



CELLULAR



SHORT RANGE RADIO



POSITIONING

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## THIS IS U-BLOX

<b>Foundation</b>	1997
<b>Business</b>	Fabless semiconductor provider of embedded wireless and positioning communication solutions
<b>Headquarter</b>	Thalwil, Switzerland
<b>Offices</b>	Australia, Belgium, China, Finland, Germany, Greece, India, Ireland, Italy, Japan, Korea, Pakistan, Singapore, Sweden, Taiwan, United Kingdom and USA
<b>Listed</b>	SIX Swiss Exchange (UBXN)
<b>Employees</b>	736 (December 31, 2015, FTE based); 785 (June 30, 2016, FTE based)
<b>Revenue</b>	2015: CHF 338.3 million; H1/2016: CHF 179.7 million
<b>EBIT</b>	2015: CHF 51.3 million; H1/2016: CHF 27.8 million
<b>Net profit</b>	2015: CHF 37.1 million; H1/2016: CHF 18.5 million
<b>Markets</b>	Industrial, Automotive and Consumer
<b>Mission</b>	u-blox aims to be the leading provider of embedded wireless communication and positioning solutions to the global electronics industry

# Financial highlights

## Revenue in m CHF

179.7

Revenue H1/2015: 161.9 – Growth rate: 11.0%

## Operating cashflow in m CHF

26.3

Operating cashflow H1/2015: 20.5 – Growth rate: 27.9%

## Equity ratio in %

65.4

Equity ratio 2015: 64.2%

## Operating profit in m CHF

27.8

Operating profit H1/2015: 24.8 – Growth rate: 12.3%

## Net profit in m CHF

18.5

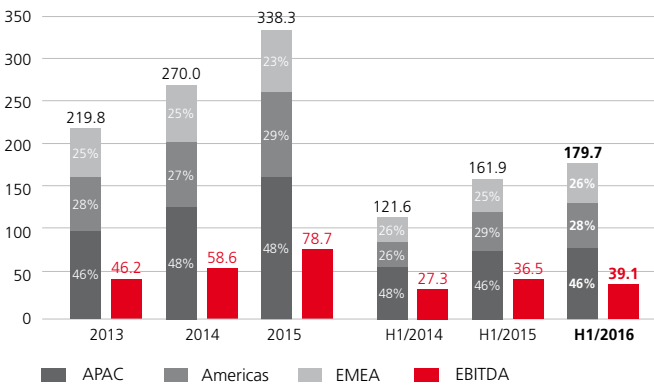
Net profit H1/2015: 15.0 – Growth rate: 23.6%

## Gross profit in %

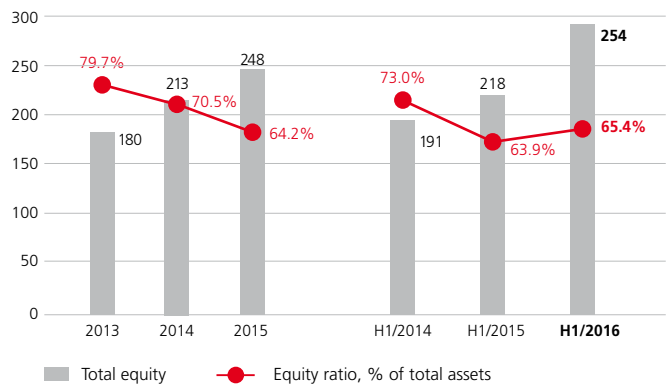
45.9

Gross profit in % H1/2015: 44.9

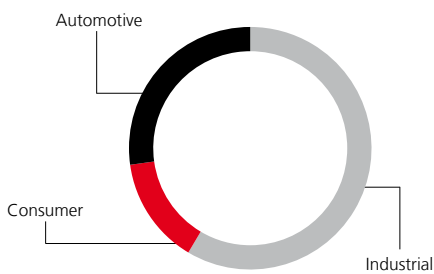
## Revenue by geography / EBITDA in m CHF



## Total equity and equity ratio in m CHF



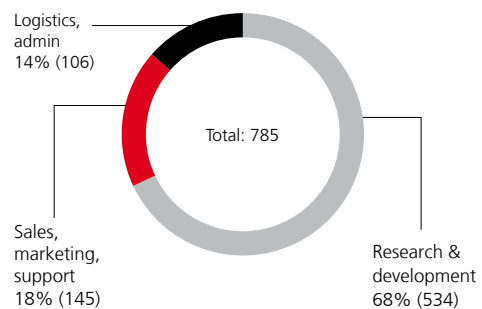
## u-blox revenue split per market



(Estimate)

## Employee breakdown spread over 17 countries

75% of employees based outside Switzerland



(End of H1/2016, FTE based)

This is u-blox

# OUR TECHNOLOGIES



## Cellular modules

**Technologies:**

- GSM/GPRS
- CDMA
- UMTS/HSPA
- LTE



## Short range modules

**Technologies:**

- Bluetooth
- Bluetooth low energy
- Wi-Fi
- Multiradio



## Positioning chips & modules

**Technologies:**

- GPS
- GLONASS
- BeiDou
- Galileo
- QZSS

# OUR MARKETS



## Industrial

**Positioning & Wireless**

- Fleet management
- Remote monitoring and control
- Automatic meter reading
- Point-of-sales
- Remote displays
- Remote security and surveillance



## Automotive

**Positioning & Wireless**

- In-car navigation
- Stolen vehicle recovery
- Emergency call
- Mobile Internet
- Vehicle black-box



## Consumer

**Positioning & Wireless**

- Smartphones
- Personal navigation devices
- Notebooks and mobile internet devices
- Cameras
- Person locators
- Drones
- Wearables

# Half year report at June 30, 2016

## u-blox increased profitability and continues growth

### 2016 Half year highlights

- **Revenues increased to CHF 179.7 million, up 11.0% compared to exceptional strong H1 2015**
- **EBIT improved by 12.3% to CHF 27.8 million, a 15.5% margin**
- **Cash flow from operating activities rose 27.9% to CHF 26.3 million**
- **Net profit increased by 23.6% to CHF 18.5 million improving net profit margin to 10.3 % (H1 2015: 9.2%)**
- **Full year revenue expectations slightly adjusted, mid and long term outlook unchanged, focus on high-margin quality**
- **Strong product pipeline mirrors company's innovation power**

**Thalwil, Switzerland – August 26, 2016** – u-blox (SIX:UBXN), a global leader in wireless and positioning modules and chips, today announced its financial results for the first half year. u-blox continued its positive financial performance, reaching another improvement of the profitability, and posting double-digit growth in revenues. Consolidated revenues for the first half of 2016 stood at CHF 179.7 million, representing an increase of 11.0% over the comparable period in 2015, when the company had enjoyed an exceptional strong growth.

u-blox achieved strong increase in gross profit from CHF 72.8 million to CHF 82.5 million, with the gross profit margin continuing at high 45.9%. Operating profit (EBIT) rose from CHF 24.8 to CHF 27.8 million, an improvement of 12.3% over the same period last year thanks to managing the business for favorable product mix which is also reflected in the again increased EBIT margin of 15.5%. The EBITDA margin stood at 21.8%. Net profit increased by 23.6% from CHF 15.0 million to CHF 18.5 million, representing a 10.3% net profit margin for the period under review. Strong net cash flow generated from operating activities was CHF 26.3 million, an increase of 27.9% and representing 14.6% of revenue. The balance sheet was further reinforced, with a high equity ratio of 65.4%.

u-blox remains confident to continue on its path of growth and to meet its mid and long term revenue and profit goals. The company's innovation power mirrors in a strong pipeline with numerous customers scheduling ramp-ups for major projects in the short and long term.

### Revenue development and breakdown

Both segments in which u-blox operates - positioning and wireless products, and wireless services - continued their double-digit growth path in the first half of 2016:

Revenues for chips and modules for positioning and wireless connectivity were CHF 179.5 million for the first half of 2016 compared with CHF 161.8 million during the same period last year (+11.0%), while revenues for wireless services (including intra-group revenue) were CHF 15.1 million compared with CHF 12.8 million in the first half of 2015 (+17.8%).

In the first half of 2016, the company generated about 80% of its total revenue from 63 customers. u-blox's largest customer accounted for less than 8% of revenue. u-blox served over 5700

customers and achieved global expansion into new regions and markets.

During this period, Asia-Pacific accounted for 46.0%, EMEA for 25.5% and the Americas for 28.5% of total revenue. u-blox reported increased revenues across all regions. Revenue for Asia Pacific grew by 9.4% to CHF 82.6 million, for EMEA by 15.4% to CHF 46.0 million and for America by 9.8% to CHF 51.1 million.

### Positive developments in all regions

The Asia-Pacific economies remain robust: all countries reported continued growth, resulting in a 9.4% increase in revenues for the first half year, mainly driven by strong chipset sales. The company sees customers in all countries ramping up new product applications with a view to expanding their business. u-blox consolidated its reputation for cutting-edge innovation, and the launch of new products remains central to our drive to attract new customers.

In the Americas market, after extraordinarily strong growth (48.1%) over the same period in 2015 with several projects ramping up, business expanded with 9.8 % more slowly as the product mix changed to products with lower ASP but at higher margins. u-blox products and technologies continue to attract strong interest, and as new projects took shape they will provide a firm foundation for continued growth.

Europe, the Middle East and Africa (EMEA) posted a growth of 15.4%, positively supported by all sub-regions. High demand for automotive and industrial applications, supported by dynamic growth in infrastructural applications, resulted in this strong increase in revenue.

u-blox profits from its successful position supporting applications that are expanding with the continued increase of people's mobility that translates into a large variety of expanding markets. More automation, digitalization of products or the impact of the cloud on business models are the concrete new events for what u-blox technology is applied. In all regions, u-blox recorded a significant rise in new business opportunities and is currently working on a number of highly promising new applications.

### Increased gross profit

Gross profit increased by 13.4% to CHF 82.5 million during the first half of 2016, up from CHF 72.8 million in the same period last year. Gross profit margin increased from 44.9% to 45.9% over the respective periods, mainly driven by a positive product mix effect.

### Research and product development

R&D expenses during the first half year were CHF 32.1 million, compared with CHF 29.9 million in the first half of 2015. As a percentage of revenue, R&D expenses were 17.9%, compared with 18.5% in 2015.

### Distribution and marketing activities

During the period under review, distribution and marketing expenses were up from CHF 13.3 million to CHF 15.9 million due to an increase in activities. As a percentage of revenue, distribution and marketing expenses stood at 8.8%, compared with 8.2% in the same period last year.

### Profitability further strengthened

The first half year saw an encouraging rise in EBIT for u-blox's product and service business segments. EBIT rose by 3.0 million to

CHF 27.8 million, which represents a 12.3% increase over the same period last year and a once more increased EBIT margin of 15.5%. Net profit rose by 23.6% to CHF 18.5 million, the equivalent of a 10.3% net profit margin. The EBITDA margin stood at 21.8% (H1 2015: 22.6%). The focus on favorable product mix delivered a further expansion of profitability.

#### Positive net cash generated from operating activities

In the first half of 2016, u-blox generated cash from operating activities amounting to CHF 26.3 million as compared to CHF 20.5 million last year, a remarkable increase of 27.9 %.

#### Finance income and costs

Finance income was CHF 0.1 million and finance costs were CHF 3.0 million, mainly due to negative foreign currency impacts and the interest of the bond issued in 2015.

#### Strong financial position

u-blox's strong balance sheet was further reinforced during the first half of 2016 with an equity ratio of 65.4%. Cash, cash equivalents and marketable securities amounted to CHF 117.4 million at June 30, 2016, compared with CHF 124.0 million at December 31, 2015.

#### Strategic highlights and initiatives

During the first six months of 2016, the company made further inroads into the expanding Narrowband Internet of Things (NB-IoT) market. NB-IoT is a new cellular standard targeted for a low-cost way of connecting up devices that require small amounts of data and low power consumption autonomously from batteries over long periods of time. Its suitability for a vast range of markets and applications has made it a strategic focus for the near future. At the same time, the company made significant progress in centimeter-level GNSS positioning for the mass market with

the world-leading NEO-M8P high-precision modules and aim to develop this promising new product significantly going forward.

u-blox also expanded its presence in most sales offices by adding more staff and moving to bigger offices. These moves come with a growing business in response to our expanding telematics and IoT markets.

#### New product rundown

In the first half of 2016 the company launched many of promising new products essential to satisfying our customers' wide-ranging and continuously changing needs. As elements in a pipeline of innovations, these new products are essential to strengthen and expand u-blox's position in the markets of the future.

Early in the year, u-blox unveiled a number of important positioning products like the u-blox M8 multi-GNSS receivers, now supporting Galileo as well as GPS, GLONASS, BeiDou, QZSS and SBAS. It provides access to an additional 24 satellites, further improves positioning accuracy in challenging urban environments and supports eCall, the European emergency call system.

An essential expansion of the positioning product offering for low-power devices was realized with the new GPS/GLONASS receiver platform u-blox 8 which ensures low power consumption without compromising performance.

Standout products included NEO-M8U, the industry's first untethered 3D dead reckoning (UDR) module. The device leads the way in automotive GNSS innovation and is ideal for use in urban canyons, tunnels and parking garages. Another trailblazing module is the NEO-M8P GNSS receiver, which was designed for countless operations where pinpoint precision is a key feature, such as unmanned vehicles and robotic guidance systems.

**Table 1: consolidated income statement**

(in CHF 000s)	Jan. - June 2016		Jan. - June 2015		Jan. - Dec. 2015	
	(unaudited)	% revenue	(unaudited)	% revenue	(audited)	% revenue
<b>Revenue</b>	<b>179'688</b>	100.0%	<b>161'912</b>	100.0%	<b>338'341</b>	100.0%
Cost of sales	-97'205	-54.1%	-89'158	-55.1%	-183'323	-54.2%
<b>Gross profit</b>	<b>82'483</b>	45.9%	<b>72'754</b>	44.9%	<b>155'018</b>	45.8%
Distribution and marketing expenses	-15'886	-8.8%	-13'336	-8.2%	-27'659	-8.2%
Research and development expenses	-32'092	-17.9%	-29'942	-18.5%	-65'033	-19.2%
General and administrative expenses	-7'878	-4.4%	-6'369	-3.9%	-13'509	-4.0%
Other income	1'216	0.7%	1'686	1.0%	2'474	0.8%
<b>Operating profit (EBIT)</b>	<b>27'843</b>	15.5%	<b>24'793</b>	15.3%	<b>51'291</b>	15.2%
Financial income	123	0.1%	198	0.1%	996	0.3%
Finance costs	-3'016	-1.7%	-6'502	-4.0%	-4.674	-1.4%
<b>Profit before income tax (EBT)</b>	<b>24'950</b>	13.9%	<b>18'489</b>	11.4%	<b>47'613</b>	14.1%
Income tax expense	-6'453	-3.6%	-3'525	-2.2%	-10'515	-3.1%
<b>Net profit, attributable to owners of the parent</b>	<b>18'497</b>	10.3%	<b>14'964</b>	9.2%	<b>37'098</b>	11.0%
Operating profit (EBIT)	27'843	15.5%	24'793	15.3%	51'291	15.2%
Depreciation and amortization	11'301	6.3%	11'748	7.3%	27'421	8.1%
<b>EBITDA<sup>1)</sup></b>	<b>39'144</b>	21.8%	<b>36'541</b>	22.6%	<b>78'712</b>	23.3%

<sup>1)</sup> 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.

**Table 2: consolidated statement of cash flows (condensed)**

(in CHF 000s)	Jan. - June 2016 (unaudited)	Jan. - June 2015 (unaudited)
Net cash provided by operating activities	26'256	20'522
Net cash used in investing activities	-19'622	-15'751
Net cash provided by financing activities	11'581	33'232
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-4'947</b>	<b>38'003</b>
Cash and cash equivalents at beginning of period	112'387	37'662
Effect of exchange rate fluctuations on cash and cash equivalents	-175	-936
<b>Cash and cash equivalents at end of period</b>	<b>107'265</b>	<b>74'729</b>

An important short range radio product set the NINA-B1, a Bluetooth low-energy stand-alone module. Compliant with the latest Bluetooth 4.2 specifications and certified for global use, the module is on track for a big future in healthcare and automotive applications.

The LILY-W1 single-band 802.11n 2.4 GHz Wi-Fi transceiver module provides Wi-Fi connectivity to an increasingly broad range of

industrial and commercial products with LTE internet connectivity. It has a bulk acoustic wave filter that ensures Wi-Fi performance does not deteriorate close to an LTE transceiver.

The new ultra-compact SARA-U201 is the smallest cellular module that supports both 2G and 3G connectivity, making it ideal for a wide range of industrial, automotive telematics and consumer applications.

**Table 3: consolidated statement of financial position (condensed)**

(in CHF 000s)	At June 30, 2016 (unaudited)	At December 31, 2015 (audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	107'265	112'387
Marketable securities	10'150	11'659
Other assets	96'400	95'723
<b>Total current assets</b>	<b>213'815</b>	<b>219'769</b>
<b>Non-current assets</b>		
Property, plant and equipment	13'785	14'708
Intangible assets	152'680	144'758
Financial assets	787	678
Deferred tax assets	7'079	6'930
<b>Total non-current assets</b>	<b>174'331</b>	<b>167'074</b>
<b>Total assets</b>	<b>388'146</b>	<b>386'843</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities	46'070	55'405
Non-current liabilities	88'072	83'117
<b>Total liabilities</b>	<b>134'142</b>	<b>138'522</b>
<b>Shareholders' equity</b>		
Share capital	6'125	6'053
Share premium	73'345	84'006
Retained earnings	174'534	158'262
<b>Total equity, attributable to owners of the parent</b>	<b>254'004</b>	<b>248'321</b>
<b>Total liabilities and equity</b>	<b>388'146</b>	<b>386'843</b>

**Board and management members**

During the period under review, Soo Boon Koh retired from the board. Her seat was taken by Gina Domanig, who holds triple (Swiss, US and French) nationalities. Gina Domanig is a Member of the Board with Die Mobiliar Genossenschaft, Switzerland, and Chairman of the Board at the Energy Venture Forum, Switzerland.

**Outlook**

For 2016, u-blox anticipates EBIT of between CHF 56 million and CHF 60 million (unchanged), based on slightly revised revenue predictions of between CHF 375 million and CHF 385 million. Mid and long term perspectives remain unchanged.



Fritz Fahrni  
Chairman of the Board of Directors



Thomas Seiler  
CEO



**u-blox Holding AG, Thalwil**  
Condensed consolidated interim  
financial statements

June 30, 2016

# Consolidated statement of financial position

(in CHF 000s)	Notes	June 30, 2016 (unaudited)	December 31, 2015 (audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		107'265	112'387
Marketable securities		10'150	11'659
Trade accounts receivable		42'579	43'790
Other receivables		9'830	6'717
Current tax assets		1'961	5'620
Inventories		39'953	37'356
Prepaid expenses and accrued income		2'077	2'240
<b>Total current assets</b>		<b>213'815</b>	<b>219'769</b>
<b>Non-current assets</b>			
Property, plant and equipment		13'785	14'708
Goodwill		55'160	56'716
Intangible assets		97'520	88'042
Financial assets		787	678
Deferred tax assets		7'079	6'930
<b>Total non-current assets</b>		<b>174'331</b>	<b>167'074</b>
<b>Total assets</b>		<b>388'146</b>	<b>386'843</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade accounts payable		20'345	24'195
Other payables		6'897	7'732
Current tax liabilities		1'717	1'496
Provisions		150	0
Accrued expenses		16'961	21'982
<b>Total current liabilities</b>		<b>46'070</b>	<b>55'405</b>
<b>Non-current liabilities</b>			
Financial liabilities	4	59'348	59'284
Other payables		1'485	1'272
Provisions		5'513	5'780
Net pension liability		16'204	12'153
Deferred tax liabilities		5'522	4'628
<b>Total non-current liabilities</b>		<b>88'072</b>	<b>83'117</b>
<b>Total liabilities</b>		<b>134'142</b>	<b>138'522</b>
<b>Shareholders' equity</b>			
Share capital		6'125	6'053
Share premium		73'345	84'006
Cumulative translation differences		-13'612	-10'665
Retained earnings		188'146	168'927
<b>Total equity</b>		<b>254'004</b>	<b>248'321</b>
<b>Total liabilities and equity</b>		<b>388'146</b>	<b>386'843</b>

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

# Consolidated income statement

(in CHF 000s)	Notes	Jan. - June 2016 (unaudited)	Jan. - June 2015 (unaudited)
<b>Revenue</b>	2	<b>179'688</b>	<b>161'912</b>
Cost of sales		-97'205	-89'158
<b>Gross profit</b>		<b>82'483</b>	<b>72'754</b>
Distribution and marketing expenses		-15'886	-13'336
Research and development expenses		-32'092	-29'942
General and administrative expenses		-7'878	-6'369
Other income		1'216	1'686
<b>Operating profit (EBIT)</b>	2	<b>27'843</b>	<b>24'793</b>
Financial income		123	198
Finance costs	5	-3'016	-6'502
<b>Profit before income tax (EBT)</b>		<b>24'950</b>	<b>18'489</b>
Income tax expense		-6'453	-3'525
<b>Net profit</b>		<b>18'497</b>	<b>14'964</b>
Basic earnings per share (in CHF)		2.73	2.25
Diluted earnings per share (in CHF)		2.67	2.17

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

# Consolidated statement of comprehensive income

(in CHF 000s)	Jan. - June 2016 (unaudited)	Jan. - June 2015 (unaudited)
<b>Net profit for the period</b>	<b>18'497</b>	<b>14'964</b>
<b>Other comprehensive income:</b>		
Remeasurements on net pension liability	-2'306	-520
Income tax on remeasurements on net pension liability	479	100
<b>Items that will not be reclassified to income statement</b>	<b>-1'827</b>	<b>-420</b>
Currency translation differences	-2'947	-8'841
<b>Items that are or may be reclassified subsequently to income statement</b>	<b>-2'947</b>	<b>-8'841</b>
<b>Other comprehensive income for the period, net of taxes</b>	<b>-4'774</b>	<b>-9'261</b>
<b>Total comprehensive income, attributable to owners of the parent</b>	<b>13'723</b>	<b>5'703</b>

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

# Consolidated statement of changes in equity

(in CHF 000s)	Share capital	Share premium	Cumulative translation differences	Retained earnings	Total equity, attributable to owners of the parent
<b>Balance at January 1, 2015</b>	<b>5'930</b>	<b>89'531</b>	<b>-4'561</b>	<b>121'976</b>	<b>212'876</b>
Net profit for the period	0	0	0	14'964	14'964
Other comprehensive income for the period, net of taxes	0	0	-8'841	-420	-9'261
<i>Total comprehensive income</i>	0	0	-8'841	14'544	5'703
Share-based payments <sup>1)</sup>	0	0	0	6'020	6'020
Dividend out of share premium	0	-10'684	0	0	-10'684
Options exercised during the year, net of transaction costs	104	4'372	0	0	4'476
<i>Total transactions with owners of the parent</i>	<i>104</i>	<i>-6'312</i>	<i>0</i>	<i>6'020</i>	<i>-188</i>
<b>Balance at June 30, 2015</b>	<b>6'034</b>	<b>83'219</b>	<b>-13'402</b>	<b>142'540</b>	<b>218'391</b>
<b>Balance at January 1, 2016</b>	<b>6'053</b>	<b>84'006</b>	<b>-10'665</b>	<b>168'927</b>	<b>248'321</b>
Net profit for the period	0	0	0	18'497	18'497
Other comprehensive income for the period, net of taxes	0	0	-2'947	-1'827	-4'774
<i>Total comprehensive income</i>	0	0	-2'947	16'670	13'723
Share-based payments <sup>1)</sup>	0	0	0	2'549	2'549
Dividend out of share premium	0	-12'903	0	0	-12'903
Options exercised during the year, net of transaction costs	72	2'242	0	0	2'314
<i>Total transactions with owners of the parent</i>	<i>72</i>	<i>-10'661</i>	<i>0</i>	<i>2'549</i>	<i>-8'040</i>
<b>Balance at June 30, 2016</b>	<b>6'125</b>	<b>73'345</b>	<b>-13'612</b>	<b>188'146</b>	<b>254'004</b>

<sup>1)</sup> Represents the amount of stock option expense of CHF 3.5 million (2015: CHF 2.2 million) including respective tax effects of CHF -1.0 million (2015: CHF 3.8 million) recognized per June 30, 2016 and 2015 respectively.

# Condensed consolidated statement of cash flows

(in CHF 000s)	Jan. - June 2016 (unaudited)	Jan. - June 2015 (unaudited)
Net cash generated from operating activities	26'256	20'522
Net cash used in investing activities	-19'622 <sup>1)</sup>	-15'751
Net cash generated from/(used in) financing activities	-11'581 <sup>2)</sup>	33'232
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>-4'947</b>	<b>38'003</b>
Cash and cash equivalents at beginning of period	112'387	37'662
Effect of exchange rate fluctuations on cash and cash equivalents	-175	-936
<b>Cash and cash equivalents at end of period</b>	<b>107'265</b>	<b>74'729</b>

<sup>1)</sup> Net cash used in investing activities consists of investments into property, plant and equipment of CHF 3.3 million (June 30, 2015 CHF 4.3 million) and investments into intangible assets of CHF 17.8 million (June 30, 2015 CHF 16.0 million) in the first half year 2016.

<sup>2)</sup> Net cash provided by financing activities contains proceeds from the exercise of employee stock options of CHF 2.3 million (June 30, 2015 CHF 4.5 million), the dividend payment out of reserves from capital contributions of CHF 12.9 million (June 30, 2015 CHF 10.7 million). In 2015 net cash generated from finance activities includes proceeds from issuance of a borrowing of CHF 60.0 million (see note 4), reduced by the repayment of CHF 20.0 million for the borrowing issued in 2014.

# 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, 2015.

The condensed consolidated interim financial statements have been prepared in Swiss francs (CHF), rounded to the nearest thousand. The accounting policies applied in the condensed consolidated interim financial statements are consistent with those used in the consolidated financial statements for the year ended December 31, 2015, except for the changes mentioned in the chapter below.

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, 2015.

Income taxes are recognized based on best estimate of the weighted average annual tax rate for 2016.

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

For the condensed consolidated interim financial statements, a EUR/CHF exchange rate of 1.086 and a USD/CHF exchange rate of 0.978 was applied at the end-of-period (31 December 2015 EUR/CHF 1.083, USD/CHF 0.992). For the period an average exchange rate of EUR/CHF 1.105 and USD/CHF 0.997 was applied (previous period: EUR/CHF 1.103, USD/CHF 0.966).

### **Changes in accounting policies**

As of January 1, 2016, u-blox adopted various amended International Financial Reporting Standards (IFRS), none of which have a material impact on the consolidated financial statements of u-blox.

## 2 Segment information

(in CHF 000s)	Positioning and Wireless products		Wireless services		Total segments		Non-allocated/ eliminations		Group	
	January – June		January – June		January – June		January – June		January – June	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue third	179'546	161'760	142	152	179'688	161'912	0	0	179'688	161'912
Revenue intragroup	0	0	14'944	12'655	14'944	12'655	-14'944	-12'655	0	0
<b>Total revenue</b>	<b>179'546</b>	<b>161'760</b>	<b>15'086</b>	<b>12'807</b>	<b>194'632</b>	<b>174'567</b>	<b>-14'944</b>	<b>-12'655</b>	<b>179'688</b>	<b>161'912</b>
EBITDA	36'098	33'468	3'244	3'106	39'342	36'574	-198	-33	39'144	36'541
Depreciation	-3'063	-2'691	-923	-873	-3'986	-3'564	0	0	-3'986	-3'564
Amortization	-7'292	-7'949	-23	-235	-7'315	-8'184	0	0	-7'315	-8'184
<b>EBIT</b>	<b>25'743</b>	<b>22'828</b>	<b>2'298</b>	<b>1'998</b>	<b>28'041</b>	<b>24'826</b>	<b>-198</b>	<b>-33</b>	<b>27'843</b>	<b>24'793</b>
Financial income									123	198
Finance costs									-3'016	-6'502
<b>EBT</b>									<b>24'950</b>	<b>18'489</b>
	<b>June 30, 2016</b>	<b>Dec 31, 2015</b>	<b>June 30, 2016</b>	<b>Dec 31, 2015</b>	<b>June 30, 2016</b>	<b>Dec 31, 2015</b>	<b>June 30, 2016</b>	<b>Dec 31, 2015</b>	<b>June 30, 2016</b>	<b>Dec 31, 2015</b>
Assets	248'755	240'232	14'111	14'956	262'866	255'188	125'280	131'655	388'146	386'843



### 3 Acquisition of subsidiary

No business combination took place during the six month period ended June 30, 2016.

The following business combination took place in 2015:

#### Asset deal with Lesswire, Berlin

At January 1, 2015 u-blox AG acquired from Lesswire, a company specializing in short range radio communication modules the following business.

The business combination in accordance with IFRS 3 of Lesswire established itself as a successful player in the Vehicle-to-Vehicle (V2V) communication systems markets worldwide. With the asset deal u-blox take over 11 employee at the acquisition date. The company is headquartered in Berlin, Germany. Lesswire products are an excellent complement to the existing portfolio of u-blox and will benefit from u-blox' worldwide market presence.

The business combination had the following effect on the Group's assets and liabilities:

(in CHF 000s)	<b>Acquired assets at fair value</b>
Inventories	224
Property, plant and equipment	121
Intangible assets	
Acquired technology	3'093
Customer relationship	534
Intellectual property	361
<b>Total assets</b>	<b>4'333</b>
<b>Net assets</b>	<b>4'333</b>
Goodwill	3'483
<b>Total consideration transferred</b>	<b>7'816</b>
Settled by	
Cash payment in 2014	7'455
Cash payment in 2015	361
<b>Total consideration transferred</b>	<b>7'816</b>
Paid in cash in 2014	-7'455
Paid in cash in 2015	-361
<b>Acquisition of business</b>	<b>-7'816</b>

The goodwill represents intangible assets that do not qualify for a separate recognition as well as the assembled workforce of Lesswire. The goodwill is fully allocated to the Positioning and Wireless products segment and expected to be not deductible for tax purposes. The acquired receivables are measured at fair value which is equal to the contractual gross amounts. They are expected to be fully collectible.

## 4 Financial liabilities

At April 23, 2015, u-blox issued a bond for CHF 60.0 million (net cash inflow of CHF 59.2 million) with a coupon of 1.625% p.a. and a term to maturity of 6 years.

## 5 Finance cost

The main part of the finance cost consists of interest expense for the bond and foreign exchange losses. The main part of the previous year's finance cost consists of foreign exchange losses after Swiss National Bank's decision to no longer defend the CHF/EUR minimum exchange rate.

## 6 Financial instruments

The following table shows the carrying amount of all financial instruments per category. With the exception of financial liabilities, they correspond, approximately, to the fair values in accordance with IFRS. The fair value of financial liabilities is disclosed in the table "Fair value hierarchy".

(in CHF 000s)	Carrying amount June 30, 2016	Carrying amount Dec 31, 2015
<b>Cash and cash equivalents</b>	<b>107'265</b>	<b>112'387</b>
Trade accounts receivable	42'579	43'790
Other receivables	9'830	6'717
Accrued income	1'159	1'571
Financial assets	787	678
<b>Loans and receivables</b>	<b>54'355</b>	<b>52'756</b>
Marketable securities	10'150	11'659
<b>Financial assets at fair value through profit or loss</b>	<b>10'150</b>	<b>11'659</b>
Trade accounts payable	20'346	24'195
Other payables	5'198	3'240
Accrued expenses	6'901	9'495
Financial liabilities	59'348	59'284
<b>Liabilities at amortized costs</b>	<b>91'793</b>	<b>96'213</b>
Other payables - contingent consideration	1'357	1'272
Other payables - forward exchange contracts	132	0
<b>Liabilities at fair value through profit and loss</b>	<b>1'489</b>	<b>1'272</b>

### 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, 2016 (in CHF 000s)	Carrying amounts	Fair value		
	Total	Level 1	Level 2	Level 3
Marketable securities	10'150	10'150	0	0
<b>Total assets</b>	<b>10'150</b>	<b>10'150</b>	0	0
Other payables - contingent consideration	1'357	0	0	1'357
Other payables - forward exchange contracts	132	0	132	0
Financial liabilities	59'348	61'680	0	0
<b>Total liabilities</b>	<b>60'837</b>	<b>61'680</b>	<b>132</b>	<b>1'357</b>
<b>December 31, 2015</b> (in CHF 000s)				
	Total	Level 1	Level 2	Level 3
Marketable securities	11'659	11'659	0	0
<b>Total assets</b>	<b>11'659</b>	<b>11'659</b>	0	0
Other payables - contingent consideration	1'272	0	0	1'272
Financial liabilities	59'284	60'600	0	0
<b>Total liabilities</b>	<b>60'556</b>	<b>60'600</b>	<b>0</b>	<b>1'272</b>

## 7 Dividend

On April 26, 2016 the Annual General Meeting of u-blox Holding AG approved a gross dividend of CHF 1.90 per share. A total dividend amount of CHF 12.9 million was paid out on May 3, 2016.

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

At June 30, 2016 and December 31, 2015 there were no guarantees in favour 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 company.

## 9 Subsequent events

There have been no events between June 30, 2016 and the date of authorization of these condensed consolidated interim financial statements that would lead to an adjustment of the carrying amounts of assets and liabilities presented as of June 30, 2016 or would otherwise have to be disclosed.

The Board of Directors authorized on August 25, 2016 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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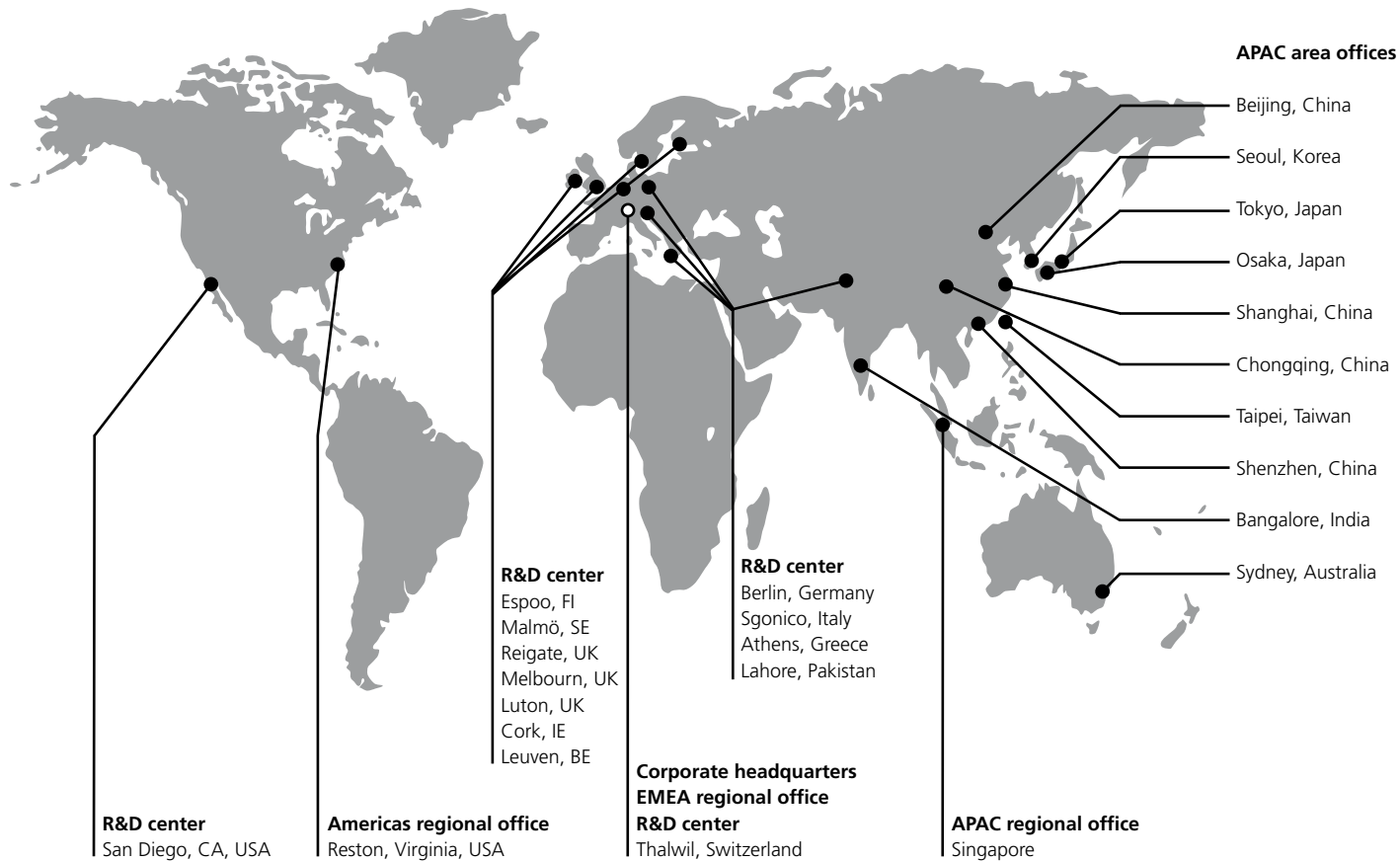
## Website

[www.u-blox.com](http://www.u-blox.com)

## Financial calendar

- Full year results 2016 March 16, 2017
- Annual General Meeting April 25, 2017

# Worldwide presence



## Disclaimer

This document 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.

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