



FAQ – Capital repayment and share consolidation

1. Why is a capital repayment and share consolidation taking place?

After exploring several options, we have determined that this is the most tax efficient manner to return the proceeds of the divestment of Telematics to our shareholders. The amount paid in connection to the capital repayment is not subject to Dutch withholding tax, as it is paid from paid in capital.

2. What does capital repayment and share consolidation mean?

We will make a special distribution from paid in capital and complete a share consolidation, which will reduce the current number of shares. This is the most tax efficient way of returning capital to our shareholders.

The capital repayment and share consolidation takes place in three distinct steps:

- i. first, the nominal value of the ordinary shares is increased;
- ii. then, the ordinary shares are consolidated by a ratio (to be determined); and
- iii. finally the nominal value of the ordinary shares is decreased, with the difference between the increased and the new nominal value of the ordinary shares paid back to the shareholders.

3. What happens to my share position at the moment of the capital repayment and share consolidation?

The share position will decrease, with previous share position multiplied by the share consolidation ratio. Your percentage of ownership in TomTom remains the same upon completion of the operation. Your new shareholding position plus the cash amount credited to your account will be equal to the value of your shareholding position before the transaction.

4. What happens if the share consolidation ratio results in fractional shares?

It is possible that the share consolidation ratio results in a shareholder holding of fractional shares. The banks and brokers of shareholders will round all positions up or down, depending on the contractual arrangement between the bank or broker and the shareholder. Shareholders should check with their own investment advisor, broker, bank that are holding their shares.

5. What is the consolidation ratio?

The consolidation ratio is 16:9. This means that for every 16 issued ordinary shares you will receive 9 new ordinary shares. The share consolidation ratio has been determined on the basis of the closing share price on 15 May 2019, being €7.41. The total shares outstanding will decrease from 235,318,516 to 130,827,296.

6. What is the difference between the capital repayment per share of €5.74 and €3.22?

The €5.74 is based in the new total shares outstanding, while the €3.22 was estimated based on the pre-consolidation number of shares outstanding. Treasury shares are excluded from the capital repayment.

7. How will I be informed about the capital repayment and share consolidation?

Your bank or broker will inform you about the capital repayment and share consolidation. No action is required from your part.

8. What impact will the capital repayment and share consolidation have on the share price?

The share consolidation is designed to ensure that the capital repayment does not trigger a change in the share price (i.e. as when a share goes ex-dividend), by reducing the number of outstanding shares before the capital repayment is made. This theoretically keeps the share price stable at the same level as it was before the transaction. However, there could be a difference because of movement of share price between the day the consolidation ratio is set (16 May 2019) and the ex ante date (23 May 2019).

9. What is the impact in the 2019 financial outlook?

As mentioned during our fourth quarter and full year 2018 results, the adjusted EPS outlook will need to be adjusted based on the new share count. We will update the market in our 2019 financial outlook during our second quarter and first half 2019 results.

10. Do shareholder in Belgium need to pay dividend withholding tax?

We have provided a document to the Belgian custodians with our conclusion that there should not be withholding tax. This document was prepared after a careful assessment and also supported by advice obtained from an external tax advisor. However, it is the decision of the Belgian custodians whether or not to deduct withholding tax. TomTom cannot be held responsible if the Belgian custodians do withhold tax.