SECOND QUARTER AND HALF YEAR 2019 RESULTS

FINANCIAL SUMMARY

- Group revenue increased by 12% to €211 million (Q2 '18: €188 million)
- Location Technology revenue increased by 25% to €116 million (Q2 '18: €93 million)
- Free cash flow from continuing operations for the quarter is an inflow of €16 million (Q2 '18: inflow of €16 million)
- Net cash inflow from the Telematics transaction was €873 million; net book gain €807 million

OPERATIONAL SUMMARY

- Divestment of Telematics and capital repayment to shareholders completed
- Record number of mapping updates: 1.9 billion modifications in a single month
- Global map database extended to more than 67 million kilometers in 194 countries and territories
- Maps SDK for website applications enhanced

OUTLOOK

Updated full year outlook; expected Group revenue of at least €700 million, of which Location Technology revenue of €435 million, and around 9% FCF as a percentage of Group revenue.

TOMTOM’S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN

“The positive revenue trend continued into the second quarter, with Location Technology growing 25%.

Our map-making platform matured further during the quarter. We made 1.9 billion modifications to the map database in a single month. Investments in machine learning resulted in higher degree of automation, faster cycle times and lower operational costs per modification.

We finalized the Telematics divestment and returned close to 90% of the net cash proceeds to shareholders.”

KEY FIGURES

(€ in millions, unless stated otherwise)	Q2 '19	Q2 '18	y.o.y. change	H1 '19	H1 '18	y.o.y. change
Location Technology	116.1	92.6	25 %	219.1	172.4	27 %
Consumer	94.7	94.9		161.3	164.1	-2 %
Revenue	**210.8**	**187.5**	**12%**	**380.3**	**336.5**	**13%**
Gross result	**142.0**	**131.3**	**8%**	**263.3**	**231.9**	**14%**
Gross margin	67%	70%		69%	69%	
EBITDA	**31.0**	**44.8**	**-31%**	**49.8**	**70.5**	**-29%**
EBITDA margin	15%	24%		13%	21%	
Net result[1]	**742.0**	**19.8**		**745.3**	**26.2**	
Adjusted EPS[2], € fully diluted	-0.01	0.04		-0.01	0.12	
Free cash flow (FCF)	**15.8**	**16.0**		**-4.4**	**8.6**	
FCF as a % of revenue	7%	9%		-1%	3%	

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

[2] Adjusted earnings per share is calculated as net result of continuing operations attributed to equity holders adjusted for movement of deferred/unbilled revenue, impairments and acquisition related amortization on a post-tax basis divided by the weighted average number of diluted shares over the period.

This report includes the following non-GAAP measures: Automotive operational revenue; gross margin; EBIT (margin); EBITDA (margin); adjusted net result; adjusted EPS; free cash flow and net cash, which are further explained on page 19 of this report.

OUTLOOK 2019

We are updating our full year guidance for our continuing operations.

(€ in millions, unless stated otherwise)	Updated Outlook 2019	Previous Outlook 2019	Actuals 2018
Revenue	700	675	687
Of which Location Technology	435	430	372
Adjusted EPS*, € fully diluted	0.15	0.15	0.32
FCF as % of revenue	9%	10%	13%

We are updating our revenue guidance for both the Group and Location Technology. For Location Technology we increased our guidance to around €435 million of revenue, growing 17% year on year. Consumer is expected to decline by 15% year on year, this is at a lower pace than initially anticipated as the GPS week roll over issue pulled forward replacement sales.

We expect a gross margin of at least 70% in the year.

Driven by technological advances that allow for an acceleration of the speed at which our maps are updated, we believe the value of our map database is increasingly determined by its refreshed status. This has led us to reassess the amortization period of all our map assets associated with the Tele Atlas acquisition, which occurred in 2008, and reduced the estimated remaining useful life from 10 to two years. Furthermore, the remaining useful life of the mapping assets created since previously mentioned acquisition has been reduced to a maximum of six years. As a result of the aforementioned changes, we expect the total D&A to amount to €290 million in 2019, of which €207 million is acquisition related.

The share consolidation reduced the total number shares to 132 million from 235 million, the weighted average diluted shares is expected to be 169 million for the full year.

The 2019 adjusted earnings per share* outlook is unchanged at €0.15. The effect of the expected increase of revenue on a lower number of shares was offset by a further shift from CAPEX to OPEX due to the maturity of our map products, as well as a higher unbilled revenue position.

We expect FCF as a percentage of revenue to be around 9%. The slight decrease from previous outlook is the result of a higher unbilled revenue position which impacts the timing of cash inflow.

*Adjusted earnings per share is calculated as net result of continuing operations attributed to equity holders adjusted for movement of deferred/unbilled revenue, impairments and acquisition related amortization on a post-tax basis divided by the weighted average number of diluted shares over the period.

FINANCIAL AND BUSINESS REVIEW

GROUP REVENUE

Revenue for the second quarter amounted to €211 million, a 12% increase compared with the same quarter last year (Q2 '18: €188 million).

Location Technology

(€ in millions)	Q2 '19	Q2 '18	y.o.y. change	H1 '19	H1 '18	y.o.y. change
Automotive	75.9	62.6	21 %	141.1	112.3	26 %
Enterprise	40.2	30.0	34 %	78.0	60.1	30 %
Location Technology revenue	**116.1**	**92.6**	**25%**	**219.1**	**172.4**	**27%**
Location Technology segment EBITDA				**14.1**	**43.2**	**-67%**
EBITDA margin (%)				6%	25%	
Location Technology segment EBIT				-131.2	-19.0	
EBIT margin (%)				-60%	-11%	

Location Technology revenue in the quarter increased by 25% to €116 million (Q2 '18: €93 million).

Automotive generated revenue of €76 million in the quarter, representing a 21% increase year on year. The strong growth was the result of contracts that started at the end of 2018, higher volumes from existing customers. Furthermore, as a result of the start of production of various platforms, we recognized NRE revenue (revenue related to platform customizations). Automotive operational revenue increased by 26% year on year (Q2 '19 €90 million vs Q2 '18 €71 million).

Enterprise revenue in Q2 '19 was €40 million, 34% higher than the same quarter last year (Q2 '18: €30 million), mainly due to the expansion of our partnership with Microsoft.

Location Technology EBITDA showed a year on year decline. The increased gross profit was offset by a shift from CAPEX to OPEX and a higher spend in our map making activities.

During this year's TU-Automotive Detroit Conference, we announced that our Traffic service is now available to automakers with enhanced flexibility, further optimizing data consumption. The new feature, Flexible Radius, allows automakers to dynamically change how traffic information is delivered based on the driver's current route and local market needs.

A collaboration with the EU Data Task Force and other organizations was started in the quarter. The aim of the initiative is on improving road safety by sharing vehicle and infrastructure data between countries and manufacturers. In the proof of concept, vehicle generated data such as alerts and infrastructure information will be shared using a decentralized data architecture, with TomTom playing a critical role by processing these datasets and delivering them through our Traffic service.

In Enterprise, we launched enhancements to the Maps SDK for website applications during the WeAreDevelopers World Congress in Berlin. Our Maps SDK allow clients to add maps, search, routing, traffic, and/or geofencing to their website applications, allowing them to easily add store locations, route planner, and other features.

We continue to make headway in the development of our map-making platform, reaching an all-time high 1.9 billion modifications to our map in a single month. The constant improvement of our platform is made possible through the continued investment in the use of machine learning and AI, which enhances automation and expands our ability to process vast amounts of data with minimum human intervention.

Also in the quarter, our global map database was expanded to more than 67 million kilometers in 194 countries and territories, with the inclusion of four new regions in Africa and Asia.

Consumer

(€ in millions)	Q2 '19	Q2 '18	y.o.y. change	H1 '19	H1 '18	y.o.y. change
Consumer products	83.2	83.9	-1 %	136.2	140.9	-3 %
Automotive hardware	11.5	11.0	4 %	25.1	23.2	8 %
Total Consumer revenue	**94.7**	**94.9**		**161.3**	**164.1**	**-2%**
Consumer segment EBITDA				**39.7**	**35.1**	**13%**
EBITDA margin (%)				25%	21%	
Consumer segment EBIT				39.1	32.0	22%
EBIT margin (%)				24%	20%	

Total Consumer revenue for the quarter was flat year on year at €95 million. The strong quarter was the result of replacement sales due to the GPS week number rollover (WNRO) issue, which impacted older generation devices and pulled forward demand for our PNDs.

Consumer segment EBITDA improved year on year due to lower operating expenses as the size of the business decreased.

In the quarter, our new TomTom GO Navigation app with Apple CarPlay was launched. This new app for iOS makes use of our freshest maps and latest innovations and allow drivers to mirror the application on an in-dash screen.

GROSS MARGIN

The gross margin for the quarter was 67%, compared with 70% in Q2 '18. The year on year decrease was caused 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 €83 million (Q2 '18: profit of €10 million).

Total operating expenses in the quarter was €225 million, an increase of €104 million compared with the same quarter last year (Q2 '18: €121 million), mainly due to the change in the estimated remaining useful life of our map database, which resulted in an increased amortization expense. In addition, R&D expenses increased due to higher personnel costs to support our growing Location Technology business, as well as a result of lower capitalization of tools and content.

FINANCIAL INCOME, EXPENSES AND INCOME TAX

Total financial result, including results from associate, for the quarter was a income of €0.4 million (Q2 '18: income of €0.9 million), which consisted primarily of foreign exchange gains from the revaluation of monetary balance sheet items, offset by interest charged on cash balances following the divestment of Telematics before the capital distribution to shareholders.

In the quarter, we arranged a new revolving credit facility for an amount of €75 million. The new facility has a tenure of three years plus two one-year extension options. This facility replaced the previous €250 million credit facility.

The net income tax gain for the quarter was €17 million compared with an €3.3 million expense in Q2 '18. The tax gain is mainly the result of reversal of deferred tax liability associated with the accelerated amortization of acquisition-related intangible assets.

ADJUSTED NET RESULT AND ADJUSTED EPS

(€ in millions, unless stated otherwise)	Q2 '19	Q2 '18	H1 '19	H1 '18
Net result from continuing operations	-65.3	7.8	-80.6	1.8
Movement of deferred and unbilled revenue	-10.8	-10.4	-4.2	11.2
Acquisition related amortization	92.0	11.6	103.6	23.3
Tax impact	-17.0	-0.3	-20.8	-8.0
Adjusted net result	**-1.0**	**8.7**	**-2.0**	**28.3**
Adjusted EPS, € fully diluted	**-0.01**	**0.04**	**-0.01**	**0.12**

The net result from continuing operations for the quarter was a loss of €65 million compared with a gain of €8 million in Q2 '18. Adjusted net result for the quarter was a loss of €1.0 million, which translates to a fully diluted adjusted EPS of -€0.01 (Q2 '18: €0.04).

NET MOVEMENT OF DEFERRED AND UNBILLED REVENUES

(€ in millions)	Q2 '19	Q2 '18	H1 '19	H1 '18
Automotive	13.7	8.4	35.3	36.4
Enterprise	-21.2	-15.0	-29.1	-15.7
Consumer	-3.3	-3.8	-10.4	-9.5
Total	**-10.8**	**-10.4**	**-4.2**	**11.2**

The net movement in both Automotive and Enterprise for the quarter is explained by the timing of invoicing of certain customers.

BALANCE SHEET

WORKING CAPITAL

Trade receivables were €112 million in Q2 '19 compared with €93 million at the end of 2018. The inventory level at the end of the quarter was €19 million, a €7 million decrease from the end of last year.

Current liabilities excluding both deferred revenue and assets held for sale were €204 million, compared with €230 million at the end of 2018. The decrease is mainly due to a decrease in 'Accruals and other liabilities' reflecting personnel bonus payments in the first half of the year.

DEFERRED REVENUE

(€ in millions)	30 June 2019	31 December 2018
Automotive	209.4	172.1
Enterprise	6.4	17.4
Consumer	81.1	91.4
Total	**296.9**	**280.9**

Total deferred revenue was €297 million at the end of Q2 '19, compared with €281 million at the end of 2018. The sequential increase is driven by increase of Automotive deferred revenue, offset by releases of deferred revenue in Consumer and Enterprise.

CASH FLOW

In Q2'19, the free cash flow (FCF) from continuing operations was an inflow of €16 million versus an inflow of €16 million in the same quarter last year. Higher cash generated from operations was offset by higher tax cash out.

The cash flow used in investing activities for continuing operations in the quarter was €6 million, a €16 million decrease compared with the same quarter last year. The decrease reflects lower capitalization of tools and content.

CAPEX

(€ in millions)	Q2 '19	Q2 '18	H1 '19	H1 '18
Map content and map-making platform	4.2	17.8	10.4	33.7
Other	2.0	3.9	4.7	8.7
Total continuing operations	**6.1**	**21.7**	**15.1**	**42.4**
Telematics	0.0	2.9	1.0	4.5
Total	**6.1**	**24.6**	**16.0**	**46.9**

The cash flow from financing activities for the quarter excluding the capital repayment was an inflow of €0.7 million (Q2 '18: outflow of €2.7 million). In the quarter, 1.2 million options were exercised (Q2 '18: 0.5 million options), related to our long-term employee incentive programs, resulting in a €4.4 million cash inflow (Q2 '18: €2.0 million).

On 30 June 2019, the Group had no outstanding bank borrowings and reported a net cash position of €372 million (Q2 '18: net cash of €155 million).

DIVESTMENT OF TELEMATICS AND CAPITAL REPAYMENT

SALE OF TELEMATICS

The sale of Telematics to Bridgestone was completed on 1 April 2019. The net cash inflow from the sale was €873 million. The sale resulted in a gain, after the deduction of directly attributable transaction costs, of €807 million and is recognized in the net profit attributable to discontinued operations.

For further details regarding the sale, refer to note 8 of our interim financial report.

CAPITAL REPAYMENT AND SHARE CONSOLIDATION

The majority of the net proceeds of the transaction was distributed to shareholders through a capital repayment of €3.23 per pre-consolidated share, for a total repayment of €751 million, in combination with a share consolidation where each shareholder received 9 new shares for 16 old shares. After the share consolidation, the number of issued shares decreased from 235 million to 132 million shares.

For further details regarding the impact on the authorized and issued share capital refer to note 6 of the interim financial report.

- END -

TomTom NV

Interim Financial Report

30 June 2019

(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 4,800 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 information and navigation software to business customers in 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 the Portable Navigation Devices (PNDs).

MARKET AND TOMTOM OUTLOOK 2019

Within our Location Technology business we aim to grow through technology leadership in map making information systems, traffic and navigation software. We are ideally positioned to capitalize on opportunities in automated driving, namely ADAS and HD maps, and Maps APIs.

Our Consumer business is aimed at maximizing cash flows from the sale of PNDs.

We are updating our guidance for the year. Due to higher demand from both Location Technology and Consumer customers, we now expect to deliver full year revenue of around €700 million, 9% FCF (free cash flow) as a % of Group revenue and an adjusted EPS of around €0.15.

FINANCIAL REVIEW FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019

In the first half of 2019, the Group generated revenue of €380 million, which is €44 million higher compared with €336 million in the same period of 2018. Our year on year revenue development reflects growth in Location Technology revenue offset by a marginal decline in Consumer. The Group's gross margin for H1 '19 was 69% (H1 '18: 69%). Our operating result for H1 '19 was a loss of €96 million compared with a profit of €5 million in the same period last year. The decrease reflects mainly the change in estimated remaining useful life of our map database.

REVENUE

Location Technology generated revenue of €219 million in H1 '19, an increase of 27% compared with €172 million in H1 '18. Automotive generated revenue of €141 million in H1 '19, an increase of 26% compared with €112 million in H1 '18. Enterprise revenue in H1 '19 was €78 million compared with €60 million in H1 '18, an increase of 30%.

Consumer revenue for H1 '19 declined year on year by 2% to €161 million. This relatively limited decline is driven by GPS week number rollover (WNRO) issue impacting older generations of PNDs resulting in additional PND replacement sales in H1 '19.

GROSS RESULT

The gross profit for H1 '19 was €263 million, an increase of €31 million compared with the same period last year (H1 '18: €232 million). The gross margin in H1 '19 was 69%, flat compared with 69% in H1 '18.

OPERATING EXPENSES

Operating expenses in H1 '19 were €359 million compared with €226 million in H1 '18. Operating expenses increased by €133 million year on year, mainly due to the change in the estimated remaining useful life of our map database leading to higher amortization expense. In addition, the research and development costs increased due to lower capitalization of tools and content and increased personnel expenses.

OPERATING RESULT

The operating result for H1 '19 was a loss of €96 million compared with a profit of €5 million.

FINANCIAL RESULT

The financial result including result of associate was an expense of €2 million compared with an income of €2 million in the same period in 2018 mainly as a result of interest charged on the cash balances following the sale of Telematics, before the capital distribution to shareholders.

INCOME TAXES

In H1 '19, the Group recorded an income tax gain of €17 million versus a expense of €5 million in the same period last year. The tax gain is mainly the result of reversal of deferred tax liability relating to accelerated amortisation of acquisition-related intangible assets.

CASH FLOW

The cash flow from operating activities was €15 million, a decrease of €70 million compared to the same period last year. The decrease is mainly as a result of the divestment in Telematics effective from the beginning Q2'19 and higher working capital utilization in H1 '19.

Excluding cash received from the disposal of Telematics and dividends received, the cash flow used in investing activities during H1 '19 was €16 million, a decrease of €31 million compared with €47 million in the same period last year which reflects lower capitalization of map tools and content.

The cash flow from financing activities includes a cash inflow of €4.9 million from the exercise of 1.2 million options related to our long-term employee incentive program during H1 '19.

RELATED PARTY TRANSACTIONS

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

PRINCIPAL RISKS AND UNCERTAINTIES H1 '19

The Group risks mentioned in the Group Risk Profile section of TomTom’s 2018 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, 17 July 2019

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 '19 Unaudited	Q2 '18 Unaudited	H1 '19 Unaudited	H1 '18 Unaudited
Revenue	210,803	187,524	380,330	336,468
Cost of sales	68,759	56,237	117,032	104,557
Gross profit	**142,044**	**131,287**	**263,298**	**231,911**
Research and development expenses	78,840	52,445	151,339	98,314
Amortization of technology and databases	106,561	26,105	131,035	49,874
Marketing expenses	6,432	7,072	13,377	13,007
Selling, general and administrative expenses	33,170	35,434	63,699	65,266
Total operating expenses	**225,003**	**121,056**	**359,450**	**226,461**
Operating result	**-82,959**	**10,231**	**-96,152**	**5,450**
Financial income/(expense) and result associate	386	917	-1,866	1,537
Result before tax	**-82,573**	**11,148**	**-98,018**	**6,987**
Income tax gain/(expense)	17,319	-3,334	17,439	-5,202
Net result from continuing operations	**-65,254**	**7,814**	**-80,579**	**1,785**
Result after tax from discontinued operations	0	11,974	18,615	24,390
Net profit on business disposal	807,237	0	807,237	0
Total net result from discontinued operations	**807,237**	**11,974**	**825,852**	**24,390**
Net result	**741,983**	**19,788**	**745,273**	**26,175**
Attributable to:				
Equity holders of the parent	741,983	19,873	745,273	26,272
Non-controlling interests	0	-85	0	-97
Net result	**741,983**	**19,788**	**745,273**	**26,175**
Earnings per share (in €):				
Basic	3.88	0.09	3.53	0.11
Diluted	3.85	0.09	3.50	0.11
Earnings per share from continuing operations (in €):				
Basic	-0.34	0.03	-0.38	0.01
Diluted	-0.34	0.03	-0.38	0.01

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

(€ in thousands)	**Q2 '19 Unaudited**	**Q2 '18 Unaudited**	**H1 '19 Unaudited**	**H1 '18 Unaudited**
Net result	741,983	19,788	745,273	26,175
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial losses on defined benefit plans	-672	0	-672	0
Items that may be subsequently reclassified to profit or loss				
Currency translation differences	-2,319	1,302	-740	-2,683
Recycled currency translation differences on disposal of foreign operations	793	0	793	0
Other comprehensive (loss)/income for the period	**-2,198**	**1,302**	**-619**	**-2,683**
Total comprehensive income for the period	**739,785**	**21,090**	**744,654**	**23,492**
Attributable to:				
Equity holders of the parent	739,785	21,361	744,654	23,784
Non-controlling interests	0	-271	0	-292
Total comprehensive income for the period	**739,785**	**21,090**	**744,654**	**23,492**

The items in the statement above are presented net of tax.

CONSOLIDATED CONDENSED BALANCE SHEET

(€ in thousands)	30 June 2019 Unaudited	31 December 2018 Audited
Goodwill	192,269	192,294
Other intangible assets	509,622	634,728
Property, plant and equipment	29,194	26,380
Lease assets	34,337	35,393
Other contract related assets	12,971	10,426
Investments in associates	4,395	3,899
Deferred tax assets	5,495	5,296
Total non-current assets	**788,283**	**908,416**
Inventories	19,033	26,400
Trade receivables	111,981	92,530
Unbilled receivables	42,621	22,512
Other contract related assets	8,635	14,071
Other receivables and prepayments	56,891	54,998
Cash and cash equivalents	372,030	247,675
	611,191	**458,186**
Assets held for sale	0	128,323
Total current assets	**611,191**	**586,509**
Total assets	**1,399,474**	**1,494,925**
Total equity	**774,619**	**774,109**
Lease liabilities	24,855	25,558
Deferred tax liability	57,605	80,436
Provisions	41,087	48,220
Deferred revenue	168,521	155,875
Total non-current liabilities	**292,068**	**310,089**
Trade payables	52,871	51,076
Lease liabilities	11,902	13,172
Provisions	26,174	26,192
Deferred revenue	128,340	125,035
Other contract related liabilities	40,519	38,665
Income taxes	15,795	17,609
Accruals and other liabilities	57,186	83,571
	332,787	**355,320**
Liabilities associated with assets held for sale	0	55,407
Total current liabilities	**332,787**	**410,727**
Total equity and liabilities	**1,399,474**	**1,494,925**

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

(€ in thousands)	Q2 '19 Unaudited	Q2 '18 Unaudited	H1 '19 Unaudited	H1 '18 Unaudited
Operating result from continuing operations	-82,959	10,231	-96,152	5,450
Operating result from discontinued operations	0	14,659	19,016	26,326
Operating result	**-82,959**	**24,890**	**-77,136**	**31,776**
Financial losses	-208	-1,421	-644	-1,674
Depreciation and amortization	113,942	38,515	145,913	75,868
Change in provisions	-2,755	-4,136	-3,862	-8,694
Equity-settled stock compensation expenses	991	1,358	1,902	2,944
Changes in working capital:				
Change in inventories	5,159	4,196	5,592	4,916
Change in receivables and prepayments	-29,576	-20,366	-34,113	-17,075
Change in liabilities (excluding provisions)	17,587	11,604	-12,495	2,566
Cash generated from operations	**22,181**	**54,640**	**25,157**	**90,627**
Interest received	213	100	490	210
Interest paid	-1,203	-126	-1,640	-570
Corporate income taxes paid	-6,816	-1,687	-8,703	-4,982
Cash generated from operating activities	**14,375**	**52,927**	**15,304**	**85,285**
Investments in intangible assets	-3,530	-18,391	-8,381	-37,206
Investments in property, plant and equipment	-2,592	-6,196	-7,654	-9,735
Net cash flow on disposal of subsidiaries and businesses	873,439	0	873,439	0
Dividends received	174	0	174	75
Cash generated from/(used by) investing activities	**867,491**	**-24,587**	**857,578**	**-46,866**
Change in lease liabilities	-3,641	-4,556	-7,075	-7,342
Change in non-controlling interest	0	-145	0	-145
Capital repayment	-750,949	0	-750,949	0
Proceeds on issue of ordinary shares	4,369	1,981	4,901	2,680
Cash used in financing activities	**-750,221**	**-2,720**	**-753,123**	**-4,807**
Net increase in cash and cash equivalents	**131,645**	**25,620**	**119,759**	**33,612**
Cash and cash equivalents at the beginning of period	240,551	128,537	252,112	120,850
Exchange rate changes on cash balances held in foreign currencies	-166	1,135	159	830
Total cash and cash equivalents at the end of the period	**372,030**	**155,292**	**372,030**	**155,292**

[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	Shareholders' equity	Non-controlling interest	Total
Balance as at 1 January 2018	**47,064**	**1,068,149**	**-48,790**	**263,164**	**-609,993**	**719,594**	**2,308**	**721,902**
Comprehensive income								
Result for the period	0	0	0	0	26,272	26,272	-97	26,175
Other comprehensive income								
Currency translation differences	0	0	0	-2,488	0	-2,488	-195	-2,683
Total other comprehensive income	**0**	**0**	**0**	**-2,488**	**0**	**-2,488**	**-195**	**-2,683**
Total comprehensive income	**0**	**0**	**0**	**-2,488**	**26,272**	**23,784**	**-292**	**23,492**
Transactions with owners								
Share-based compensation related movements	0	-1,301	8,850	-1,925	0	5,624	0	5,624
Change in non-controlling interest	0	0	0	0	-156	-156	11	-145
Other movements								
Transfers between reserves	0	0	0	-15,717	15,717	0	0	0
Balance as at 30 June 2018	**47,064**	**1,066,848**	**-39,940**	**243,034**	**-568,160**	**748,846**	**2,027**	**750,873**
Balance as at 1 January 2019	**47,064**	**1,066,201**	**-37,707**	**251,799**	**-553,248**	**774,109**	**0**	**774,109**
Comprehensive income								
Result for the period	0	0	0	0	745,273	745,273	0	745,273
Other comprehensive income								
Currency translation differences	0	0	0	-740	0	-740	0	-740
Actuarial loss on defined benefit obligations	0	0	0	0	-672	-672	0	-672
Disposal of subsidiary	0	0	0	793	0	793	0	793
Total other comprehensive income	**0**	**0**	**0**	**53**	**-672**	**-619**	**0**	**-619**
Total comprehensive income	**0**	**0**	**0**	**53**	**744,601**	**744,654**	**0**	**744,654**
Transactions with owners								
Share-based compensation related movements	0	2,281	15,032	-3,903	-6,605	6,805	0	6,805
Capital repayment and share consolidation	-20,591	-730,358	10,905	0	-10,905	-750,949	0	-750,949
Other movements								
Transfers between reserves	0	0	0	-34,916	34,916	0	0	0
Balance as at 30 June 2019	**26,473**	**338,124**	**-11,770**	**213,033**	**208,759**	**774,619**	**0**	**774,619**

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

NOTES TO THE CONSOLIDATED 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 17 July 2019.

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 2018. 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 2019 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 2018, 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

Effective 1 January 2019 the Group adopted IFRIC 23 'Uncertainty over income tax treatment'. This IFRS interpretation clarifies the accounting for income tax when it is unclear whether a tax authority accepts the tax treatment. Other than a change in the presentation of provision for tax uncertainty on the balance sheet, the interpretation had no impact on the recognition and measurement of the Group's provision. When applicable, 2018 comparative figures have been restated to align with 2019 presentation.

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 2018 Annual Report.

Change in estimate

Driven by technological advances that allow for an acceleration of the speed at which our maps are updated, and also changes to our map production process, the requirements of our customers and increasing use of 3rd party data, we have reassessed and reduced the estimated remaining useful life of the map database from Tele Atlas acquisition to 24 months effective from 1 January 2019.

The remaining useful life of content capitalized since the acquisition that exceeds 6 years have been reduced to 6 years and all newly created content from 2019 onwards will be amortized over a period of 6 years. The impact of the change in estimate is increased amortization of €82 million in H1'19. While the triggers for change became apparent in the first quarter of 2019, the full H1 '19 impact is recorded in the second quarter of 2019 as the assessment was not fully completed in Q1 2019.

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.

Following the divestment of the Telematics segment (refer to note 8) the Group has redefined its operating segments into two distinct segments, namely, Location Technology and Consumer. The Group's internal management reporting is structured primarily on the basis of market segments in which the segments operate (B2B versus B2C).

Management assesses the performance of segments based on the measures of revenue, operating result (EBIT) and EBITDA, whereby the EBIT and EBITDA measure 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 such as goodwill impairment are excluded from management's measurement basis. Interest income and expenses and tax are not allocated to the segments.

The non-current assets within the Group include a significant portion of the carrying value of the step up resulting from a historic acquisition in 2008. As this step-up is not geographically allocated to the respective regions for internal management reporting, we believe that disclosure of geographic allocation would be highly judgmental and would not give a true representation of geographical spread of the Group's assets.

Measures of (non-current) assets and/or liabilities are not provided to the Management Board or internally to the chief operating decision maker and hence, no measure of segment assets and/or liabilities is reported.

(€ in millions)	H1 '19 Unaudited	H1 '18 Unaudited
Revenue	**380.3**	**336.5**
Location Technology	227.6	182.5
External customers	219.1	172.4
Inter-segment	8.5	10.1
Consumer	161.3	164.1
Eliminations	-8.5	-10.1
Revenue by nature	**380.3**	**336.5**
License revenue	169.2	156.0
Service revenue	71.3	50.9
Sale of goods revenue	139.8	129.6
Revenue by timing of revenue recognition	**380.3**	**336.5**
Goods and services transferred at a point in time	168.4	157.5
Goods and services transferred over time	211.9	178.9
EBIT	**-92.1**	**13.0**
Location Technology	-131.2	-19.0
Consumer	39.1	32.0
EBITDA	**53.8**	**78.3**
Location Technology	14.1	43.2
Consumer	39.7	35.1

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

(in € millions)	H1 '19 Unaudited	H1 '18 Unaudited
Total segment EBIT	-92.1	13.0
Expenses no longer allocated as a result of discontinued operations	0.0	-3.8
Unallocated expenses	-4.1	-3.8
Financial (expense)/income	-1.9	1.5
Result before tax	**-98.0**	**7.0**

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 '19 Unaudited	H1 '18 Unaudited
Earnings (€ in thousands)		
Net result attributable to equity holders	**745,273**	**26,272**
Earnings from continuing operations	-80,579	1,785
Earnings from discontinued operations	825,852	24,487
Number of shares (in thousands)		
Weighted average number of ordinary shares for basic EPS	211,209	230,615
Effect of dilutive potential ordinary shares (in thousands)		
Share options and restricted stock units	1,586	2,282
Weighted average number of ordinary shares for diluted EPS	212,795	232,897

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 Group's impairment test for goodwill is based on fair value less cost of disposal calculations. The key assumptions used to determine the recoverable amount for the different operating segments were disclosed in the annual consolidated financial statements for the year ended 31 December 2018.

No impairment charge was recorded in H1 '19 or H1 '18.

6. SHAREHOLDER'S EQUITY

During H1 '19 the Group completed a capital repayment to shareholders of €3.23 per pre-consolidated share, for a total cash payment of €751 million, followed by a share consolidation, whereby each shareholder received 9 new shares in exchange for 16 old shares. This concluded the Group's plan to distribute the majority of the proceeds from the sale of Telematics (refer to note 8) to shareholders.

This share consolidation resulted in a reduction in the issued number ordinary shares by 103 million shares with a corresponding decrease in the number of treasury shares on hand of 1.2 million shares. The new authorized and issued share capital is as follows:

	30 June 2019	30 June 2019 (in € thousands) Unaudited	31 December 2018	31 December 2018 (in € thousands) Audited
Ordinary shares	300,000,000	60,000	600,000,000	120,000
Preferred shares	150,000,000	30,000	300,000,000	60,000
Total authorized	**450,000,000**	**90,000**	**900,000,000**	**180,000**
Issued and fully paid				
Ordinary shares	132,366,672	26,473	235,318,516	47,064
Of which held in Treasury	1,298,514		4,078,002	

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

In H1 '19 1.6 million treasury shares were issued following the vesting of 0.4 million restricted stock units ('RSU') and the exercise of 1.2 million share options by employees (H1 '18: 1.0 million treasury shares issued for the vesting of 0.4 million RSU's and the exercise of 0.5 million share options).

7. SHARE-BASED COMPENSATION

Share-based compensation expenses amounted to €4.7 million in H1 '19 versus an expense of €4.1 million in the same period last year.

During H1 '19, the Group granted 820,750 restricted stock units and 16,640 stock options under the equity compensation plans of which 191,270 restricted stock units were granted to Management Board members. The restricted stock unit plan is accounted for as equity-settled and has a three-year service period as the only vesting condition.

The purpose of the share-based 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 share-based compensation, reference is made to note 8 and note 35 in our 2018 Annual Report.

8. DISCONTINUED OPERATIONS

On 27 September 2018, the Management Board announced to explore strategic alternatives for its Telematics business. The decision to sell Telematics, announced on 22 January 2019 was approved by shareholders on 18 March 2019.

At 30 November 2018, Telematics was classified as a discontinued operation and a disposal group held for sale.

The sale of Telematics was completed on 1 April 2019 resulting in a net gain of €807 million and a net cash inflow of €873 million. As Telematics was sold prior to the balance sheet date of 30 June 2019, the assets and liabilities classified as held for sale are no longer included in the statement of financial position.

The results of discontinued operations for the period are presented below:

(€ in thousands)	**H1 '19 Unaudited**	**H1 '18 Unaudited**
Revenue	44,582	86,694
Cost of sales	8,945	19,509
Gross result	**35,637**	**67,185**
Operating expenses	-16,621	-40,859
Net financial income	663	-1,933
Income tax expense	-1,064	-3
Result after tax from discontinued operations	**18,615**	**24,390**
Net profit on business disposal	807,237	0
Net result from discontinued operations	**825,852**	**24,390**
Earnings per share from discontinued operations		
Basic €	3.91	0.11
Diluted €	3.88	0.10

The net profit and the net cash inflow on disposal is reconciled as follows:

(€ in thousands)	H1 '19 Unaudited
Transaction proceeds net of direct transaction costs	907,397
Currency translation differences recycled to profit and loss	793
Net assets disposed of	-100,953
Net profit on business disposal	**807,237**
Transaction proceeds net of direct transaction costs	907,397
Cash balances disposed of	-33,958
Net cash inflow on business disposal	**873,439**

The sale of Telematics did not take place on an intercompany debt-free basis resulting in the recognition of payables amounting to €5.4 million at the date of disposal which were previously eliminated on consolidation.

The net cash flows of discontinued operations for the period are as follows:

(€ in thousands)	H1 '19 Unaudited	H1 '18 Unaudited
Operating	4,849	34,261
Investing	872,456	-4,420
Financing	-368	-983
Net cash inflow	**876,937**	28,858

9. RELATED PARTY TRANSACTIONS

Reference is made to note 7 for stock options granted to the members of the Management Board during H1 '19.

In the normal course of business, the Group receives map development and support services from its associate Cyient Ltd. Such transactions take place at the normal market conditions and the total payments made for these services in H1 '19 amounted to €9.5 million (H1 '18: €5.1 million).

10. SEASONALITY

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

11. COMMITMENTS AND CONTINGENT LIABILITIES

There were no material changes to the Group's commitments and contingent liabilities in the first half of 2019 from those disclosed in note 34 of our 2018 Annual Report.

12. FAIR VALUE AND FAIR VALUE ESTIMATION

The fair values of our monetary assets and liabilities as at 30 June 2019 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 2018 Annual Report.

13. SUBSEQUENT EVENTS

There has been no subsequent event from 30 June 2019 to the date of issue that affect the consolidated interim financial statements.

- END -

ACCOUNTING POLICIES

The condensed consolidated financial information for the three- and six-month period ended 30 June 2019 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 2018.

Unless otherwise indicated, the quarterly condensed consolidated information in this press release is unaudited 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.

Automotive operational revenue is IFRS Automotive revenue adjusted for the movement of deferred and unbilled revenue

Gross margin is calculated as gross profit divided by revenue

EBIT is equal to our operating result

EBIT margin is calculated as operating result divided by 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

Adjusted net result is calculated as net result of continuing operations attributed to equity holders adjusted for movement of deferred/unbilled revenue, impairments and acquisition related amortization on a post-tax basis

Adjusted EPS is calculated as adjusted net result divided by the weighted average number of diluted shares over the period

Net cash is defined as our cash and cash equivalents including cash classified as held-for-sale (IFRS 5) minus the nominal value of our outstanding bank borrowings

Free cash flow is cash flow before financing from continuing operations

FOR MORE INFORMATION

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AUDIO WEBCAST SECOND QUARTER 2019 RESULTS

The information for our audio webcast is as follows:

Date and time: 17 July 2019 at 14:00 CET

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

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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