28.5	24.9
Deferred revenue	438.0	441.8	438.6

Investments in property, plant and equipment in the quarter increased compared with the same quarter last year, due to capital expenditures on office refurbishments.

Cash flow from other investing and financing activities for the quarter mainly comprised of cash inflows from the exercise of employee stock options. In the quarter, 49 thousand stock options relating to our long-term employee incentive plan were exercised (Q2 '22: 212 thousand).

On 30 June 2023, the Group had no outstanding bank borrowings and reported a net cash position of €316 million (Q4 '22: net cash of €304 million).

- END -

TomTom NV
Interim Financial Report
30 June 2023
(Unaudited)

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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 rich and accurate maps, navigation software, real-time traffic information, and services. TomTom has around 3,800 employees (FTE) located around the globe.

The commercial activities of the group are carried out through two segments, Location Technology and Consumer. Location Technology provides maps, services (e.g. traffic and travel information), and navigation software to business customers in two different sales channels. Automotive serves customers active in the automotive industry (mainly OEMs and Tier 1 suppliers), while Enterprise serves a wide range of technology customers. Consumer mainly generates revenue from the sale of consumer electronics devices such as Portable Navigation Devices (PNDs).

Within our Location Technology segment, we aim to grow revenue by providing the most useful, up-to-date, and smartest technologies to power a diverse range of use cases. We are ideally positioned to capitalize on opportunities in Automotive, related to electrified and automated driving as well as the software-defined vehicle. In Enterprise, we see significant opportunities, with our technologies helping customers become more competitive across a wealth of markets and industries.

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

MARKET AND TOMTOM OUTLOOK 2023

During H1 '23, we experienced healthy demand for our maps, software, and services, in Automotive as well as Enterprise.

Our performance in the first half of the year exceeded our initial expectations. As such, we are increasing our guidance. We now expect Group revenue to be between €570 million and €600 million, while Location Technology revenue is expected to grow to between €480 million and €505 million. On top of that, we are upgrading our free cash flow¹ guidance to around +5% of group revenue.

FINANCIAL REVIEW FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

The group generated revenue of €297 million in H1 '23, €36 million higher compared with €261 million in the same period of 2022.

Gross margin for H1 '23 was 84% (H1 '22: 84%). Our operating result for H1 '23 was a loss of €0.9 million, compared with a loss of €75 million in the same period last year.

Location Technology generated revenue of €246 million in H1 '23, an increase of 17% compared with €211 million in H1 '22. Automotive revenue increased by 43% to €172 million (H1 '22: €120 million). This increase follows increased car production volumes and market share. Additionally, Automotive revenue was positively impacted by a change in timing of IFRS revenue recognition for new map subscription contracts starting in Q4 2022. This is due to the evolution of our Automotive products, from a mostly onboard offering including updates, to API-based updates and services in combination with an initial onboard map. Enterprise revenue decreased by 18% to €74 million (H1 '22: €90 million) reflecting the renewal of certain contracts at lower contract values.

Consumer revenue for H1 '23 increased year-on-year by 1% to €51 million (H1 '22: €50 million).

GROSS RESULT

The gross profit for H1 '23 was €250 million, compared with €219 million in the same period last year. The gross margin in H1 '23 was 84%, comparable to the same period last year (H1 '22: 84%).

OPERATING RESULT

Operating expenses in H1 '23 decreased by €43 million year-on-year to €251 million (H1 '22: €294 million). The operating result for H1 '23 was a loss of €1 million (H1 '22: loss of €75 million). Operating expenses in H1 '22 included a restructuring charge of €31 million related to realignment of our Maps organization. Excluding this restructuring charge, operating expenses decreased by €15 million, mainly reflecting efficiency gains in our Maps organization following last year's realignment and lower depreciation and amortization expenses. These decreases were partially offset by higher sales and marketing expenses and increased expenses due to inflation.

¹ Free cash flow excludes restructuring payments related to the Maps realignment announced in June 2022.

FINANCIAL RESULT

The financial result for H1 '23 was an income of €2.3 million (H1 '22: income of €1.9 million).

INCOME TAXES

In H1 '23, the group recorded an income tax expense of €2.9 million versus an expense of €3.0 million in the same period last year.

CASH FLOW

The cash flow from operating activities was an inflow of €8 million, €24 million higher compared with the same period last year (H1 '22: outflow of €16 million).

The cash flow from investing activities in H1 '23 was €54 million compared with €7 million in H1 '22. The cash inflow in H1 '23 included an inflow of €43 million from fixed-term deposits as some deposits matured during the period (H1 '22: inflow of €14 million), and proceeds of €15 million from the divestment of our equity interest in Cyient Ltd. in the first quarter of the year. Investments in property, plant and equipment in H1 '23 increased compared with the same period last year, due to capital expenditures on office refurbishments.

The cash flow from financing activities in H1 '23 was an outflow of €6.2 million. The cash flow from financing activities during H1 '23 included a cash inflow of €0.4 million (H1 '22: inflow of €3.1 million) from the exercise of 49 thousand (H1 '22: 399 thousand) options related to our long-term employee incentive plan.

RELATED PARTY TRANSACTIONS

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

PRINCIPAL RISKS AND UNCERTAINTIES H1 '23

The group risks mentioned in the group risk profile section of TomTom's 2022 Annual Report are still relevant and deemed incorporated and repeated in this report by reference.

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 17, 2023

The Management Board

Harold Goddijn / Chief Executive Officer

Taco Titulaer / Chief Financial Officer

Alain De Taeye / Member

CONSOLIDATED CONDENSED STATEMENT OF INCOME

(€ in thousands)	Q2 '23 Unaudited	Q2 '22 Unaudited	H1 '23 Unaudited	H1 '22 Unaudited
Revenue	156,549	132,578	297,267	261,028
Cost of sales	27,281	22,825	47,307	42,138
Gross profit	129,268	109,753	249,960	218,890
Research and development expenses - Geographic data	45,798	54,945	87,977	111,476
Research and development expenses - Application layer	49,410	43,658	91,871	83,023
Sales and marketing expenses	14,158	12,077	27,140	22,583
General and administrative expenses ¹	23,459	54,539	43,882	77,107
Total operating expenses	132,825	165,219	250,870	294,189
Operating result	-3,557	-55,466	-910	-75,299
Financial result	699	2,160	2,299	1,880
Result before tax	-2,858	-53,306	1,389	-73,419
Income tax expense	-1,597	-1,670	-2,870	-3,049
Net result²	-4,455	-54,976	-1,481	-76,468
Earnings per share (in €):				
Basic	-0.03	-0.43	-0.01	-0.60
Diluted ³	-0.03	-0.43	-0.01	-0.60

¹ Includes a gain of respectively €0.5 million and €2.4 million in Q2 '23 and H1 '23 from the release of restructuring provision relating to Maps realignment (Q2'22 and H1 '22: €31 million charge).

² Fully attributable to the equity holders of the parent.

³ When the net result is a loss, no additional shares from assumed conversion are taken into account as the effect would be anti-dilutive.

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

(€ in thousands)	Q2 '23	Q2 '22	H1 '23	H1 '22
	Unaudited	Unaudited	Unaudited	Unaudited
Net result	-4,455	-54,976	-1,481	-76,468
Other comprehensive income¹				
<i>Items that will not be reclassified to profit or loss</i>				
Actuarial gain on defined benefit plans	120	1,933	120	1,933
Fair value remeasurement of financial instruments	0	-2,038	995	-3,105
<i>Items that may be subsequently reclassified to profit or loss</i>				
Currency translation differences	663	2,766	-440	5,478
Other comprehensive income for the period	783	2,661	675	4,306
Total comprehensive income for the period²	-3,672	-52,315	-806	-72,162

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 2023 Unaudited	31 December 2022 Audited
Goodwill	192,294	192,294
Other intangible assets	30,427	42,917
Property, plant and equipment	21,381	21,645
Lease assets	48,173	35,815
Other contract-related assets	25,269	23,737
Other investments	0	13,814
Deferred tax assets	1,003	1,158
Total non-current assets	318,547	331,380
Inventories	12,550	14,660
Trade receivables	76,470	65,743
Unbilled receivables	51,589	48,298
Other contract-related assets	9,363	6,890
Prepayments and other receivables	33,260	36,803
Fixed-term deposits	127,745	171,000
Cash and cash equivalents	188,314	132,729
Total current assets	499,291	476,123
Total assets	817,838	807,503
Total equity	208,014	199,606
Lease liabilities	41,320	26,654
Deferred tax liability	692	2,404
Provisions	18,070	18,237
Deferred revenue	276,526	263,043
Total non-current liabilities	336,608	310,338
Trade payables	16,575	6,102
Lease liabilities	8,846	11,071
Provisions	6,558	11,020
Deferred revenue	161,421	175,607
Other contract-related liabilities	20,100	18,921
Income taxes	2,406	3,133
Accruals and other liabilities	57,310	71,705
Total current liabilities	273,216	297,559
Total equity and liabilities	817,838	807,503

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

(€ in thousands)	Q2 '23 Unaudited	Q2 '22 Unaudited	H1 '23 Unaudited	H1 '22 Unaudited
Operating result	-3,557	-55,466	-910	-75,299
Foreign exchange adjustments	-1,027	4,574	-989	5,965
Depreciation and amortization	11,180	14,369	23,688	29,613
Change in provisions	-697	29,745	-1,152	29,155
Equity-settled stock compensation expenses	3,944	2,713	6,552	4,487
Other non-cash movement	-134	-42	-341	-42
Changes in working capital:				
Change in inventories	1,903	2,633	3,027	5,509
Change in receivables and prepayments	-9,048	152	-12,952	-10,159
Change in liabilities ¹ (excluding provisions)	-741	3,108	-5,814	-2,910
Cash flow from operations	1,823	1,786	11,109	-13,681
Interest received	2,447	64	3,871	69
Interest paid	-442	-307	-757	-672
Corporate income taxes paid	-3,620	-345	-6,207	-1,452
Cash flow from operating activities	208	1,198	8,016	-15,736
Investments in intangible assets	0	-24	0	-5,077
Investments in property, plant and equipment	-2,868	-998	-4,239	-2,256
Proceeds from sale of investments	0	0	14,965	0
Dividends received	0	224	0	224
Change in fixed-term deposits	104,008	14,000	43,255	14,000
Cash flow from investing activities	101,140	13,202	53,981	6,891
Payment of lease liabilities	-3,113	-3,599	-6,569	-7,185
Proceeds on issue of ordinary shares	368	1,650	368	3,114
Cash flow from financing activities	-2,745	-1,949	-6,201	-4,071
Net increase/(decrease) in cash and cash equivalents	98,603	12,451	55,796	-12,916
Cash and cash equivalents at the beginning of period	89,497	180,652	132,729	205,820
Exchange rate changes on foreign cash balances	214	261	-211	460
Total cash and cash equivalents at the end of the period	188,314	193,364	188,314	193,364
Cash held in short-term fixed deposits	127,745	136,000	127,745	136,000
Net cash at the end of the period	316,059	329,364	316,059	329,364

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 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
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 expenses	0	0	0	4,499	0	4,499
Reissuance of shares	0	0	3,114	0	0	3,114
Other movements						
Transfers between reserves	0	0	4,914	-23,545	18,631	0
Balance as at 30 June 2022	26,473	338,124	-32,718	82,499	-196,204	218,174
Balance as at 1 January 2023	26,473	338,124	-30,482	72,817	-207,326	199,606
Comprehensive income						
Result for the period	0	0	0	0	-1,481	-1,481
Other comprehensive income²						
Currency translation differences ²	0	0	0	-440	0	-440
Actuarial gain on defined benefit plans	0	0	0	0	120	120
Fair value remeasurement of financial instruments	0	0	0	995	0	995
Total other comprehensive income	0	0	0	555	120	675
Total comprehensive income	0	0	0	555	-1,361	-806
Transactions with owners						
Stock compensation expenses	0	0	0	6,552	0	6,552
Reclassification from liability	0	0	0	2,294	0	2,294
Reissuance of shares	0	0	368	0	0	368
Other movements						
Transfers between reserves	0	0	5,927	-20,469	14,542	0
Balance as at 30 June 2023	26,473	338,124	-24,187	61,749	-194,145	208,014

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 17 July 2023.

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

2. BASIS OF PREPARATION AND 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 2022. These policies have been consistently applied to all the periods presented, unless stated otherwise.

Basis of preparation

The consolidated interim financial statements for the six-months ended 30 June 2023 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 2022, 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

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance on how to apply materiality judgements to accounting policy disclosures. The amendments replaced the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies. The amendments had no impact on the group's interim condensed consolidated financial statements, but are expected to affect the accounting policy disclosures in the group's 2023 annual consolidated financial statements.

To the extent relevant, all other IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2023, have been adopted by the group from 1 January 2023. 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 2023 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 2022 Annual Report.

3. SEGMENT REPORTING

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

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 '23 Unaudited	H1 '22 Unaudited
Revenue	297.3	261.0
Location Technology	250.7	214.7
<i>External customers</i>	246.2	210.5
<i>Inter-segment</i>	4.5	4.2
Consumer	51.0	50.5
Eliminations	-4.5	-4.2
Revenue by nature	297.3	261.0
License revenue	163.4	143.6
Service revenue	97.1	81.3
Sale of goods revenue	36.8	36.1
Revenue by timing of revenue recognition	297.3	261.0
Goods and services transferred at a point in time	50.3	48.5
Goods and services transferred over time	247.0	212.5
EBIT	0.8	-41.1
Location Technology	-2.6	-46.0
Consumer	3.4	4.9
EBITDA	24.1	-11.6
Location Technology	20.3	-16.9
Consumer	3.8	5.3

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

(in € millions)	H1 '23 Unaudited	H1 '22 Unaudited
Total segment EBIT	0.8	-41.1
Unallocated expenses ¹	-1.7	-34.2
Financial income	2.3	1.9
Result before tax	1.4	-73.4

¹ Unallocated expenses in H1 '23 include a gain of €2.4 million from the release of restructuring provision from Maps realignment (H1 '22: €31 million charge).

4. EARNINGS PER SHARE

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

	H1 '23 Unaudited	H1 '22 Unaudited
Earnings (€ in thousands)		
Net result attributable to equity holders of the parent	-1,481	-76,468
Number of shares (in thousands)		
Weighted average number of ordinary shares for basic EPS	128,731	127,387
Effect of dilutive potential ordinary shares (in thousands)		
Share options and restricted stock units	2,937	1,793
Weighted average number of ordinary shares for diluted EPS	131,668	129,180

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 2022.

There were no triggering events for an impairment test in H1 '23 and no impairment charge was recorded in H1 '23 or H1 '22.

6. SHAREHOLDER'S EQUITY

The authorized and issued share capital is as follows:

	30 Jun 2023 Unaudited Number	30 Jun 2023 Unaudited € in thousands	31 Dec 2022 Audited Number	31 Dec 2022 Audited € in thousands
Authorized:				
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	3,158,755		3,974,381	

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

In H1 '23 816 thousand treasury shares were issued following the vesting of 767 thousand restricted stock units ('RSU') and the exercise of 49 thousand share options by employees (H1 '22: 1.2 million treasury shares issued for the vesting of 0.8 million RSU's and the exercise of 0.4 million share options).

7. PROVISIONS

At the end of December 2022, the group had a remaining position of €13.6 million relating to the realignment of the Maps organization of which €4.4 million was presented under 'Other provision' and €9.2 million under 'Personnel-related accruals'. In H1 '23 the group made a total payment of €9.8 million and released an amount of €2.4 million into the income statement.

8. STOCK COMPENSATION

Stock compensation expenses amounted to €6.8 million in H1 '23 versus an expense of €4.7 million in the same period last year.

During H1 '23, the group granted a total of 1.8 million restricted stock units (RSUs) under the equity compensation plans of which 241 thousand units were issued to Management Board members.

In addition, the group issued 0.4 million RSUs under the Employee Investment Plan of which 63 thousand were issued to Management Board members. Under the Employee Investment Plan introduced in H1 '23, eligible employees as well as Management Board members could choose to forfeit (a part of) their 2022 short-term incentive payout to receive the company's restricted stock units subject to certain company performance conditions

and a three-year vesting period. The number of RSUs may increase depending on the achievement of the performance conditions.

Management Board members are required to hold their shares for a further two years after their three-year vesting period both under the equity compensation plan and the Employee Investment Plan.

The RSU plans are accounted for as equity-settled, whereby costs are allocated over the vesting period. For further information on our stock compensation, reference is made to note 9 of our 2022 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 '23.

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 2023 from those disclosed in note 31 of our 2022 Annual Report.

12. FAIR VALUE AND FAIR VALUE ESTIMATION

The fair values of our monetary assets and liabilities as at 30 June 2023 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 2022 Annual Report.

13. SUBSEQUENT EVENTS

There has been no subsequent event from 30 June 2023 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 2023 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 2022.

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 IFRS 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

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

Free cash flow is cash from operating activities minus investments in intangible assets and property, plant and equipment

(€ in thousands)	Q2 '23	Q2 '22	H1 '23	H1 '22
Cash flow from operating activities	208	1,198	8,016	-15,736
Investments in intangible assets	0	-24	0	-5,077
Investments in property, plant and equipment	-2,868	-998	-4,239	-2,256
Free cash flow	-2,660	176	3,777	-23,069
Restructuring-related cash flow ¹	5,792	0	9,835	0
Free cash flow excl. restructuring¹	3,132	176	13,612	-23,069

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

Gross deferred revenue is deferred revenue² before the netting of unbilled receivables

¹ Restructuring-related cash flows are related to the Maps realignment announced in June 2022.

² 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 2023 RESULTS

The information for our audio webcast is as follows:

Date and time: July 17, 2023 at 13:00 CEST

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

TomTom is listed at NYSE Euronext Amsterdam in the Netherlands

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ABOUT TOMTOM

Billions of data points. Millions of sources. Hundreds of communities.

We are the mapmaker bringing it all together to build the world's smartest map. We provide location data and technology to drivers, carmakers, businesses, and developers. Our application-ready maps, routing, real-time traffic, APIs and SDKs enable the dreamers and doers to shape the future of mobility.

Headquartered in Amsterdam with 3,800 employees around the globe, TomTom has been helping people find their way in the world for over 30 years.

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.