SECOND QUARTER AND HALF YEAR 2020 RESULTS

TomTom sees early signs of recovery during the second quarter

TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN

"COVID-19 remains a challenge for the global economy, but our operational revenue is on the road to recovery from the lows experienced in April.

In the first half of the year we saw a large volume of deal activity, combined with a high success rate. We converted multiple opportunities in both Automotive and Enterprise, which will contribute to future revenue. The announcement of the Ford SYNC 4 platform, which includes our traffic services, makes us particularly proud as it further expands our footprint in North America.

During these turbulent times, we are maintaining our investment level in research and development, laying the foundations for future success. We are making good progress on our 2020 priorities with further development of our connected navigation product and improvements to our Maps APIs."

OPERATIONAL SUMMARY

– A multi-year global traffic service deal for Ford's SYNC 4 platform
– A partnership with Delphi Technologies that delivers passenger car fuel savings of over 10%
– A new global deal to provide maps and traffic data for ViaMichelin
– A partnership with Foursquare to add millions of POIs worldwide

FINANCIAL SUMMARY SECOND QUARTER 2020

– Group revenue decreased by 41% to €124 million (Q2 '19: €211 million)
– Location Technology revenue of €94 million (Q2 '19: €116 million)
– Automotive operational revenue decreased by 47% to €48 million (Q2 '19: €90 million)
– Free cash flow is an outflow of €54 million (Q2 '19: inflow of €16 million)
– Net cash of €373 million (Q2 '19: €372 million)

KEY FIGURES

(€ in millions, unless stated otherwise)	Q2 '20	Q2 '19	y.o.y. change	H1 '20	H1 '19	y.o.y. change
Location Technology	93.8	116.1	-19 %	185.1	219.1	-16 %
Consumer	29.9	94.7	-68 %	69.8	161.3	-57 %
Revenue	**123.7**	**210.8**	**-41%**	**254.9**	**380.3**	**-33%**
Gross profit	**105.8**	**142.0**	**-26%**	**208.3**	**263.3**	**-21%**
Gross margin	86%	67%		82%	69%	
EBITDA	**7.3**	**31.0**		**1.9**	**49.8**	
EBITDA margin	6%	15%		1%	13%	
Net result[1]	**-62.0**	**742.0**		**-124.8**	**745.3**	
Free cash flow (FCF)	**-54.0**	**15.6**		**-40.3**	**-4.6**	
FCF as a % of revenue	-44%	7%		-16%	-1%	

[1] All figures presented in the table above relate to continuing operations, except for the H1 '19 Net result.

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

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FINANCIAL AND BUSINESS REVIEW

TOMTOM'S CHIEF FINANCIAL OFFICER, TACO TITULAER

"In terms of results, it was a quarter of two halves. While Enterprise grew throughout, factory and retail closures hit trading conditions for Automotive and Consumer in April. As lockdowns lifted in May and factories and shops reopened, operational revenue for these businesses began to recover. This accelerated further in June, which contributed half of the quarter's operational revenue in these units.

While conditions have been tough, it is important to note that the year-on-year decline in Consumer revenue is exaggerated by the strong reference quarter (due to higher replacement sales following the GPS week number rollover issue).

We consumed cash in Q2 '20, though we expect to generate positive free cash flow in the second half of the year. This will result from continued revenue recovery, combined with discretionary cost control measures and expected seasonal customer receipts.

Given the uncertainty, we will not provide guidance at this time. As market conditions develop, we will reassess this position and whether to resume our share buyback program."

REVENUE

Revenue for the second quarter amounted to €124 million, a 41% decrease compared with the same quarter last year (Q2 '19: €211 million).

Location Technology

(€ in millions)	Q2 '20	Q2 '19	y.o.y. change	H1 '20	H1 '19	y.o.y. change
Automotive	51.6	75.9	-32 %	101.4	141.1	-28 %
Enterprise	42.2	40.2	5 %	83.7	78.0	7 %
Location Technology revenue	**93.8**	**116.1**	**-19%**	**185.1**	**219.1**	**-16%**
Segment EBITDA				**-5.5**	**14.1**	
EBITDA margin (%)				-3%	6%	
Segment EBIT				-148.7	-131.2	
EBIT margin (%)				-80%	-60%	

Location Technology revenue in the quarter decreased by 19% to €94 million (Q2 '19: €116 million), resulting from decreases in Automotive.

Automotive generated revenue of €52 million in the quarter, representing a 32% decrease year on year. Automotive operational revenue decreased by 47% to €48 million (Q2 '19: €90 million). Revenue was impacted by factory closures in the beginning of the quarter, with April proving to be the low point. Reopening of factories led to improvements in the following months.

Enterprise revenue grew to €42 million in Q2 '20, 5% higher than the same quarter last year (Q2 '19: €40 million).

Location Technology segment EBITDA declined year on year resulting from the revenue decline in the first half of the year following the COVID-19 implications and a shift from capitalized expenses to operating expenses.

In our Automotive business we recently announced some new deals and collaborations including a global multi-year deal to power the next-generation of Ford's SYNC platform. Our real-time traffic services will be in all Ford models equipped with the SYNC 4-connected vehicle technology. This announcement further expands our footprint in North America.

Together with Delphi Technologies, we announced a successful proof of concept demonstrating fuel savings of more than 10% in passenger cars. This was achieved by combining Delphi Technologies' advanced driver assistance systems (ADAS) and the TomTom ADAS Map. The vehicle was tested under a variety of real-world driving conditions to validate the system's fuel efficiency. This result contributes to the future of a more automated and sustainable way of driving.

Our Enterprise business recently announced an extension of our global deal with ViaMichelin to provide maps and traffic services. Our content is highly detailed and location specific – that makes it critical to location-aware digital applications such as ViaMichelin.

We also recently announced a partnership with Foursquare, which will see the integration of millions of new POIs into our database.

Consumer

(€ in millions)	Q2 '20	Q2 '19	y.o.y. change	H1 '20	H1 '19	y.o.y. change
Consumer products	27.9	83.2	-66 %	63.0	136.2	-54 %
Automotive hardware	2.0	11.5	-83 %	6.8	25.1	-73 %
Consumer revenue	**29.9**	**94.7**	**-68%**	**69.8**	**161.3**	**-57%**
Segment EBITDA				**10.5**	**39.7**	**-73%**
EBITDA margin (%)				15%	25%	
Segment EBIT				10.0	39.1	-74%
EBIT margin (%)				14%	24%	

Consumer revenue for the quarter decreased year on year by 68% to €30 million (Q2 '19: €95 million). Retail closures caused by the COVID-19 regulations, in combination with less travel in general by consumers, is the main cause of this decline. We saw some revenue recovery during the quarter as lockdowns began to ease. The year-on-year comparison is also impacted by a strong reference quarter in Q2 '19 as the GPS week number rollover (WNRO) issue triggered replacement sales.

Consumer segment EBITDA showed a sharp year on year decrease resulting from lower revenue.

GROSS PROFIT

The gross profit for the quarter was 86% compared with 67% in Q2 '19. The improvement is mainly the result of a higher proportion of high margin software and content revenue in the sales mix, following the decline of sales in Consumer. Furthermore, in Q2 '19 gross margin was negatively impacted by the start of production of various software platforms in Automotive which triggered the release of capitalized contract costs associated with platform customization (NRE).

OPERATING RESULT

Operating result (EBIT) in the quarter was a loss of €64 million (Q2 '19: loss of €83 million). Total operating expenses in the quarter were €170 million, a decrease of €55 million compared with the same quarter last year (Q2 '19: €225 million). The Q2 '19 operating expenses includes the Q1 '19 impact of the change in the estimated remaining useful life of our map database, which was changed in Q2 '19.

Excluding the amortization of technology and databases, operating expenses decreased by €13 million to €106 million (Q2 '19 €118 million). The decrease, mainly in selling, general and administrative expenses, shows the effect of discretionary cost control measures.

FINANCIAL INCOME, EXPENSES AND INCOME TAX

Total financial result, for the quarter was an expense of €2.5 million (Q2 '19: income of €0.4 million), which consisted primarily of foreign exchange losses from the revaluation of monetary balance sheet items.

The net income tax gain for the quarter was €5 million compared with a gain of €17 million in Q2 '19. The tax gain is mainly the result of a release of deferred tax liability in line with the increased amortization of acquisition-related intangible assets.

BALANCE SHEET

Other intangible assets decreased to €247 million from €380 million at the end of 2019 mainly due to amortization of map database. Cash balances, including fixed-term deposits, decreased by €63 million to €373 million (Q4 '19: €437 million) from a combination of lower operational revenues and the share buyback in Q1 '20.

At the end of the quarter, inventory was €32 million, a €7 million increase from the end of last year, resulting primarily from moving from air to sea freight. Trade receivables were €53 million in Q2 '20 compared with €100 million at the end of 2019, explained by lower revenue in 2020.

Current liabilities, excluding deferred revenue, were €124 million, compared with €177 million at the end of 2019. The decrease is mainly due to decreases in accruals and other liabilities, reflecting lower personnel-related accruals, and trade payables.

DEFERRED REVENUE

(€ in millions)	**30 June 2020**	**31 December 2019**
Automotive	310.5	278.3
Enterprise	9.8	23.3
Consumer	51.6	67.7
Total	**371.9**	**369.3**

Total deferred revenue was €372 million at the end of Q2 '20. The increase from €369 million at the end of 2019 is driven by increases in Automotive deferred revenue, offset by releases of deferred revenue in Enterprise and Consumer.

NET MOVEMENT OF DEFERRED AND UNBILLED REVENUE

(€ in millions)	**Q2 '20**	Q2 '19	**H1 '20**	H1 '19
Automotive	-3.7	13.7	31.8	35.3
Enterprise	-21.9	-21.2	-31.4	-29.1
Consumer	-8.1	-3.3	-16.1	-10.4
Total	**-33.7**	**-10.8**	**-15.7**	**-4.2**

The net movement for the quarter, compared with the same quarter last year, is explained by lower operational revenue for both Automotive and Consumer and timing of invoicing of certain Enterprise customers.

The net movement of deferred and unbilled revenue in combination with the reported revenue gives insight into the operational revenue. The year on year operational revenue for Automotive decreased by 47% while Enterprise increased by 7%. Consumer operational revenue decreased by 76%.

CASH FLOW

In Q2 '20, free cash flow (FCF) was an outflow of €54 million versus an inflow of €16 million in the same quarter last year. This year on year decline is the result of lower operational revenue from Automotive and Consumer.

Our cash flow from investing activities includes an inflow from some fixed-term deposits that matured during the quarter. Regular cash flow from investing activities shows a year-on-year decline as no research and development projects were capitalized.

The cash flow from financing activities for the quarter was an outflow of €3 million relating to lease liability payments partly offset by the cash inflow from option exercises. In Q2 '19 we reported an outflow of €750 million, consisting mainly of the capital repayment following the Telematics disposal. During the quarter, 205 thousand options relating to our long-term employee incentive programs were exercised (Q2 '19: 1 million options).

On 30 June 2020, the Group had no outstanding bank borrowings and reported a net cash position of €373 million (Q2 '19: net cash of €372 million). Free cash flow is reconciled to the cash flow statement as follows:

(€ in millions)	**Q2 '20**	Q2 '19	**H1 '20**	H1 '19
Cash flow from operating activities	-52,131	14,375	-36,327	15,304
Investments in intangible assets	0	-3,530	0	-8,381
Investments in property, plant and equipment	-1,849	-2,592	-3,960	-7,654
Free cash from flow total operations	**-53,980**	**8,253**	**-40,287**	**-731**
Free cash flow from discontinued operations	0	7,378	0	-3,866
Free cash flow from continuing operations	**-53,980**	**15,631**	**-40,287**	**-4,597**

- END -

TomTom NV

Interim Financial Report

30 June 2020

(Unaudited)

Contents:

SEMI-ANNUAL FINANCIAL REPORT

INTRODUCTION

TomTom NV (the 'company') and its subsidiaries (together referred to as 'the group') is the world's leading independent location technology specialist, shaping mobility with highly accurate maps, navigation software, real-time traffic information and services. TomTom has more than 4,500 employees (FTE) working in its offices 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 market segments. 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 business, we aim to grow through technology leadership in mapmaking information systems, traffic, and navigation software. We are ideally positioned to capitalize on opportunities in connected navigation, automated driving (ADAS and HD maps), and Maps APIs.

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

MARKET AND TOMTOM OUTLOOK 2020

The group currently faces difficult economic circumstances, which especially impacts Automotive and Consumer revenue. We have seen some early signs of recovery towards the end of the second quarter and we expect revenue to further recover in the second half of the year.

We consumed cash in Q2 '20, though we expect to generate positive free cash flow in the second half of the year.

During these turbulent times, we are maintaining our investment level in research and development, laying the foundations for future success. This is supported by our debt-free balance sheet and a strong order intake in the first half of year.

As a global technology company, our business's nature has enabled us to transition relatively easily to working from home, allowing us to sustain our engineering capacity and customer service levels.

FINANCIAL REVIEW FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

The revenue of our Automotive and Consumer business was impacted by the economic implications of the COVID-19 pandemic in the first half of 2020. The group generated revenue of €255 million, which is €125 million lower compared with €380 million in the same period of 2019. Gross margin for H1 '20 was 82% (H1 '19: 69%). Our operating result for H1 '20 was a loss of €142 million compared with a loss of €96 million in the same period last year.

REVENUE

Location Technology generated revenue of €185 million in H1 '20, a decrease of 16% compared with €219 million in H1 '19. Automotive generated revenue of €101 million in H1 '20, a decrease of 28% compared with €141 million in H1 '19. Enterprise revenue in H1 '20 was €84 million compared with €78 million in H1 '19, an increase of 7%. Consumer revenue for H1 '20 declined year-on-year by 57% to €70 million.

GROSS PROFIT

The gross profit for H1 '20 was €208 million, a decrease of €55 million compared with the same period last year (H1 '19: €263 million). The gross margin in H1 '20 was 82%, an increase compared with 69% in H1 '19 as a result of lower volumes of Consumer products in our sales mix.

OPERATING RESULT

Operating expenses in H1 '20 were €350 million compared with €359 million in H1 '19. Operating expenses decreased by €9 million year on year, resulting from some discretionary cost control measures.

The operating result for H1 '20 was a loss of €142 million compared with a loss of €96 million.

FINANCIAL RESULT

The financial result, including the result of associate, was an income of €3 million compared with an expense of €2 million in the same period in 2019. The financial result includes a one-off gain of €2.5 million resulting from a change in the classification of the group's investment in Cyient Ltd as an associate to a financial asset held at fair value. The change is effective from 1 January 2020 and the group elected to account for future changes in fair value through other comprehensive income. The expense in H1 '19 included higher interest charge on the cash balances following the sale of Telematics, before the capital distribution to shareholders.

INCOME TAXES

In H1 '20, the group recorded an income tax gain of €15 million versus a gain of €17 million in the same period last year. The tax gain is mainly the result of reversal of deferred tax liability relating to accelerated amortization of acquisition-related intangible assets.

CASH FLOW

The cash flow from operating activities was an outflow of €36 million, a decrease of €52 million compared with the same period last year (H1 '19: inflow of €15 million). This decrease reflects lower operating profit and higher working capital utilization.

The cash flow used in investing activities during H1 '20 includes an inflow of €34 million as some fixed-term deposits matured.

The cash flow from financing activities includes a cash inflow of €2.2 million from the exercise of 597,120 options related to our long-term employee incentive program during H1 '20.

RELATED PARTY TRANSACTIONS

For related party transactions please refer to note 8 of our interim financial report.

PRINCIPAL RISKS AND UNCERTAINTIES H1 '20

The group risks mentioned in the group risk profile section of TomTom’s 2019 Annual Report are still relevant and deemed incorporated and repeated in this report by reference.

The COVID-19 outbreak and its disruptive effects on society and the economy have adversely affected our Automotive and Consumer business in H1 2020. While we see some early signs of recovery due to the lifting of lockdown measures, this pandemic's scale and duration remain uncertain. While mitigating actions are being taken, this pandemic may further negatively impact our future revenue (e.g. due to lower car sales and slow-down in Consumer demand), results, cash flow from operations, and the valuation of assets as well as our workforce and supply chain.

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, 2020

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 '20 Unaudited	Q2 '19 Unaudited	H1 '20 Unaudited	H1 '19 Unaudited
Revenue	123,703	210,803	254,899	380,330
Cost of sales	17,921	68,759	46,552	117,032
Gross profit	**105,782**	**142,044**	**208,347**	**263,298**
Research and development expenses	75,055	78,840	151,250	151,339
Amortization of technology and databases	64,314	106,561	129,055	131,035
Marketing expenses	4,946	6,432	11,799	13,377
Selling, general and administrative expenses	25,665	33,170	58,188	63,699
Total operating expenses	**169,980**	**225,003**	**350,292**	**359,450**
Operating result	**-64,198**	**-82,959**	**-141,945**	**-96,152**
Financial (expense)/income and result of associate	-2,457	386	2,622	-1,866
Result before tax	**-66,655**	**-82,573**	**-139,323**	**-98,018**
Income tax gain	4,640	17,319	14,556	17,439
Net result from continuing operations	**-62,015**	**-65,254**	**-124,767**	**-80,579**
Result after tax from discontinued operations	0	0	0	18,615
Result on business disposal	0	807,237	0	807,237
Net result from discontinued operations	**0**	**807,237**	**0**	**825,852**
Net result[1]	**-62,015**	**741,983**	**-124,767**	**745,273**
Earnings per share (in €):				
Basic	-0.48	3.88	-0.95	3.53
Diluted	-0.48	3.85	-0.95	3.50
Earnings per share from continuing operations (in €):				
Basic	-0.48	-0.34	-0.95	-0.38
Diluted	-0.48	-0.34	-0.95	-0.38

[1] Fully attributable to the equity holders of the parent

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

(€ in thousands)	Q2 '20 Unaudited	Q2 '19 Unaudited	H1 '20 Unaudited	H1 '19 Unaudited
Net result	-62,015	741,983	-124,767	745,273
Other comprehensive income[1]				
Items that will not be reclassified to profit or loss				
Actuarial losses on defined benefit plans	0	-672	0	-672
Fair value remeasurement of financial instruments	775	0	-2,755	0
Items that may be subsequently reclassified to profit or loss				
Currency translation differences	1,320	-2,319	-3,995	-740
Recycled currency translation differences on disposal of foreign operations	0	793	0	793
Remeasurement of deferred tax in equity	-297	0	-6,683	0
Other comprehensive income for the period	**1,798**	**-2,198**	**-13,433**	**-619**
Total comprehensive income for the period[2]	**-60,217**	**739,785**	**-138,200**	**744,654**

[1] The items of other comprehensive income are presented net of tax.

[2] Fully attributable to the equity holders of the parent.

CONSOLIDATED CONDENSED BALANCE SHEET

(€ in thousands)	30 June 2020 Unaudited	31 December 2019 Audited
Goodwill	192,294	192,294
Other intangible assets	247,122	380,160
Property, plant and equipment	26,268	28,588
Lease assets	42,565	32,667
Other contract related assets	9,552	2,489
Other investments	4,949	4,573
Deferred tax assets	5,244	5,626
Total non-current assets	**527,994**	**646,397**
Inventories	31,902	25,315
Trade receivables	52,751	99,776
Unbilled receivables	52,688	34,374
Other contract related assets	20,333	21,434
Other receivables and prepayments	38,996	45,351
Fixed-term deposits	187,311	222,579
Cash and cash equivalents	186,058	213,941
Total current assets	**570,039**	**662,770**
Total assets	**1,098,033**	**1,309,167**
Total equity	**516,281**	**665,932**
Lease liabilities	30,393	22,531
Deferred tax liability	14,216	27,283
Provisions	41,093	46,746
Deferred revenue	228,869	216,378
Total non-current liabilities	**314,571**	**312,938**
Trade payables	25,144	47,085
Lease liabilities	13,533	11,737
Provisions	8,389	8,274
Deferred revenue	143,081	152,939
Other contract related liabilities	18,150	26,745
Income taxes	14,500	14,701
Accruals and other liabilities	44,384	68,816
Total current liabilities	**267,181**	**330,297**
Total equity and liabilities	**1,098,033**	**1,309,167**

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

(€ in thousands)	Q2 '20 Unaudited	Q2 '19 Unaudited	H1 '20 Unaudited	H1 '19 Unaudited
Operating result from continuing operations	-64,198	-82,959	-141,945	-96,152
Operating result from discontinued operations	0	0	0	19,016
Operating result	**-64,198**	**-82,959**	**-141,945**	**-77,136**
Financial losses	-1,059	-208	-914	-644
Depreciation and amortization	71,511	113,942	143,816	145,913
Change in provisions	-2,811	-2,755	-3,224	-3,862
Equity-settled stock compensation expenses	1,660	991	2,873	1,902
Changes in working capital:				
Change in inventories	-8,995	5,159	-7,470	5,592
Change in receivables and prepayments	7,221	-29,576	28,605	-34,113
Change in liabilities (excluding provisions)[1]	-51,315	17,587	-51,628	-12,495
Cash flow from operations	**-47,986**	**22,181**	**-29,887**	**25,157**
Interest received	585	213	680	490
Interest paid	-798	-1,203	-1,184	-1,640
Corporate income taxes paid	-3,932	-6,816	-5,936	-8,703
Cash flow from operating activities	**-52,131**	**14,375**	**-36,327**	**15,304**
Investments in intangible assets	0	-3,530	0	-8,381
Investments in property, plant and equipment	-1,849	-2,592	-3,960	-7,654
Net cash inflow from business disposal	0	873,439	0	873,439
Dividends received	0	174	162	174
Decrease in fixed-term deposits	34,065	0	34,065	0
Cash flow from investing activities	**32,216**	**867,491**	**30,267**	**857,578**
Repayment of lease liabilities	-3,669	-3,641	-7,281	-7,075
Repayment of capital	0	-750,949	0	-750,949
Proceeds on issue of ordinary shares	698	4,369	2,246	4,901
Purchase of treasury shares	0	0	-16,569	0
Cash flow from financing activities	**-2,971**	**-750,221**	**-21,604**	**-753,123**
Net (decrease)/increase in cash and cash equivalents	**-22,886**	**131,645**	**-27,664**	**119,759**
Cash and cash equivalents at the beginning of period[2]	209,040	240,551	213,941	252,112
Exchange rate changes on foreign cash balances	-96	-166	-219	159
Total cash and cash equivalents at the end of the period[2]	**186,058**	**372,030**	**186,058**	**372,030**
Cash placed in short term fixed deposits	187,311	0	222,579	0
Net cash at the end of the period	**373,369**	**372,030**	**408,637**	**372,030**

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

[2] Cash and cash equivalents at the beginning of 2019 includes cash classified as held for sale of €4 million.

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 2019	**47,064**	**1,066,201**	**-37,707**	**251,799**	**-553,248**	**774,109**
Comprehensive income						
Result for the period	0	0	0	0	745,273	745,273
Other comprehensive income						
Currency translation differences	0	0	0	-740	0	-740
Actuarial gain on defined benefit obligations	0	0	0	0	-672	-672
Disposal of subsidiary	0	0	0	793	0	793
Total other comprehensive income	**0**	**0**	**0**	**53**	**-672**	**-619**
Total comprehensive income	**0**	**0**	**0**	**53**	**744,601**	**744,654**
Transactions with owners						
Stock compensation related movements	0	2,281	15,032	-3,903	-6,605	6,805
Capital repayment and share consolidation	-20,591	-730,358	10,905	0	-10,905	-750,949
Other movements						
Transfers between reserves	0	0	0	-34,916	34,916	0
Balance as at 30 June 2019	**26,473**	**338,124**	**-11,770**	**213,033**	**208,759**	**774,619**
Balance as at 1 January 2020	**26,473**	**338,124**	**-7,438**	**188,507**	**120,265**	**665,931**
Comprehensive income						
Result for the period	0	0	0	0	-124,767	-124,767
Other comprehensive income						
Currency translation differences	0	0	0	-3,995	0	-3,995
Revaluation of financial instruments	0	0	0	-2,755	0	-2,755
Remeasurement of deferred tax in equity	0	0	0	0	-6,683	-6,683
Total other comprehensive income	**0**	**0**	**0**	**-6,750**	**-6,683**	**-13,433**
Total comprehensive income	**0**	**0**	**0**	**-6,750**	**-131,450**	**-138,200**
Transactions with owners						
Stock compensation related movements	0	0	9,217	-1,795	-2,303	5,119
Repurchase of shares	0	0	-16,569	0	0	-16,569
Other movements						
Transfers between reserves	0	0	0	-31,488	31,488	0
Balance as at 30 June 2020	**26,473**	**338,124**	**-14,790**	**148,474**	**18,000**	**516,281**

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

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

1. GENERAL

TomTom NV ('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 2020.

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

2 SUMMARY OF SIGNIFCANT ACCOUNTING POLICIES

The principal accounting policies and method of computations applied in these consolidated interim financial statements are consistent with those applied in the annual financial statements for the year ended 31 December 2019. 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 2020 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 2019, 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 2020, have been adopted by the group from 1 January 2020. 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 2020 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 2019 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.

Management assesses the performance of segments based on the measures of revenue, operating result (EBIT) and EBITDA, whereby EBIT and EBITDA measures include 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 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 '20 Unaudited	H1 '19 Unaudited
Revenue	**254.9**	**380.3**
Location Technology	191.1	227.6
External customers	*185.1*	*219.1*
Inter-segment	*6.0*	*8.5*
Consumer	69.8	161.3
Eliminations	-6.0	-8.5
Revenue by nature	**254.9**	**380.3**
License revenue	134.8	169.2
Service revenue	76.2	71.3
Sale of goods revenue	44.0	139.8
Revenue by timing of revenue recognition	**254.9**	**380.3**
Goods and services transferred at a point in time	60.0	168.4
Goods and services transferred over time	194.9	211.9
EBIT	**-138.7**	**-92.1**
Location Technology	-148.7	-131.2
Consumer	10.0	39.1
EBITDA	**5.0**	**53.8**
Location Technology	-5.5	14.1
Consumer	10.5	39.7

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

(in € millions)	H1 '20 Unaudited	H1 '19 Unaudited
Total segment EBIT	-138.7	-92.1
Unallocated expenses	-3.2	-4.1
Financial income/(expense)	2.6	-1.9
Result before tax	**-139.3**	**-98.0**

The effects of non-recurring items are excluded from management's measurement basis. Interest income and expenses, and tax are not allocated to segments.

4. EARNINGS PER SHARE

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

	H1 '20 Unaudited	H1 '19 Unaudited
Earnings (€ in thousands)		
Net result attributable to equity holders of the parent	**-124,767**	**745,273**
Earnings from continuing operations	-124,767	-80,579
Earnings from discontinued operations	0	825,853
Number of shares (in thousands)		
Weighted average number of ordinary shares for basic EPS	130,898	211,209
Effect of dilutive potential ordinary shares (in thousands)		
Share options and restricted stock units	2,043	1,586
Weighted average number of ordinary shares for diluted EPS	132,941	212,795

5. GOODWILL

The group performs its goodwill impairment test at least annually in December and when circumstances indicate the carrying value may be impaired. Given the outbreak of COVID-19 and the negative impact on the wider economy, we have noticed a significant deterioration in economic conditions, and an increase in economic uncertainty, impacting our Location Technology and Consumer business. These adverse developments triggered us to perform an impairment test on 30 June 2020. As our Consumer segment does not carry any goodwill or intangible assets, the impairment test was done for our Location Technology segment only.

Consistent with the approach and methodology in our year-end impairment testing, the recoverable amount was determined based on fair value less costs of disposal method as this resulted in a higher recoverable amount than the value in use. The 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 2019.

In assessing the fair value less costs of disposal we used post-tax cash flow projections. This reflects our latest estimates of revenue, which is supported by a strong order intake in H1 2020, and a post-tax discount rate of 9.5% (31 December 2019: 8.5%).

Location Technology's revenue is projected to grow from 2020 onwards in line with management's mid-and long-term plan in the forecast period. Given the limited visibility on the longer-term growth, the growth rates in the later years are more subject to uncertainty compared with the earlier years. Projections of gross margin and operating margin are consistent with the expected revenue developments.

Expectations and input to the impairment calculation, as well as the overall outcome, have been compared with available external information from various analysts, and to the extent possible, with market information on recent comparable transactions (merger and acquisition activities of comparable companies). The sensitivity test for Location Technology showed that a reasonably possible change in any of the above-mentioned key assumptions, as well as other assumptions in the forecasted period, would not cause the fair value less costs of disposal to fall below the level of the carrying value. No impairment charge was recorded in H1 '20 or H1 '19.

6. SHAREHOLDER'S EQUITY

The authorized and issued share capital is as follows:

	30 June 2020	30 June 2020 (in € thousands) Unaudited	31 December 2019	31 December 2019 (in € thousands) Audited
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	132,367,000	26,473	132,366,672	26,473
Of which held in Treasury	2,159,000		824,674	

All shares have a par value of €0.20 per share. During H1 '20 2.4 million treasury shares were purchased under the share buyback program for an average price of €7.04 per share.

In H1 '20 1.0 million treasury shares were issued following the vesting of 0.4 million restricted stock units ('RSU') and the exercise of 0.6 million share options by employees (H1 '19: 1.6 million treasury shares issued for the vesting of 0.4 million RSU's and the exercise of 1.2 million share options).

7. STOCK COMPENSATION

Stock compensation expenses amounted to €2.8 million in H1 '20 versus an expense of €4.7 million in the same period last year.

During H1 '20, the group granted 964,500 restricted stock units under the equity compensation plans, of which 182,520 restricted stock units were granted to Management Board members. The restricted stock unit plan is accounted for as equity-settled. A three-year service period is the only vesting condition.

The purpose of the stock compensation is to attract and retain management and employees and align the interests of management and eligible employees with those of shareholders, by providing additional incentives to improve the group's performance on a long-term basis. For further information on our stock compensation, reference is made to note 8 in our 2019 Annual Report.

8. RELATED PARTY TRANSACTIONS

Reference is made to note 7 for restricted stock units granted to the members of the Management Board during H1 '20.

In the normal course of business, the group receives map development and support services from Cyient Ltd. Such transactions take place at the normal market conditions and the total payments made for these services in H1 '20 amounted to €7.4 million (H1 '19: €9.5 million).

9. SEASONALITY

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

10. COMMITMENTS AND CONTINGENT LIABILITIES

There were no material changes to the group’s commitments and contingent liabilities in the first half of 2020 from those disclosed in note 31 of our 2019 Annual Report.

11. FAIR VALUE AND FAIR VALUE ESTIMATION

The fair values of our monetary assets and liabilities as at 30 June 2020 are estimated to approximate their carrying value. There has been no change in the fair value estimation technique and hierarchy of the input used to measure the financial assets/liabilities carried at fair value through profit or loss compared with the method and hierarchy disclosed in our 31 December 2019 Annual Report.

This group changed its classification of its investment in Cyient Ltd from an associate to a financial asset held at fair value. The change is effective from 1 January 2020. The group has elected to account for future changes in fair value through other comprehensive income. The fair value of the investment (reflected as 'Other investments' on the balance sheet) is determined using Level 1 input.

12. SUBSEQUENT EVENTS

There has been no subsequent event from 30 June 2020 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 2020 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 2019.

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 deferred and unbilled revenue

Gross margin is calculated as gross profit divided by 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 revenue

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

Net cash is cash and cash equivalents, including cash classified as held for sale, plus cash held in fixed-term deposits minus the nominal value of our outstanding bank borrowings

FOR MORE INFORMATION

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AUDIO WEBCAST SECOND QUARTER 2020 RESULTS

The information for our audio webcast is as follows:

Date and time: July 15, 2020 at 14:00 CET

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

TomTom is the leading independent location technology specialist, shaping mobility with highly accurate maps, navigation software, real-time traffic information and services.

To achieve our vision of a safer world, free of congestion and emissions, we create innovative technologies that keep the world moving. By combining our extensive experience with leading business and technology partners, we power connected vehicles, smart mobility and, ultimately, autonomous driving.

Headquartered in Amsterdam with offices in 30 countries, TomTom's technologies are trusted by hundreds of millions of people 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.