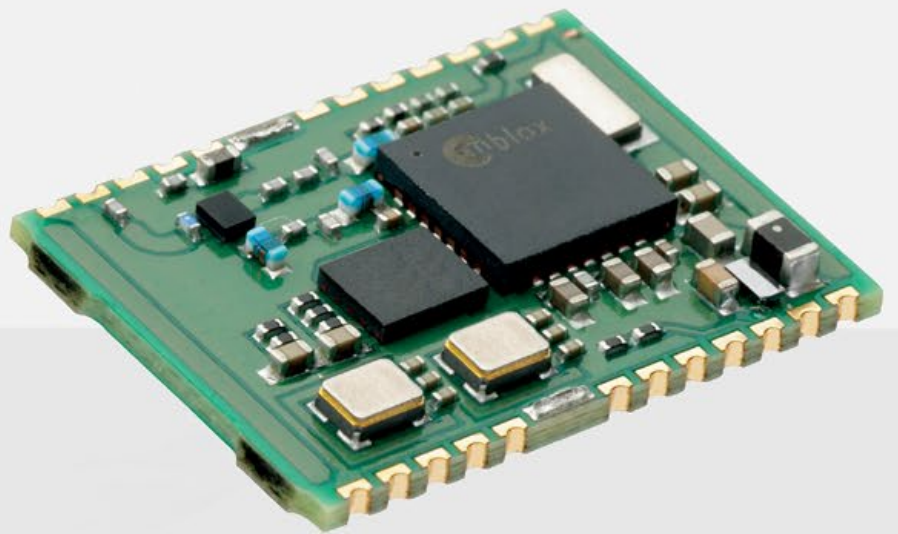


Half-year Report 2023



Contents

- 4** Financial highlights
- 5** Half-year report as of 30 June 2023
- 9** Condensed consolidated interim financial statements u-blox Group
 - 10** Consolidated statement of financial position
 - 11** Consolidated income statement
 - 12** Consolidated statement of comprehensive income
 - 13** Consolidated statement of changes in equity
 - 14** Consolidated statement of cash flows
 - 15** Notes to the condensed consolidated interim financial statements
- 21** Information for Investors
- 22** Worldwide presence

Financial highlights

Revenue in MCHF

332.3

H1 2022: 294.4 – Growth rate: 12.9%

Operating cashflow in MCHF

10.5

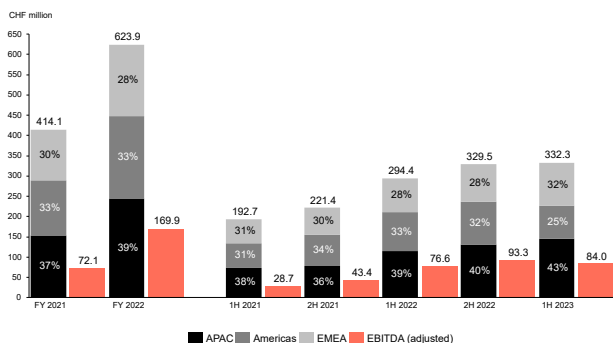
H1 2022: 30.4 – Growth rate: -65.5%

Equity ratio in %

67.5%

YE 2022: 61.6%

Revenue by geography/EBITDA(adjusted) in MCHF



Operating profit (adjusted) in MCHF

61.7

H1 2022 (adjusted): 57.4 – Growth rate: 7.5%

Net profit (adjusted) in MCHF

48.3

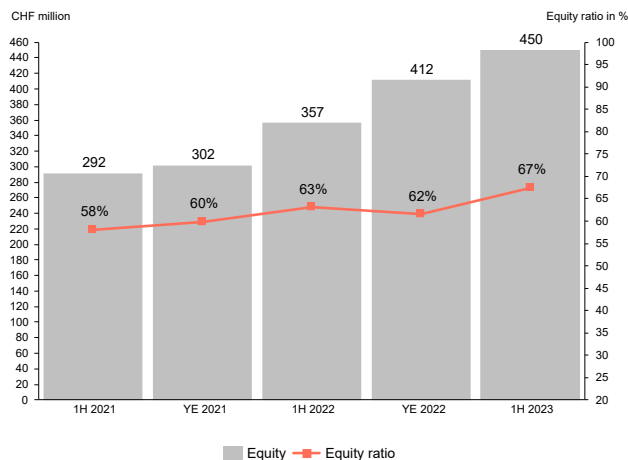
H1 2022 (adjusted): 48.7 – Growth rate: -0.8%

Gross profit (adjusted) in %

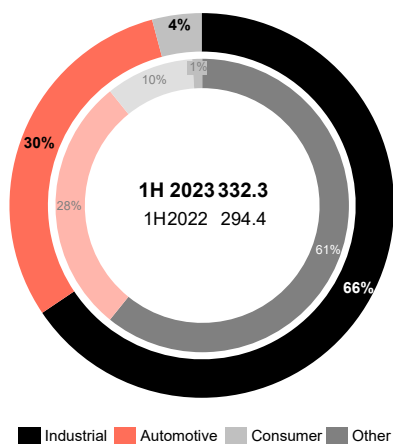
46.8%

H1 2022 (adjusted): 48.9%

Total equity and equity ratio in MCHF

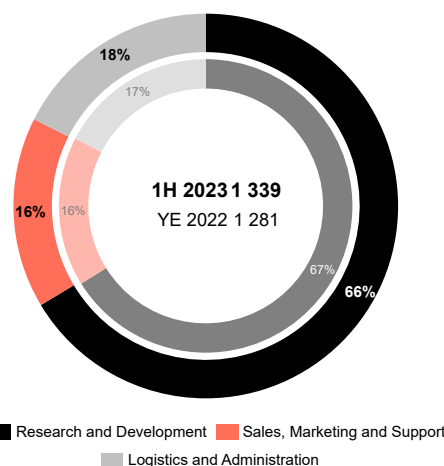


Revenue by market



Employee breakdown

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



u-blox reports first half 2023 financial results

u-blox (SIX: UBXN), a global leader in wireless and positioning technologies, today announced its financial results for the first half year ended 30 June 2023.

Financial Summary

- Revenue increased by 12.9% (+15.0% at constant currencies) to CHF 332.3 million
- EBITDA (adjusted) of CHF 84.0 million, compared to CHF 76.6 million, corresponding to an adjusted EBITDA margin of 25.3%
- EBIT (adjusted) reached CHF 61.7 million with a corresponding margin of 18.6%
- Net profit (adjusted) amounted to CHF 48.3 million
- Balance sheet remains solid with net cash position of CHF 54.6 million
- Revised FY 2023 guidance in line with market dynamics

u-blox achieved strong results in the first half of 2023, with double-digit revenue growth compared to H1 2022. Revenues grew by 15.0% at constant currencies, mostly driven by volume growth in its focus markets of automotive and industrial applications. EBITDA (adjusted) reached CHF 84.0 million, EBIT (adjusted) increased by 7.5% to CHF 61.7 million and net profit amounted to CHF 48.3 million in the period.

After a strong up-cycle, u-blox revises its full-year 2023 guidance, reflecting unfavorable developments in foreign exchange (FX) rates and overstocking by customers as a result of the supply constraints in 2022. Revenues and profitability are thus expected to be negatively impacted in the third quarter (Q3) with an improvement in Q4 2023. As a result, for the full-year u-blox now expects revenues to develop between -6% to 0% and profitability margins in the range of 18-22% for adjusted EBITDA and 10-14% for adjusted EBIT.

H1 2023 Operational Highlights:

Automotive

- We secured a design-win in autonomous driving with a leading car manufacturer valued in the mid double-digit million CHF range

over the life of the agreement with deliveries expected to commence in 2026.

- JODY-W5 is u-blox's newest dual-band Wi-Fi 6 and dual-mode Bluetooth® 5.3 module. This automotive-grade module with Bluetooth LE audio in a compact form factor is ideal for preventing wireless network congestion in the car and delivering enhanced audio functionalities.

Industrial

- We formed an exclusive partnership with Orbcomm, an American supplier of satellite connectivity, modems and terminals to the industrial IoT market. Such connectivity is essential for application in areas with weak communication infrastructure thus assuring ubiquitous connectivity. u-blox will be able to cover Orbcomm's satellite protocols and 3GPP LTE-M needs, at attractive cost.
- We also launched NEO-F9P and ZED-F9P-15B: The low-power, small-sized NEO-F9P module supports precise navigation and automation of moving industrial machinery. Our ZED-F9P-15B module provides customers in the mobile robotics market with an L1/L5 frequency bands in addition to L1/L2 option bands for enhanced functional robustness.

Financial Overview

In the first half of 2023, u-blox generated revenues of CHF 332.3 million, an EBIT (adjusted) of CHF 61.7 million and net profit (adjusted) of CHF 48.3 million. Revenues in most regions and markets were higher compared to the first half of 2022, reflecting strong and broad-based expansion of overall demand for existing and new products, from both automotive and industrial target markets. Foreign currency exchange (FX) rates had a negative effect of -2.1% on revenue, mainly from the weakening of the US Dollar versus the Swiss Franc.

Revenues by region

- APAC: revenues in the first half of 2023 increased strongly to CHF 144.6 million from CHF 114.5 million in the same period last year (+26.3%) mainly driven by good demand from

automotive customers, safety stock build-up for a healthcare customer and deliveries of the 2022 order backlog.

- **EMEA:** in the first six months of 2023 revenues amounted to CHF 105.7 million, up from CHF 83.6 million one year earlier (+26.4%) primarily thanks to a ramp up of the tracking business and deliveries of the 2022 order book.
- **AMEC:** revenues in the year to June reached CHF 82.0 million compared to CHF 96.3 million in the first half of 2022 (-14.8%) and are lower primarily due to a demand reduction in healthcare and consumer applications.

Revenues by market

- **Automotive:** H1 2023 revenues grew by 20.4% to CHF 100.6 million from CHF 83.5 million in H1 2022 driven by new products and deliveries of the 2022 order book.
- **Industrial:** H1 2023 revenues increased to CHF 217.9 million from CHF 179.0 million in H1 2022 (+21.7%) primarily thanks to market share gains, strong demand in tracking, and deliveries of the 2022 order book.
- **Consumer / Others:** H1 2023 revenues amounted to CHF 13.8 million after CHF 31.8 million in H1 2022 (-56.5%) primarily due to the decline in consumer demand since mid-2022.

Gross profit (adjusted) increased by 8.2% to CHF 155.6 million in the first half of 2023 from CHF 143.8 million in the same period in 2022. The respective gross profit margin (adjusted) amounted to 46.8% (H1 2022: 48.9%), mainly due to product mix changes, while pricing deflation did not play a major role.

R&D expenses (adjusted) of CHF 59.9 million in the first six months of 2023 compare to CHF 52.6 million during the same period last year, an increase of 14.0%. As percentage of revenue, they stood at 18.0%, 20 basis points higher than in H1 2022, due to a lower average capitalization rate in the period.

Sales, General and Administration expenses adjusted (SG&A adjusted) of CHF 34.0 million in H1 2023 were flat in absolute terms (CHF 33.8 million in H1 2022). As percentage of revenues, SG&A (adjusted) reduced significantly to 10.2% from 11.5% in the prior year period. The reduction reflects u-blox's operational leverage capabilities following revenue growth in addition to lower personnel expenses related to variable compensation.

Net finance results (adjusted) in the first half of 2023 amounted to CHF -3.9 million after CHF +2.4 million in H1 2022. Excluding FX effects, net finance costs (adjusted) remained practically stable at CHF -0.4 million in H1 2023 vs. CHF -0.7 million. FX results of CHF -3.4 million in the first six months of 2023 (realized: CHF -2.2 million; unrealized: CHF -1.2 million) compared to CHF +3.1 million in the same period last year (realized: CHF +2.0 million; unrealized: CHF +1.1 million).

Net profit (adjusted) increased to CHF 46.1 million as compared to CHF 48.3 million in the prior year period. Diluted EPS (adjusted) in H1 2023 amounted to CHF 6.67 per share compared to CHF 7.00 per share in H1 2022.

Cash Flow

Cash flow from operations came in at CHF 10.5 million in the first half of 2023, compared to CHF 30.4 million in H1 2022. **Free cash flow** was CHF -12.9 million in H1 2023 compared to CHF 6.6 million in the prior year period.

Change in net working capital was CHF -67.0 million in H1 2023 vs. CHF -51.8 million in H1 2022. **Income tax paid** was CHF -3.6 million in H1 2023, from CHF +4.4 million received in the first half of 2022.

Capex in absolute terms of CHF 23.4 million in the first half of 2023 compares to CHF 24.4 million in H1 2022. As percentage of revenues, Capex reduced to 7.0% from 8.3% in H1 2022, reflecting a lower average R&D capitalization rate.

Balance Sheet

The net cash position on 30 June 2023 stood at CHF 54.6 million after dividend payment of CHF 14.2 million, repayment of the CHF 60 million bond in April 2023 and a subsequent draw-down of a CHF 40 million short-term bank facility vs. CHF 77.8 million on 31 December 2022.

Management Commentary

Stephan Zizala, u-blox's Chief Executive Officer, commented, "I am pleased with our strong first half-year results. We grew revenues by double digits on top of an exceptional growth realized in the first half of last year. We also achieved good profitability with an EBIT margin of 18.6%, in line with the guidance initially provided for 2023.

In a softening macro-economic and global semiconductor market environment, our order-book for the second half of 2023 developed more slowly than initially anticipated. Mainly due to unfavorable FX rates and overstocking, we expect Q3 revenues and profitability to be weak, with an improvement in Q4.

While we must deal with cycle adaptation, I remain very confident about u-blox's long-term outlook and growth trajectory thanks to our strong structural growth drivers in automotive and industrial target applications. We are winning important new projects at leading customers. A large design-win for automated driving ramping in 2026 and an innovative approach for satellite IoT connectivity are testimony to these future development prospects."

Outlook

u-blox revises its full-year guidance from March 2023, reflecting unfavorable developments in FX rates and overstocking of customers. While H1 still benefited from the strong order book at the beginning of the year, the reduction of lead times and more careful ordering to adjust to the overstocking effects are expected to negatively impact revenues in the third quarter (Q3) with an improvement in Q4 2023. Effects impacting profitability include lower operational leverage, inventory cost at higher FX rates and lower gross margin due to changes in product mix.

u-blox remains positive on its long-term development prospects. Demand and requirements for semiconductor solutions for automated and autonomous driving, asset tracking, healthcare offerings and industrial automation will grow significantly. Confirmed by our design wins, u-blox is well on track to grow with its positioning and wireless connectivity semiconductor solutions and services business.

	Actual FY 2022	Guidance 2023 (1) As of 10 March 2023	Updated guidance 2023 (2) As of 18 August 2023
Revenue (CHF million)	624	+37...100	-39...+1
Revenue growth		+6 to 16%	-6 to 0%
EBITDA margin (adjusted)	27.2%	+21...24%	+18...22%
EBIT margin (adjusted)	21.0%	+14...18%	+10...14%

1) Exchange rate assumptions for 2023: USD: 0.98, EUR: 0.99, GBP: 1.18

2) Exchange rate assumptions for 2023: USD: 0.89, EUR: 0.97, GBP: 1.12



André Müller

Stephan Zizala

Chairman of the
Board of Directors

CEO

Consolidated income statement (adjusted)

in CHF 1'000	Jan–June 2023		Adjustments ²⁾	Jan–June 2023		Jan–June 2022	
	(IFRS)	in %		(adjusted)	in %	(adjusted)	in %
Revenue	332'263	100.0		332'263	100.0	294'391	100
Cost of sales	-176'784	-53.2	163	-176'621	-53.2	-150'554	-51.1
Gross Profit	155'479	46.8	163	155'642	46.8	143'837	48.9
Distribution and marketing expenses	-20'969	-6.3	428	-20'542	-6.2	-21'583	-7.3
Research and development expenses	-62'334	-18.8	2'407	-59'927	-18.0	-52'585	-17.9
General and administrative expenses	-14'678	-4.4	240	-14'438	-4.3	-12'955	-4.4
Other income	979	0.3		979	0.3	704	0.2
Operating Profit (EBIT)	58'477	17.6	3'238	61'714	18.6	57'418	19.5
Finance income	657	0.2		657	0.2	3'149	1.1
Finance costs	-4'538	-1.4	103	-4'435	-1.3	-744	-0.3
Share of loss of equity-accounted investees, net of taxes	-93	-0.0		-93	-0.0	-134	-0.0
Profit before income tax (EBT)	54'503	16.4	3'341	57'844	17.4	59'689	20.3
Income tax expense	-8'453	-2.5	-1'048	-9'501	-2.9	-10'961	-3.7
Net Profit	46'050	13.9	2'292	48'342	14.5	48'728	16.6
Earnings per share in CHF	6.52			6.85		7.02	
Diluted earnings per share in CHF	6.35			6.67		7.00	
Operating Profit (EBIT)	58'477	17.6	3'238	61'714	18.6	57'418	19.5
Depreciation and amortization	23'739	7.1	-1'425	22'314	6.7	19'139	6.5
EBITDA¹⁾	82'215	24.7	1'813	84'028	25.3	76'557	26.0

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, impairment and amortization of intangible assets acquired.

u-blox Holding AG, Thalwil

Condensed consolidated interim financial statements

30 June 2023

Consolidated statement of financial position

in CHF 1'000	30 June 2023 (unaudited)	31 December 2022 (audited)
Assets		
Current assets		
Cash and cash equivalents	94'732	137'746
Trade accounts receivable	90'964	65'370
Other receivables	15'643	10'657
Current tax assets	2'065	2'150
Inventories	126'333	117'972
Prepaid expenses and accrued income	21'999	18'413
Derivative financial assets	0	45
Total current assets	351'736	352'353
Non-current assets		
Property, plant and equipment	11'720	12'627
Right-of-use assets	32'726	34'021
Goodwill	54'654	55'616
Intangible assets	206'879	203'455
Other financial assets	1'611	1'658
Equity-accounted investees	602	582
Deferred tax assets	7'687	8'312
Total non-current assets	315'879	316'271
Total assets	667'615	668'624
Liabilities and equity		
Current liabilities		
Trade accounts payable	45'516	60'680
Other payables	15'743	12'593
Lease liabilities	5'270	5'545
Current tax liabilities	11'591	7'190
Accrued expenses	29'937	44'131
Financial liabilities	40'158	59'969
Total current liabilities	148'165	190'108
Non-current liabilities		
Other payables	4'227	4'157
Provisions	11'403	10'432
Pension liabilities	12'679	10'917
Lease liabilities	28'555	29'536
Deferred tax liabilities	12'113	11'476
Total non-current liabilities	69'027	66'518
Total liabilities	217'192	256'626
Shareholders' equity		
Share capital	83'496	96'842
Share premium	32'236	23'180
Treasury shares	-24'647	-27'708
Cumulative translation differences	-29'493	-27'838
Retained earnings	388'831	347'522
Total equity	450'423	411'998
Total liabilities and equity	667'615	668'624

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

Consolidated income statement

in CHF 1'000	1.1.–30.6.2023 (unaudited)	1.1.–30.6.2022 (unaudited)
Revenue	332'263	294'391
Cost of sales	-176'784	-150'649
Gross profit	155'479	143'742
Distribution and marketing expenses	-20'969	-22'316
Research and development expenses	-62'334	-54'400
General and administrative expenses	-14'678	-13'879
Other income	979	704
Operating profit	58'477	53'851
Finance income	657	3'149
Finance costs	-4'538	-744
Share of loss of equity-accounted investees, net of taxes	-93	-134
Profit before income tax (EBT)	54'503	56'122
Income tax expense	-8'453	-10'314
Net profit	46'050	45'808
Basic earnings per share (in CHF)	6.52	6.60
Diluted earnings per share (in CHF)	6.35	6.58

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.–30.6.2023 (unaudited)	1.1.–30.6.2022 (unaudited)
Net profit	46'050	45'808
Other comprehensive income		
Remeasurements on pension liabilities	-1'687	11'043
Income tax on remeasurements on pension liabilities	305	-1'999
Items that will not be reclassified to income statement	-1'382	9'044
Currency translation differences	-1'655	-2'880
Items that are or may be reclassified subsequently to income statement	-1'655	-2'880
Other comprehensive income, net of taxes	-3'037	6'164
Total comprehensive income	43'013	51'972

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
Balance at 1 January 2022	105'300	16'600	-31'924	-22'720	234'752	302'008
Net profit for the period	0	0	0	0	45'808	45'808
Other comprehensive income for the period, net of taxes	0	0	0	-2'880	9'044	6'164
Total comprehensive income	0	0	0	-2'880	54'852	51'972
Share-based payments ¹⁾	0	0	0	0	1'332	1'332
Options exercised during the year, net of transaction costs	0	0	3'941	0	-2'098	1'843
Total transactions with equity holders of the parent	0	0	3'941	0	-766	3'175
Balance at 30 June 2022 (unaudited)	105'300	16'600	-27'983	-25'600	288'838	357'155
Balance at 1 January 2023	96'842	23'180	-27'708	-27'838	347'522	411'998
Net profit for the period	0	0	0	0	46'050	46'050
Other comprehensive income for the period, net of taxes	0	0	0	-1'655	-1'382	-3'037
Total comprehensive income	0	0	0	-1'655	44'668	43'013
Share-based payments ¹⁾	0	0	0	0	730	730
Decrease in par value	-14'435	0	282	0	0	-14'153
Options exercised during the year, net of transaction costs	1'089	9'056	2'779	0	-4'089	8'835
Total transactions with equity holders of the parent	-13'346	9'056	3'061	0	-3'359	-4'588
Balance at 30 June 2023 (unaudited)	83'496	32'236	-24'647	-29'493	388'831	450'423

1) Represents the amount of employee stock option expenses of CHF 1.8 million (2022: CHF 1.4million) including respective tax effects of CHF -1.1 million (2022: CHF -0.1 million) recognized for 2023 and 2022 respectively.

Consolidated statement of cash flows

in CHF 1'000	2023 (unaudited)	2022 (unaudited)
Net profit	46'050	45'808
Adjustments for:		
Depreciation	6'224	5'800
Amortization	17'514	14'694
Share-based payment transactions	1'840	1'432
Other non-cash transactions	-4'005	1'257
Finance income	-658	-3'149
Finance costs	4'537	744
Share of loss of equity accounted investees	93	134
Income tax expense	8'453	10'314
Change in trade and other receivables, prepaid expenses and accrued income	-34'250	-48'642
Change in inventories	-8'361	-15'029
Change in trade and other payables and accrued expenses	-24'368	11'856
Change in provisions	972	766
Income tax (paid)/received	-3'568	4'430
Net cash generated from operating activities	10'475	30'415
Acquisition of property, plant and equipment	-2'454	-3'794
Acquisition of intangible assets	-20'960	-20'567
Acquisition of businesses (net of cash acquired) ¹⁾	-600	0
Proceeds from sale of marketable securities	45	618
Acquisition of financial assets	0	-470
Proceeds from disposal of financial assets	17	16
Participation in a capital increase from equity-accounted investees	-113	0
Interest received	651	340
Net cash used in investing activities	-23'414	-23'857
Proceeds from exercise of options	8'835	1'843
Par value reduction	-14'153	0
Payments of lease liabilities	-2'967	-2'592
Proceeds from financial liabilities	40'000	0
Repayment of financial liabilities	-60'000	0
Interest paid	-1'167	-1'108
Net cash used in financing activities	-29'453	-1'857
Net (decrease)/increase in cash and cash equivalents	-42'393	4'701
Cash and cash equivalents at 1 January	137'746	83'245
Exchange (losses)/gains on cash and cash equivalents	-621	1'320
Cash and cash equivalents at 30 June	94'732	89'266

1) Payment of contingent consideration from a previous acquisition

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

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 31 December 2022.

The condensed consolidated interim financial statements have been prepared in Swiss francs (CHF), rounded to the nearest thousand, unless otherwise stated.

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 31 December 2022.

Income taxes are recognized based on best estimate of the weighted average annual tax rate for 2023.

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:

	30 June 2023		31 December 2022	
	Average rate	Closing rate	Average rate	Closing rate
EUR	0.98680	0.97674	1.00522	0.99170
USD	0.91216	0.89474	0.95458	0.92453
GBP	1.12486	1.13690	1.17959	1.11850
HKD	0.11636	0.11417	0.12190	0.11833
SGD	0.68273	0.66169	0.69239	0.68965
CNY	0.13176	0.12335	0.14204	0.13403
JPY	0.00677	0.00620	0.00730	0.00705
PKR	0.00337	0.00312	0.00471	0.00408
SEK	0.08697	0.08289	0.09460	0.08866

Changes in accounting policies

Except as described below, 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 31 December 2022.

Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted *Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12* from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – eg. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases and decommissioning liabilities applying the “integrally linked” approach, resulting in a similar outcome to the amendments, except that the deferred tax asset or liability was recognized on a net basis. Following the amendments, the Group has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right of use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change. The key impact for the Group relates to disclosures of the deferred tax assets and liabilities recognized – the disclosure will be provided in the annual financial statements.

The change in accounting policy will also be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2023.

Accounting standards issued but not yet effective

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed consolidated interim financial statements.

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. 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., Thingstream and Sapcorda Services GmbH, 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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
in CHF 1'000										
Revenue third	331'699	293'886	564	505	332'263	294'391	0	0	332'263	294'391
Revenue Intra-Group	0	0	17'140	20'984	17'140	20'984	-17'140	-20'984	0	0
Total Revenue	331'699	293'886	17'704	21'489	349'403	315'375	-17'140	-20'984	332'263	294'391
EBITDA	78'666	70'979	3'549	3'366	82'215	74'345	0	0	82'215	74'345
Depreciation	-5'183	-4'483	-1'041	-1'317	-6'224	-5'800	0	0	-6'224	-5'800
Amortization	-16'286	-12'919	-1'228	-1'775	-17'514	-14'694	0	0	-17'514	-14'694
Operating profit (EBIT)	57'197	53'577	1'279	274	58'477	53'851	0	0	58'477	53'851
Finance income									657	3'149
Finance costs									-4'538	-744
Share of loss of equity- accounted investees, net of taxes									-93	-134
Profit before income tax									54'503	56'122

3 Revenue recognition

Revenues are derived from:

in CHF 1'000	1.1.–30.6.2023	in %	1.1.–30.6.2022	in %
Sale of goods	331'699	99.8	293'943	99.8
Services rendered	564	0.2	448	0.2
Total	332'263	100.0	294'391	100.0

Revenue by region (based on reporting area)

in CHF 1'000	1.1.–30.6.2023	in %	1.1.–30.6.2022	in %
EMEA	105'650	31.8	83'574	28.4
America	82'031	24.7	96'297	32.7
Asia Pacific	144'582	43.5	114'520	38.9
Total	332'263	100.0	294'391	100.0

Revenue by region (based on billing location)

in CHF 1'000	1.1.–30.6.2023	in %	1.1.–30.6.2022	in %
EMEA	81'539	24.5	68'399	23.2
thereof: Switzerland	1'232	0.4	1'759	0.6
thereof: Germany	17'753	5.3	12'711	4.3
America	72'186	21.7	64'774	22.0
thereof: United States of America	50'049	15.1	43'955	14.9
Asia Pacific	178'538	53.7	161'218	54.8
thereof: China	58'120	17.5	64'442	21.9
Total	332'263	100.0	294'391	100.0

Revenue by market

in CHF 1'000	1.1.–30.6.2023	in %	1.1.–30.6.2022	in %
Automotive	100'547	30.3	83'541	28.4
Consumer	13'846	4.2	28'593	9.7
Industrial	217'870	65.6	179'046	60.8
Others	0	0.0	3'211	1.1
Total revenue from contracts with customers	332'263	100.0	294'391	100.0

Revenue by product type

in CHF 1'000	1.1.–30.6.2023	in %	1.1.–30.6.2022	in %
Module	267'424	80.5	245'799	83.5
Chips	64'275	19.3	48'538	16.5
Others	564	0.2	54	0.0
Total revenue from contracts with customers	332'263	100.0	294'391	100.0

4 Financial instruments

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

in CHF 1'000	30 June 2023	31 December 2022
Cash and cash equivalents	94'732	137'746
Trade accounts receivable	90'964	65'370
Other receivables	3'350	3'199
Other financial assets	1'611	1'658
Financial assets at amortized cost	190'657	207'973
Derivative financial assets	0	45
Financial assets at fair value through profit or loss	0	45
Trade accounts payable	45'516	60'680
Other payables	11'936	7'509
Accrued expenses	13'132	11'090
Lease liabilities	33'825	35'081
Financial liabilities	40'158	59'969
Liabilities at amortized cost	144'567	174'329
Contingent consideration	4'227	4'757
Liabilities at fair value through profit or loss	4'227	4'757

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).

30 June 2023 in CHF 1'000	Carrying amounts		Fair value	
	Total	Level 1	Level 2	Level 3
Contingent consideration	4'227	0	0	4'227
Total liabilities	4'227	0	0	4'227

31 December 2022 in CHF 1'000	Carrying amounts		Fair value	
	Total	Level 1	Level 2	Level 3
Derivative financial assets	45	0	45	0
Total assets	45	0	45	0
Contingent consideration	4'757	0	0	4'757
Financial liabilities	59'969	59'969	0	0
Total liabilities	64'726	59'969	0	4'757

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy:

in CHF 1'000	30 June 2023	31 December 2022
Balance at beginning of period	4'757	5'513
Payment of contingent consideration	-600	-200
Total (losses)/(gains) for the period recognized in finance costs/income	70	-556
Balance at end of period	4'227	4'757

5 Financial liabilities

On 18 April 2023 the bond in the amount of CHF 60 million was paid back in full. The Group made use of the CHF 40 million short-term overdraft bank facility at market interest rates.

6 Share Capital

The share capital consists of 7'260'515 (2022: 7'173'448) registered shares with a nominal value of CHF 11.50 (2022: CHF 13.50) each. On 9 May 2023 the par value was decreased by CHF 2.00 per share, resulting in a payment to shareholders (excluding treasury shares) of CHF 14.2 million.

7 Employee compensation and benefits

Starting 2023 employees can be entitiled to a restricted stock unit (RSU) plan and key management personnel to a performance share unit (PSU) plan. The terms and conditions of the two plans granted during the six months ended 30 June 2023 are as follows:

Grant date / employees entitled	Number of instruments in thousands	Vesting conditions
RSU granted to employees on 1 May 2023	78	3 years service from grant date
PSU granted to key management personnel on 1 January 2023	12	3 years service from grant date performance conditions

The fair value of services received in return for RSU/PSU granted is equal to fair value of u-blox Holding AG share. For PSU the number of shares per PSU varies from 0.0 to 1.5 depending on the achievement of predefined performance conditions.

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

At 30 June 2023 and 31 December 2022 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.

9 Events after the balance sheet date

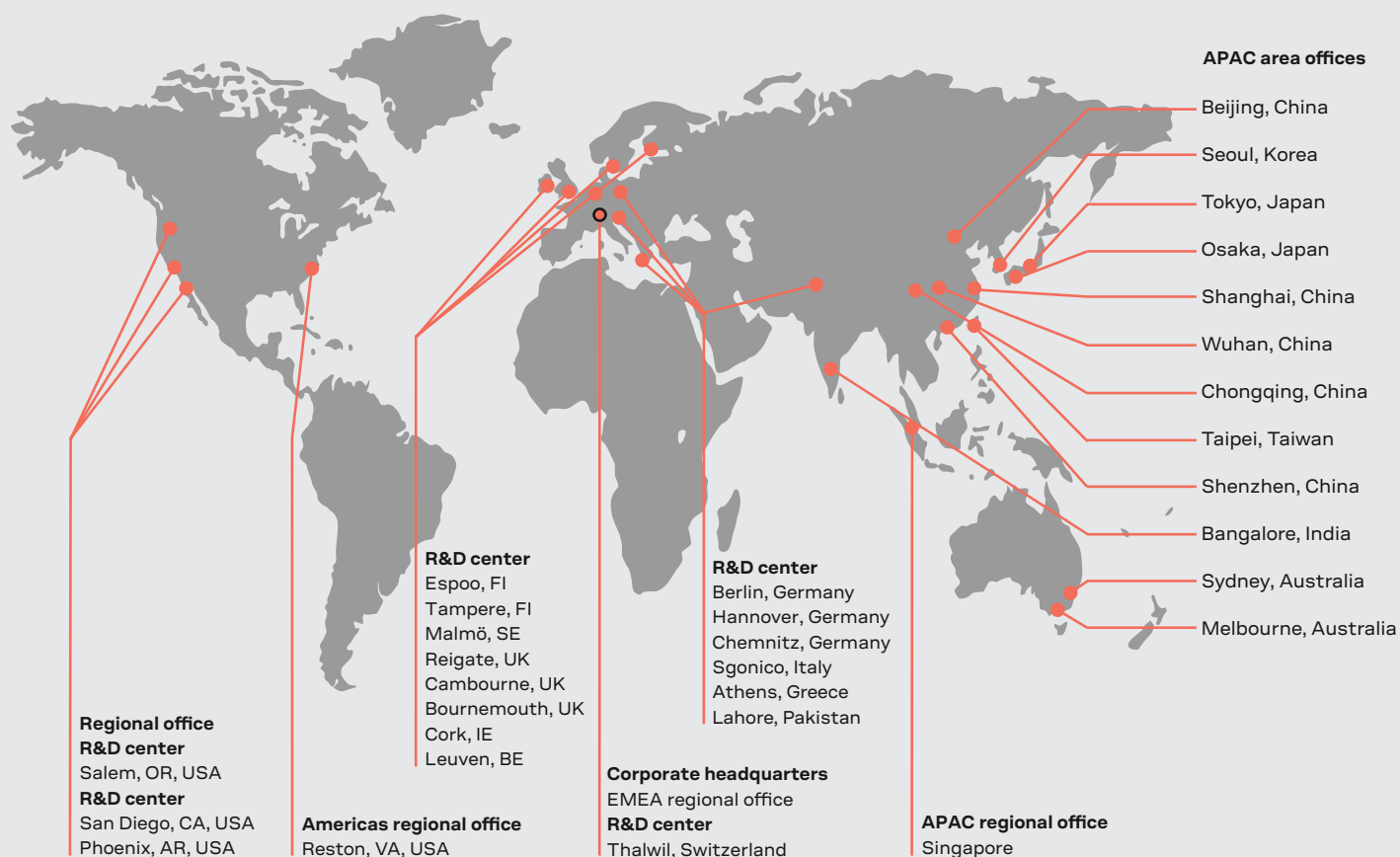
On 17 August 2023 The Board of Directors authorized these condensed consolidated interim financial statements for publication.

There have been no events between 30 June 2023 and the date of authorization of these consolidated financial statements that would lead to an adjustment of the carrying amounts of assets and liabilities presented at 30 June 2023.

Information for Investors

u-blox Holding AG	<p>Ticker details for u-blox shares</p> <ul style="list-style-type: none">• Listing• Ticker symbol• ISIN-No.• Swiss Security-No.• Reuters• Bloomberg	<p>SIX Swiss Exchange UBXN CH0033361673 3336167 UBXN.S UBXN:SW</p>
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Website	<p>www.u-blox.com</p>	
Financial calendar	<p>Nine-month revenue 2023</p>	<p>11 October 2023</p>

Worldwide presence



Disclaimer

This release contains certain forward looking statements. Such forward looking statements reflect the current views of management and are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the u-blox Group to differ materially from those expressed or implied. These include risks related to the success of and demand for the Group's products, the potential for the Group's products to become obsolete, the Group's ability to defend its intellectual property, the Group's ability to develop and commercialize new products in a timely manner, the dynamic and competitive environment in which the Group operates, the regulatory environment, changes in currency exchange rates, the Group's ability to generate revenues and profitability, and the Group's ability to realize its expansion projects in a timely manner. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this report. u-blox is providing the information in this release as of this date and does not undertake any obligation to update any forward looking statements contained in it as a result of new information, future events or otherwise.

The press release is published in German and English. Should the German translation differ from the English original, the English version is binding.

Imprint

Publisher / Copyright: August 2023, u-blox Holding AG, Thalwil, Switzerland.

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