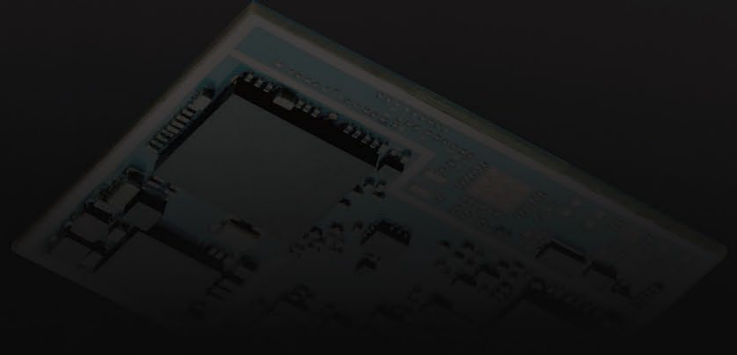
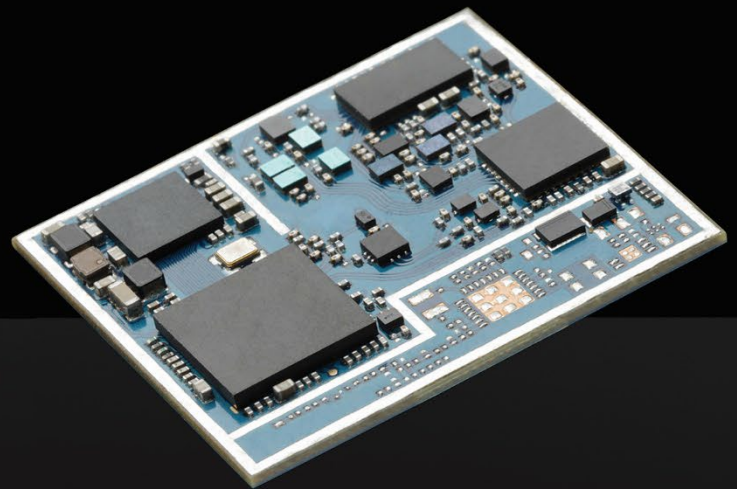




HALF-YEAR REPORT 2022



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Financial highlights

Revenue in m CHF

294.4

H1.2021: 192.7 – Growth rate: 52.7%

Operating cashflow in m CHF

30.4

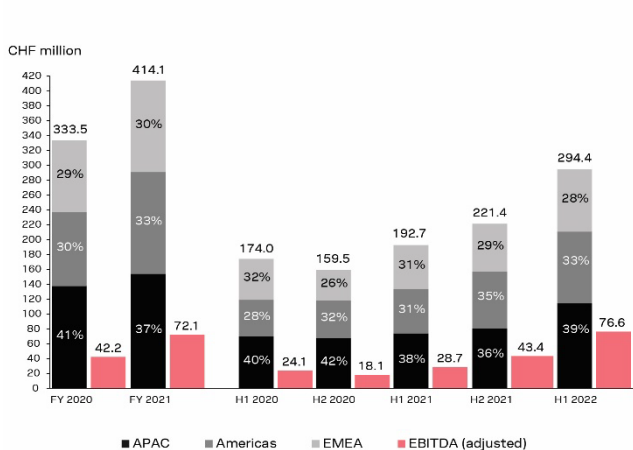
H1.2021: 43.0 – Growth rate: -29.2%

Equity ratio in %

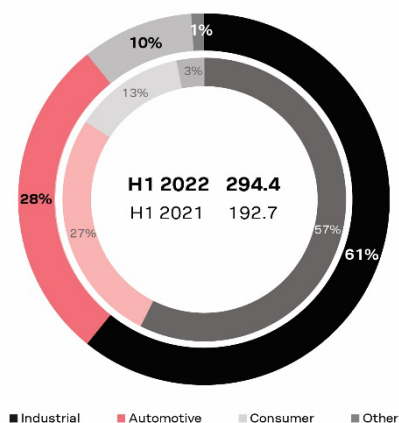
63.1%

YE2021: 59.9%

Revenue by geography / EBITDA (adjusted) in m CHF



Revenue by market



Operating profit (adjusted) in m CHF

57.4

H1.2021 (adjusted): 10.5 – Growth rate: 445.4%

Net profit (adjusted) in m CHF

48.7

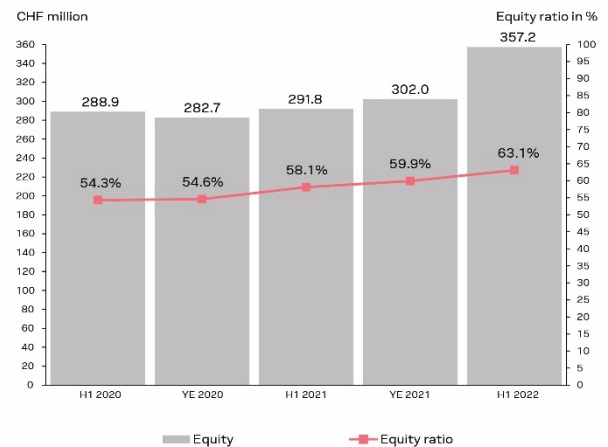
H1.2021 (adjusted): 6.3 – Growth rate: 674.5%

Gross profit (adjusted) in %

48.9%

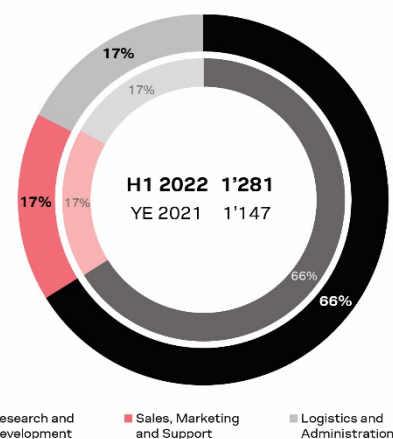
H1.2021 (adjusted): 46.7%

Total equity and equity ratio at period end in m CHF



Employee breakdown

Spread over 18 countries, 76% of employees based outside Switzerland



u-blox reports first half 2022 financial results

u-blox (SIX: UBXN), a global leader in wireless and positioning technologies, today announced its financial results for the first half of 2022 (1H 2022).

Financial Summary

(All comparisons versus the same period of last year, unless otherwise noted)

- Revenues of CHF 294.4 million compared to revenues of CHF 192.7 million, an increase of 52.7% (at constant exchange rates: +49.9%).
- Gross profit (adjusted) of CHF 143.8 million compared to CHF 89.9 million, an increase of 59.9%, and equivalent to an adjusted gross margin of 48.9% versus 46.7%, plus 220 bps.
- EBITDA (adjusted) of CHF 76.6 million, compared to CHF 28.7 million, corresponding to an adjusted EBITDA margin of 26.0%.
- EBIT (adjusted) of CHF 57.4 million, compared to CHF 10.5 million, equivalent to an adjusted EBIT margin of 19.5%.
- Net profit (adjusted) of CHF 48.7 million, compared to CHF 6.3 million.
- Cash flow from operating activities of CHF 30.4 million, compared to CHF 43.0 million.
- Free cash flow of CHF 6.6 million, compared to CHF 27.7 million.
- CHF 89.3 million of cash and cash equivalents as of 30 June 2022, compared to CHF 83.7 million as of 31 December 2021.

Since the beginning of 2022, the company has announced numerous product launches and partnerships which strongly enhanced its solution capabilities across the entire platform.

Product Launches:

- IoT certificate manager: a new security service that continuously renews device credentials in a fully automated mode. Together with u-blox's existing zero touch provisioning service, it provides out-of-the-box on-boarding to IoT cloud platforms with total control of the device certificate lifecycle. Certificate lifecycle control target IoT devices that integrate with leading IoT cloud platforms including the AWS IoT Core, Azure IoT Hub, and DPS services.
- u-blox ANT-B10 antenna board for Bluetooth: designed for integration into commercial end-products, the board enables low power, high precision indoor positioning and speeds up evaluation, testing and commercialization of Bluetooth direction finding and indoor positioning solutions.
- MAYA-W2 tri-radio module: supporting Wi-Fi 6, Bluetooth® low energy (LE) 5.2 and IEEE 802.15.4 (Thread and Zigbee) on a compact form factor, the module brings Wi-Fi 6 technology to industrial and consumer mass-market applications in industrial automation, smart building & energy management, healthcare, smart home and many other applications.
- MIA-M10: the smallest GNSS (Global Navigation Satellite System) module series to date. Built on the ultra-low-power u-blox M10 GNSS platform, MIA-M10 offers the most power-efficient solution for size-constrained battery-powered asset tracking devices. The module targets an expanding market for people, pets and livestock trackers, as well as industrial sensors and consumer goods.
- Two cellular LTE Cat 1 modules: the u-blox LARA-R6, the smallest LTE Cat 1 module with global coverage on the market, and the u-blox LENA-R8 which includes a global navigation satellite system (GNSS) receiver based on the u-blox M10 platform. Together, the modules comprise five certified global, multi-regional and regional product variants, simplifying logistics for product developers and increasing design flexibility.

Partnerships with:

- Universal Douglas Lighting Americas, a leading manufacturer of scalable lighting solutions: partnership to develop a new open standard Bluetooth Mesh platform. The resulting SIGMesh platform will be based on the u-blox NINA-B406 Bluetooth low energy module and will serve building automation use cases, including smart lighting, access control and energy management.

- Exsurgo, a company developing technology-based neurological treatments: partnership to offer Exsurgo's Axon headset for chronic pain treatment which will run on a u-blox ANNA-B112 Bluetooth 5 system-in-package (SIP) also used for wireless communication. The headset is part of a 116-person clinical trial to prove safety and efficacy. Exsurgo plans to take the device into high-volume production before 2022-year end to serve the USA, the UK and the European Union markets.
- Fitogether, a South Korea-based developer of the OHCOACH wearable sports tracking solution: partnership offers more than 350 football clubs in 44 countries, the highest positioning accuracy among GNSS (Global Navigation Satellite System) products in the Electronic Performance and Tracking Systems (EPTS) industry quality test report on these products has been already conducted by FIFA, the international football organization.
- Geespace, the world's leading provider of AICT (aerospace information and communications) infrastructure and application solutions: MoU for the expansion of respective augmentation services for high precision applications to the US, European, and Chinese markets, primarily in the automotive sector.
- EMEA: 1H 2022 revenues increased to CHF 83.6 million (+41.8%) from CHF 59.0 million reported for 1H 2021 primarily thanks to increased demand in industrial automation solutions and buoyant demand in automotive.
- APAC: 1H 2022 revenues were CHF 114.5 million (+54.9%), compared to CHF 73.9 million generated during 1H 2021 driven by strong growth in healthcare, networks and in automotive applications. Business in China remained flat due to supply constraints and COVID impacts.

Revenues by segment

- Positioning and wireless products: 1H 2022 revenues for chips and modules for positioning and wireless connectivity that are used in industrial, automotive and consumer applications amounted to CHF 293.9 million compared to CHF 192.7 million during 1H 2021.
- Wireless services: 1H 2022 revenues for wireless communication technology services including data services, reference designs, and software increased to CHF 21.5 million compared to CHF 17.5 million in 1H 2021 (including intra group revenue).

During 1H 2022, u-blox continued to expand its customer base and as of 30 June 2022, its customer base increased to over 14,500 customers worldwide (12,200 at the end of 2021). During 1H 2022, u-blox generated approximately 80% of its total revenues from 65 customers, with its largest customer accounting for less than 4.0% of total revenues.

Adjusted gross profit increased by 59.9% to CHF 143.8 million in 1H 2022, from CHF 89.9 million, resulting in an increased adjusted gross profit margin of 48.9% (1H 2021: 46.7%). The gross margin benefitted from favorable product mix changes and realized price increases.

Adjusted operating expenses, which include R&D, distribution, marketing and G&A expenses, totaled CHF 87.1 million in 1H 2022, compared to CHF 80.5 million. As a percentage of revenue, operating expenses were 29.6% of total revenue compared to 41.8% in the same period of last year.

R&D expenses (adjusted) remained stable at CHF 52.6 million during 1H 2022, compared to CHF 52.3 million. Despite an increase in headcount, the R&D expense ratio benefitted from a weak EUR/CHF exchange rate. As percentage of revenue,

Financial Overview

During 1H 2022, u-blox generated revenues of CHF 294.4 million, EBIT (adjusted) of CHF 57.4 million and EBITDA (adjusted) of CHF 76.6 million. Revenues in all regions were higher in 1H 2022 compared to the same period of the previous year, reflecting strong and broad-based expansion of overall demand. The stronger USD/CHF exchange rate had a 2.8% positive impact on revenue growth.

For the 1H 2022 period, revenues in all regions and business segments substantially increased as compared to the same period of last year, despite supply chain constraints. Specifically:

Revenues by region

- AMEC: 1H 2022 revenues rose to CHF 96.3 million from CHF 59.9 million recorded during 1H 2021 (+60.8%) due to higher demand in healthcare and industrial automation. Also, demand for automotive applications expanded strongly.

R&D expenses decreased to 17.9% (1H 2021: 27.1%).

Distribution and marketing expenses (adjusted) in 1H 2022 increased to CHF 21.6 million, compared to CHF 18.1 million, due to better margin which resulted in higher personnel bonus accruals, and an enlarged workforce. Regardless, as percentage of revenue, distribution and marketing expenses (adjusted) decreased to 7.3% in 1H 2022, from 9.4%.

Financing costs of CHF 0.8 million (1H 2021: CHF 6.6 million) consisted primarily of interest payments for the outstanding bond. Unrealized foreign currency gains from the USD resulted in finance income of CHF 3.1 million (1H 2021: CHF 5.1 million). After acquisition of 100% of the shares of Sapcorda GmbH, the share of loss of equity-accounted investees net of tax reduced to CHF 0.1 million (1H 2022: CHF 1.5 million).

Net profit (adjusted) before minority interests substantially increased to CHF 48.7 million, compared to CHF 6.3 million. Diluted EPS (adjusted) increased accordingly to CHF 7.00 per share during 1H 2022, compared to CHF 0.89 per share in 1H 2021.

Net cash generated from operating activities

Cash from operating activities amounted to CHF 30.4 million during 1H 2022, compared to CHF 43.0 million generated in the same period of the previous year. This was largely thanks to higher investments into net working capital to support the fast growing business and inventory build-up.

Investing Activities

Investments in property, plant and equipment and intangible assets totaled CHF 24.4 million during 1H 2022, compared to CHF 17.4 million. Free cash flow (before acquisitions) amounted to CHF 6.6 million, compared to CHF 25.8 million in 1H 2021.

Financial Position

As of 30 June 2022, u-blox had a solid balance sheet with an increased equity ratio of 63.1% (31 December 2021: 59.9%). Cash and cash equivalents totaled CHF 89.3 million as of 30 June 2022, compared to CHF 83.2 million as of 31 December 2021.

Management Commentary

Thomas Seiler, Chief Executive Officer of u-blox, commented: "Despite the ongoing challenging environment, demand for and interest in our products has remained strong across all markets and business segments. Thus, we were able to substantially increase our top and bottom lines as compared to the first and second halves of 2021, with record numbers in terms of revenues and profitability.

During the first half of 2022, we saw strong demand and higher bookings across all markets: Industrial (especially for connectivity), Automotive and Consumer. Order fulfilment is still somewhat affected by supply limitations, but we managed to improve the situation. The introduction of re-designed products, coupled with re-modelling of other products, provided us with multiple solutions to manage specific shortages. We also focused our efforts on negotiating with multiple suppliers and sub-contractors to achieve acceptable delivery schedules for our clients. As a result, billings have been exceptionally strong. Order book as of end of June 2022 almost doubled as compared to a year ago. Furthermore, due to the steps we took to implement sales price adjustments, our operating leverage improved, we are now seeing gross margin improvements. Adjusted EPS increased to CHF 7.00 per share for the period."

"We have well managed the supply-chain challenges we faced since the start of the pandemic thanks to our highly diversified supplier base. Demand remains robust thanks to our large geographic customer footprint, strong interest in our new and existing products and solutions which results in continued strong order intake. Although, for the foreseeable future, we expect global supply-chain disruptions to continue to affect all businesses across the globe and our ability to source components from our suppliers, we have been quite successful in managing and balancing component supply with product demand from our customers, and fulfill their orders as quickly as possible. This was largely due to several game-changing actions we took to address customers' low inventory levels, including changing our operating model from an inventory-based system to an availability-driven system."

Outlook

Mr. Seiler concluded: “We continue to provide our customers with value-adding innovative products and solutions which will generate higher revenues. Our visibility for the remainder of the year remains solid due to our record high order book. Thus, for FY 2022, we expect an acceleration of revenue growth to 46% to 54% as compared to FY 2021 and our profitability to improve further.

While we believe u-blox is well positioned to continue to grow revenues and improve profitability, the global market volatility that continues to affect businesses worldwide, coupled with reverberations from the COVID-19 epidemic might affect our supply-chain and the market demand. However, we expect this effect to be mild due to the multiple proactive steps we have taken. Our business model is designed to maintain solid long-term customer relationships despite supply constraints.

Looking beyond 2022, we see multiple new opportunities arising from the widespread IoT adoption and the desire for connectivity throughout the world. Thus, we expect demand for our products to remain strong across all regions.”

	<i>Actual FY 2021 (in CHF millions) (adjusted)</i>	<i>Guidance 2022⁽¹⁾ ⁽²⁾ (adjusted) As of 11 March 2022</i>	<i>Updated guidance 2022⁽¹⁾ ⁽²⁾ (adjusted) As of 30 May 2022</i>	<i>Updated guidance 2022⁽²⁾ ⁽³⁾ (adjusted) As of 19 August 2022</i>
Revenue	414.1m	+21...32%	+27...39%	+46...54%
EBITDA	72.1m	+16...18%	+17...21%	+22...25%
EBIT	35.1m	+8...10%	+10...14%	+16...19%

¹⁾ Exchange rate assumptions for 2022: Average rate of 2021 (USD: 0.914, EUR: 1.081, GBP: 1.257)

²⁾ Changes as compared to FY 2021

³⁾ Exchange rate assumptions for H2 2022: Average rate of H1 2022 (USD: 0.944, EUR: 1.032, GBP: 1.226)



André Müller

Chairman of the Board of Directors



Thomas Seiler

CEO

Table 1: Consolidated income statement (adjusted)

(in CHF 000s)	Jan. - June 2022 (IFRS)	% revenue	Adjust- ments ²	Jan. - June 2022 (adjusted)	% revenue	Jan. - June 2021 (adjusted)	% revenue
Revenue	294'391	100.0		294'391	100.0	192'734	100.0
Cost of sales	-150'649	-51.2	95	-150'554	-51.1	-102'801	-53.3
Gross profit	143'742	48.8	95	143'837	48.9	89'933	46.7
Distribution and marketing expenses	-22'316	-7.6	733	-21'583	-7.3	-18'066	-9.4
Research and development expenses	-54'400	-18.5	1'815	-52'585	-17.9	-52'278	-27.1
General and administrative expenses	-13'879	-4.7	924	-12'955	-4.4	-10'198	-5.3
Other income	704	0.2		704	0.2	1'137	0.6
Operating profit (EBIT)	53'851	18.3	3'567	57'418	19.5	10'528	5.5
Financial income	3'149	1.1		3'149	1.1	5'090	2.6
Finance costs	-744	-0.3		-744	-0.3	-6'594	-3.4
Share of profit of equity-accounted investees, net of taxes	-134	0.0		-134	0.0	-1'456	-0.8
Profit before income tax (EBT)	56'122	19.1	3'567	59'689	20.3	7'568	3.9
Income tax expense	-10'314	-3.5	-647	-10'961	-3.7	-1'277	-0.7
Net profit	45'808	15.6	2'920	48'728	16.6	6'291	3.3
Minority interests	0	0.0		0	0.0	21	0.0
Net profit, attributable to owners of the parent	45'808	15.6	2'920	48'728	16.6	6'270	3.3
Earnings per share in CHF	6.60			7.02		0.89	
Diluted earnings per share in CHF	6.58			7.00		0.89	
Operating profit (EBIT)	53'851	18.3	3'567	57'418	19.5	10'528	5.5
Depreciation and amortization	20'494	7.0	-1'355	19'139	6.5	18'196	9.4
EBITDA¹⁾	74'345	25.3	2'212	76'557	26.0	28'724	14.9

¹⁾ Management calculates EBITDA (earnings before interest, taxes, depreciation and amortization) by adding back depreciation and amortization to operating profit (EBIT), in each case determined in accordance with IFRS.

²⁾ Adjustments are impacts of share based payments, Pension calculation according to IAS-19, Non-recurring expenses and amortization of intangible assets acquired.

Table 2: Consolidated statement of cash flows (condensed)

(in CHF 000s)	For the period ended June 30, 2022	For the period ended June 30, 2021
Net profit	45'808	2'255
Depreciation & Amortization	20'494	19'813
Other non-cash transactions	2'689	2'942
Financial income & Financial expense	-2'271	2'960
Income tax expense	10'314	383
Changes in Net Working Capital and provisions	-51'049	8'901
Income tax paid	4'430	5'711
Net cash generated from operating activities	30'415	42'965
Net investment into property, plant and equipment	-3'794	-1'893
Net investment into intangibles	-20'567	-15'541
Net investment into financial assets	504	315'
Acquisition of subsidiaries, net of cash acquired & participations	0	1'831
Net cash used in investing activities	-23'857	-15'288
Free Cash Flow (before acquisition & participations in capital increase)	6'558	25'846
Free Cash Flow	6'558	27'677
Proceeds from issuance of ordinary shares	0	0
Proceeds from exercise of options	1'843	0
Net proceeds from borrowings	0	-34'962
Payment of lease liabilities	-2'592	-2'563
Purchase of treasury shares	0	0
Non-controlling interests	0	82
Interest paid	-1'108	-2'323
Net cash provided by / used in financial activities	-1'857	-39'766
Net decrease in cash and cash equivalents	4'701	-12'089
Cash and cash equivalents at beginning of year	83'245	93'874
Exchange gains/(losses) on cash and cash equivalents	1'320	3'314
Cash and cash equivalents at the end of the period	89'266	85'099

Table 3: Consolidated statement of financial position (condensed)

(in CHF 000s)	At June 30, 2022 (unaudited)	in %	At December 31, 2021 (audited)	in %
ASSETS				
Current assets				
Cash and cash equivalents	89'266	15.8	83'245	16.5
Marketable securities	0	0.0	500	0.1
Trade accounts receivable	76'641	13.6	51'063	10.1
Other assets	98'237	17.4	66'679	13.2
Total current assets	264'144	46.7	201'487	39.9
Non-current assets				
Property, plant and equipment	11'903	2.1	11'328	2.2
Right-of-use assets	31'656	5.6	31'962	6.3
Goodwill	55'997	9.9	58'216	11.5
Intangible assets	196'201	34.7	190'440	37.8
Financial assets (incl. equity accounted investees)	2'293	0.4	1'851	0.4
Deferred tax assets	3'392	0.6	9'188	1.8
Total non-current assets	301'442	53.3	302'985	60.1
Total assets	565'586	100.0	504'472	100.0
LIABILITIES AND EQUITY				
Current liabilities	151'982	26.9	79'492	15.8
Non-current liabilities	56'449	10.0	122'972	24.4
Total liabilities	208'431	36.9	202'464	40.1
Shareholders' equity				
Share capital	105'300	18.6	105'300	20.9
Share premium	16'600	2.9	16'600	3.3
Retained earnings	235'255	41.6	180'108	35.7
Total equity, attributable to owners of the parent	357'155	63.1	302'008	59.9
Non-controlling interest	0	0.0	0	0.0
Total equity	357'155	63.1	302'008	59.9
Total liabilities and equity	565'586	100.0	504'472	100.0

u-blox Holding AG, Thalwil

Condensed consolidated interim financial statements

June 30, 2022

Consolidated statement of financial position

in CHF 1 000	June 30, 2022 (unaudited)	in %	December 31, 2021 (audited)	in %
Assets				
Current assets				
Cash and cash equivalents	89'266	15.8	83'245	16.5
Marketable securities	0	0.0	500	0.1
Trade accounts receivable	76'641	13.6	51'063	10.1
Other receivables	30'530	5.4	14'114	2.8
Current tax assets	0	0.0	9'441	1.9
Inventories	46'475	8.2	31'446	6.2
Prepaid expenses and accrued income	21'232	3.8	11'269	2.2
Derivative financial assets	0	0.0	409	0.1
Total current assets	264'144	46.8	201'487	39.9
Non-current assets				
Property, plant and equipment	11'903	2.1	11'328	2.2
Right-of-use assets	31'656	5.6	31'962	6.3
Goodwill	55'997	9.9	58'216	11.5
Intangible assets	196'201	34.6	190'440	37.8
Other financial assets	1'650	0.3	1'074	0.3
Equity-accounted investees	643	0.1	777	0.2
Deferred tax assets	3'392	0.6	9'188	1.8
Total non-current assets	301'442	53.2	302'985	60.1
Total assets	565'586	100.0	504'472	100.0
Liabilities and equity				
Current liabilities				
Trade accounts payable	40'269	7.1	25'001	5.0
Other payables	8'226	1.5	10'115	2.0
Lease liabilities	5'277	0.9	5'387	1.1
Current tax liabilities	2'682	0.5	1'852	0.4
Accrued expenses	35'519	6.3	37'137	7.4
Derivate financial liabilities	103	0.0	0	0.0
Financial liabilities	59'906	10.6	0	0.0
Total current liabilities	151'982	26.9	79'492	15.9
Non-current liabilities				
Financial liabilities	0	0.0	59'844	11.9
Other payables	4'674	0.8	5'313	1.1
Provisions	8'454	1.5	7'685	1.5
Pension liabilities	10'951	1.9	21'266	4.2
Lease liabilities	27'352	4.9	27'402	5.4
Deferred tax liabilities	5'018	0.9	1'462	0.2
Total non-current liabilities	56'449	10.0	122'972	24.3
Total liabilities	208'431	36.9	202'464	40.2
Shareholders' equity				
Share capital	105'300	18.6	105'300	20.8
Share premium	16'600	2.9	16'600	3.3
Treasury shares	-27'983	-4.9	-31'924	-6.3
Cumulative translation differences	-25'600	-4.5	-22'720	-4.5
Retained earnings	288'838	51.0	234'752	46.5
Total equity, attributable to equity holders of the parent	357'155	63.1	302'008	59.8
Non-controlling interest	0	0.0	0	0.0
Total equity	357'155	63.1	302'008	59.8
Total liabilities and equity	565'586	100.0	504'472	100.0

These condensed interim financial statements should be read in conjunction with the accompanying notes.

Consolidated income statement

in CHF 1 000	1.1.-30.6. 2022 (unaudited)	in %	1.1.-30.6. 2021 (unaudited)	in %
Revenue	294'391	100.0	192'734	100.0
Cost of sales	-150'649	-51.2	-103'008	-53.4
Gross profit	143'742	48.8	89'726	46.6
Distribution and marketing expenses	-22'316	-7.6	-18'831	-9.8
Research and development expenses	-54'400	-18.5	-54'430	-28.2
General and administrative expenses	-13'879	-4.6	-12'004	-6.2
Other income	704	0,2	1'137	0.5
Operating profit/loss	53'851	18.3	5'598	2.9
Finance income	3'149	1.1	5'090	2.6
Finance costs	-744	-0.3	-6'594	-3.3
Share of loss of equity-accounted investees, net of taxes	-134	0.0	-1'456	-0.8
Profit/loss before income tax (EBT)	56'122	19.1	2'638	1.4
Income tax benefit/(expense)	-10'314	-3.5	-383	-0.2
Net profit	45'808	15.6	2'255	1.2
Net profit attributable to non-controlling interest	0	0.0	21	0.0
Net profit attributable to equity holders of the parent	45'808	15.6	2'234	1.2
Basic earnings per share (in CHF)	6.60		0.32	
Diluted earnings per share (in CHF)	6.58		0.32	

These condensed interim financial statements should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income

in CHF 1 000	1.1.-30.6. 2022 (unaudited)	1.1.-30.6. 2021 (unaudited)
Net profit for the period	45'808	2'255
Other comprehensive income	11'043	
Remeasurements on pension liability		3'990
Income tax on remeasurements on pension liability	-1'999	-758
Items that will not be reclassified to income statement	9'044	3'232
Currency translation differences	-2'880	2'141
Items that are or may be reclassified subsequently to income statement	-2'880	2'141
Other comprehensive income for the period, net of taxes	6'164	5'373
Total comprehensive income	51'972	7'628
Total comprehensive income attributable to non-controlling interest	0	21
Total comprehensive income, attributable to equity holders of the parent	51'972	7'607

These condensed interim financial statements should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

in CHF 1 000	Share capital	Share premium	Treasury shares	Cumulative translation differences	Retained earnings	Total equity, attributable to equity holders of the parent	Total non-controlling interest	Total equity
Balance at January 1, 2021	105'300	16'600	-31'924	-19'765	212'334	282'854	140	282'685
Net profit/loss for the period	0	0	0	0	2'234	2'234	21	2'255
Other comprehensive income for the period, net of taxes	0	0	0	2'141	3'232	5'373	0	5'373
Total comprehensive income	0	0	0	2'141	5'466	7'607	21	7'628
Share-based payments ¹⁾	0	0	0	0	1'656	1'656	0	1'656
Dividend out of share premium	0	0	0	0	0	0	0	0
Options exercised during the year, net of transaction costs	0	0	0	0	0	0	0	0
Total transactions with equity holders of the parent	0	0	0	0			0	
Disposal of entity containing non-controlling interest							-161	-161
Balance at June 30, 2021 (unaudited)	105'300	16'600	-31'924	-17'624	219'456	291'808	0	291'808
Balance at January 1, 2022	105'300	16'600	-31'924	-22'720	234'752	302'008	0	302'008
Net profit for the period	0	0	0	0	45'808	45'808	0	45'808
Other comprehensive income for the period, net of taxes				-2'880	9'044	6'164	0	6'164
Total comprehensive income				-2'880	54'852	51'972	0	51'972
Share-based payments ¹⁾					1'332	1'332	0	1'332
Dividend out of share premium								
Options exercised during the year, net of transaction costs			3'941		-2'098	1'843		1'843
Total transactions with equity holders of the parent			3'941		-766	3'175		3'175
Disposal of entity containing non-controlling interest							0	
Balance at June 30, 2022 (unaudited)	105'300	16'600	-27'983	-25'600	288'838	357'155	0	357'155

¹⁾ Represents the amount of stock option expense of CHF 1.4 million (2021: CHF 1.8 million) including respective tax effects of CHF 100 thousand (2021: CHF 130 thousand) recognized for 2022 and 2021 respectively.

These condensed interim financial statements should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

in CHF 1 000	For the period ended June 30, 2022 (unaudited)	For the period ended June 30, 2021 (unaudited)
Net profit/loss	45'808	2'255
Adjustments for:		
Depreciation&Amortization	20'494	19'746
Impairment of intangible assets	0	67
Other non-cash transactions	2'689	2'942
Financial income & Financial expense	-2'271	2'960
Income tax expense	10'314	383
Change in net working capital	-51'815	8'511
Change in provisions	766	390
Income tax received/(paid)	4'430	5'711
Net cash generated from operating activities	30'415	42'965
Net investment into property, plant and equipment	-3'794	-1'893
Net investment into intangible assets	-20'567	-15'541
Proceeds from sale of marketable securities	618	0
Acquisition of/Proceeds from sale of financial assets	-454	3
Acquisition of subsidiaries, net of cash	0	1'831
Interest received	340	312
Net cash used in investing activities	-23'857	-15'288
Proceeds from exercise of options	1'843	0
Repayment of borrowings and other payables ¹⁾	0	-34'962
Payments of lease liabilities	-2'592	-2'563
Interest paid	-1'108	-2'323
Non-controlling interest	0	82
Net cash used in financing activities	-1'857	-39'766
Net increase/(decrease) in cash and cash equivalents	4'701	-12'089
Cash and cash equivalents at beginning of period	83'245	93'874
Effect of exchange rate fluctuations on cash and cash equivalents	1'320	3'314
Cash and cash equivalents at end of period	89'266	85'099

¹⁾ During the first half of 2021 the Group repaid the 2015 bond in the amount of CHF 60 million and concluded a short-term bank financing in the amount of CHF 25 million.

Notes to the condensed consolidated interim financial statements

1 Basis of preparation of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements of u-blox Holding AG ('u-blox' or the 'Group') were prepared in accordance with IAS 34 "Interim Financial Reporting". These condensed consolidated interim financial statements do not include all the notes contained in the consolidated annual financial statements, and for that reason should be read in conjunction with the consolidated annual financial statements for the year ended December 31, 2021.

The condensed consolidated interim financial statements have been prepared in Swiss francs (CHF), rounded to the nearest thousand, except for per share amounts.

The preparation of the condensed consolidated interim financial statements requires management judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses as well as disclosure of contingent assets and liabilities.

Although these judgments, estimates and assumptions are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

In these condensed consolidated interim financial statements significant estimates and assumptions made by management are not different from those disclosed in the consolidated financial statements for the year ended December 31, 2021.

Income taxes are recognized based on best estimate of the weighted average annual tax rate for 2022.

The Group operates in markets where no significant seasonal or cyclical variations in revenue are experienced during the financial year.

The following rates were used to translate the financial statements of the Group's entities into CHF for consolidation purposes:

	June 30, 2022		December 31, 2021	
	Average rate	Closing rate	Average rate	Closing rate
EUR	1.03196	1.00090	1.08129	1.03697
USD	0.94415	0.95497	0.91407	0.91170
GBP	1.22569	1.16277	1.25743	1.23367

Changes in accounting policies

The accounting policies applied in these interim financial statements are the same as those described in the Group's consolidated financial statements for the year ended December 31, 2021. The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements for the year ended December 31, 2022.

2 Segment information

In accordance with the management structure and the reporting made to the Board of Directors (the Group's Chief Operating Decision Maker, which is the Board of Directors of u-blox Holding AG), the reportable segments are the two operating Corporate Groups 'Positioning and Wireless products' and 'Wireless services'. Segment accounting is prepared up to the level of Operating Profit (EBIT) because this is the key metric used for management purposes. All operating assets and liabilities that are directly attributable or can be allocated on a reasonable basis are reported in the respective Corporate Groups. No distinction is made between the accounting policies of segment reporting and those of the consolidated financial statements. No operating segments were aggregated.

The following reportable segments were identified.

Positioning and Wireless products

The Group develops and distributes GPS/GNSS positioning receivers and wireless communication modules which are mainly used in automotive, industrial and consumer applications. Products are marketed and sold by the u-blox worldwide sales organization. The products are manufactured by third parties. The Group coordinates the entire supply chain and manages the world-wide production and distribution of the products.

Wireless services

Since the acquisitions of u-blox Italia S.p.A., u-blox San Diego Inc. and Thingstream, u-blox also offers services in the wireless communication technology which forms a separate business segment, as these products consist of delivery of reference designs and software.

	Positioning and Wireless products		Wireless services		Total segments		Non-allocated/ Eliminations		Group	
	January – June		January – June		January – June		January – June		January – June	
in CHF 1 000	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue third	293'886	192'680	505	54	294'391	192'734		0	294'391	192'734
Revenue intragroup	0	0	20'984	17'405	20'984	17'405	-20'984	-17'405	0	0
Total revenue	293'886	192'680	21'489	17'459	315'375	210'139	-20'984	-17'405	294'391	192'734
EBITDA	70'979	23'836	3'366	1'575	74'344	25'411		0	74'345	25'411
Depreciation	-4'483	-4'082	-1'317	-1'414	-5'800	-5'496		0	-5'800	-5'496
Amortization	-12'919	-12'990	-1'775	-1'260	-14'694	-14'250		0	-14'694	-14'250
Impairment	0	-67	0	0	0	-67		0	0	-67
Operating profit/loss	53'577	6'697	274	-1'099	53'851	5'598		0	53'851	5'598
Financial income									3'149	5'090
Finance costs									-744	-6'594
Share of loss of equity-accounted investees, net of taxes									-134	-1'456
Profit before income tax									56'122	2'638

3 Revenue recognition

Revenues are derived from:

in CHF 1 000	1.1.-30.6. 2022 (unaudited)	1.1.-30.6. 2021 (unaudited)
Sales of goods	293'941	192'600
Services rendered	448	132
Licence fees	2	2
Total revenue from contracts with customers	294'391	192'95734
Other revenues	0	0
Total	294'391	192'734

Revenue by market

in CHF 1 000	1.1.-30.6. 2022 (unaudited)	in %	1.1.-30.6. 2021 (unaudited)	in %
Automotive	83'541	28.4	51'680	26.8
Consumer	28'593	9.7	24'292	12.6
Industrial	179'046	60.8	110'677	57.4
Others	3'211	1.1	6'085	3.2
Total revenue from contracts with customers	294'391	100	192'734	100

Revenue by product type

in CHF 1 000	1.1.-30.6. 2022 (unaudited)	in %	1.1.-30.6. 2021 (unaudited)	in %
Module	245'799	83.5	146'815	76.2
Chips	48'538	16.5	44'005	22.8
Others	54	0.0	1'914	1.0
Total revenue from contracts with customers	294'391	100	192'734	100

Revenue by region (based on billing location)

in CHF 1 000	1.1.-30.6. 2022 (unaudited)	in %	1.1.-30.6. 2021 (unaudited)	in %
EMEA	68'399	23.2	54'926	28.5
thereof: Switzerland	1'759	0.6	812	0.4
Germany	12'711	4.3	8'098	4.2
America	64'774	22.0	37'418	19.4
thereof: United States of America	43'955	14.9	30'135	15.6
Asia Pacific	161'218	54.8	100'390	52.1
thereof: China	64'442	21.9	52'294	27.1
Total	294'391	100	192'734	100

4 Financial instruments

in CHF 1 000	Carrying amount June 30, 2022	Carrying amount Dec 31, 2021
Cash and cash equivalents	89'266	83'245
Trade accounts receivable	76'641	51'062
Other receivables	606	1'330
Accrued income	790	701
Other financial assets	1'649	1'073
Financial assets at amortized costs	168'952	137'411
Marketable securities	0	500
Derivative financial assets	0	409
Financial assets at fair value through profit or loss	0	909
Trade accounts payable	40'269	25'001
Other payables	5'065	7'181
Derivative financial liabilities	103	0
Accrued expenses	11'985	8'966
Lease liabilities	32'628	32'789
Financial liabilities	59'906	59'844
Liabilities at amortized cost	149'956	133'781
Other payables – contingent consideration	4'774	5'513
Liabilities at fair value through profit and loss	4'774	5'513

The table above shows the carrying amount of all financial instruments per category. With the exception of financial liabilities and lease liabilities, financial instruments correspond approximately to the fair values in accordance with IFRS. The fair value of financial liabilities is disclosed in the table “Fair value hierarchy”.

Fair value hierarchy

The different levels of financial instruments carried at fair value or for which the fair value is disclosed have been defined as follows in the table below:

Level 1:
quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2:
inputs other than quoted prices included within level 1 that are observable for the asset or the liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3:
inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

June 30, 2022 in CHF 1 000	Carrying amounts		Fair value	
	Total	Level 1	Level 2	Level 3
Marketable securities	0	0	0	0
Derivative financial assets	0	0	0	0
Total assets	0	0	0	0
Derivative financial liabilities	103		103	
Other payables – contingent consideration	4'774	0	0	4'774
Financial liabilities	59'905	59'694	0	0
Total liabilities	64'782	59'694	103	4'774
December 31, 2021 in CHF 1 000	Total	Level 1	Level 2	Level 3
Marketable securities	500	500	0	0
Derivative financial assets	409	0	409	0
Total assets	909	500	409	0
Other payables – contingent consideration	5'513	0	0	5'513
Financial liabilities	59'844	60'552	0	0
Total liabilities	65'357	60'552	0	5'513

5 Nominal share repayment

On April 20, 2022 the Annual General Meeting of u-blox Holding AG approved a nominal share repayment of CHF 1.30 per share.

A total nominal share repayment in the amount of CHF 9.25 million was paid out on July 9, 2022, whereof CHF 203 thousand pertained to treasury shares held.

6 Guarantees, pledges in favor of third parties and other contingent liabilities

At June 30, 2022 and December 31, 2021 there were no guarantees in favor of third parties.

The group is not exposed to any significant other contingent liabilities. There is no known threatened or pending litigation against any Group companies.

7 Acquisition

On March 17, 2021 the Group acquired the remaining portion of Sapcorda GmbH (57.04%), which is a step-business combination according to IFRS 3. The acquisition of Sapcorda expands u-blox's suite of location services complementing its existing data services, including its assistance data and communication service offerings.

The contractually agreed consideration transferred mainly consisted of credit notes for future purchases of goods and services of the Group from the selling parties which expire after six to seven years from the date of acquisition. The fair

value of the credit notes issued for the 57.04% was estimated CHF 4.49 million. In addition, the consideration transferred included the fair value of the previously held interest in the equity-accounted investee amounting to CHF 6.3 million. The transaction resulted in a loss of CHF 2.6 million from the derecognition of the book value of the previously held 42.96%, recognized in the income statement in line item Finance costs for the period ended June 30, 2021.

The following table summarizes the recognized amounts of identifiable assets acquired and liabilities assumed at the date of acquisition.

	in CHF 1 000
Cash and cash equivalents	1'830
Property, plant and equipment	2'367
Deferred tax asset	7
Intangible assets	4'928
Other assets	595
Right-of-use assets	3'746
Total identifiable assets acquired	13'473
Trade accounts payable	496
Other liabilities	657
Lease liabilities	3'746
Total liabilities assumed	4'899
Total identifiable net assets acquired	8'574
Goodwill	138
Fair value of consideration transferred (including fair value of previously held interest)	8'712

For the period March 18, 2021 to June 30, 2021 Sapcorda contributed CHF 32.6 thousand revenue and a net loss of CHF 2,394 thousand to the Group. Had Sapcorda been 100% owned from January 1, 2021, the revenues for the Group would have increased by CHF 32.6 thousand and the net profit would have been decreased by CHF 5,821 thousand.

8 Events after the balance sheet date

On August 18, 2022 The Board of Directors authorized these condensed consolidated interim financial statements for publication.

Information for Investors

u-blox Holding AG

Ticker details for u-blox shares

- Listing SIX Swiss Exchange
- Ticker symbol UBXN
- ISIN-No. CH0033361673
- Swiss Security-No. 3336167
- Reuters UBXN.S
- Bloomberg UBXN:SW

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Financial calendar

- Analyst day November 22, 2022
- Full year results 2022 March 10, 2023
- Annual General Meeting April 19, 2023

Worldwide presence



Disclaimer

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