

Contents

- 5** Financial highlights
- 6** Half year report as of June 30, 2021
- 13** Condensed consolidated interim financial statements u-blox Holding AG, Thalwil
 - 14** Consolidated statement of financial position
 - 15** Consolidated income statement
 - 16** Consolidated statement of comprehensive income
 - 17** Consolidated statement of changes in equity
 - 18** Condensed consolidated statement of cash flows
 - 19** Notes to the condensed consolidated interim financial statements
- 26** Information for Investors
- 27** Worldwide presence

This is u-blox

Foundation	1997
Business	Fabless semiconductor provider of embedded wireless and positioning communication solutions
Headquarter	Thalwil, Switzerland
Offices	Australia, Belgium, China, Finland, Germany, Greece, India, Ireland, Italy, Japan, Korea, Pakistan, Singapore, Sweden, Taiwan, United Kingdom and USA
Listed	SIX Swiss Exchange (UBXN)
Employees	1'123 (June 30, 2021 (FTE based)) 1'080 (June 30, 2020, FTE based)
Revenue	H1.2021: CHF 192.7 million H1.2020: CHF 174.0 million
EBIT (adjusted)	H1.2021: CHF 10.5 million H1.2020: CHF 13.2 million
Net profit (adjusted) before minority interests	H1.2021: CHF 6.3 million H1.2020: CHF 4.7 million
Markets	Industrial, Automotive and Consumer
Mission	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

192.7

Revenue H1.2020: 174.0 – Growth rate: 10.8%

Operating cashflow in m CHF

43.0

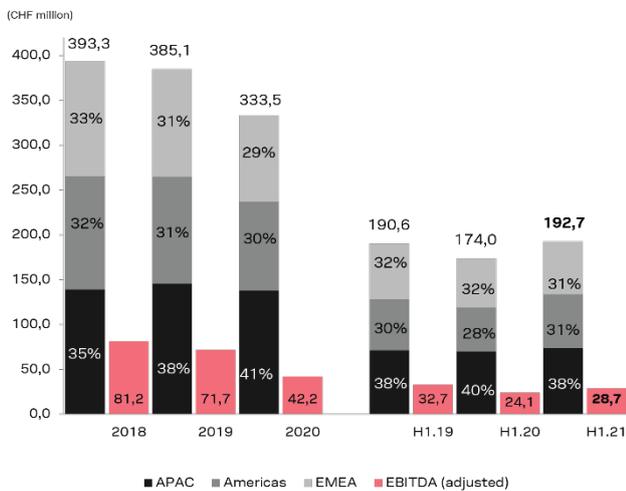
Operating cashflow H1.2020: 13.9 – Growth rate: 210.1%

Equity ratio in %

58.1%

Equity ratio 2020: 54.6%

Revenue by geography / EBITDA (adjusted) in m CHF



Operating profit (adjusted) in m CHF

10.5

Operating profit H1.2020 (adjusted): 13.2 – Growth rate: -20.5%

Net profit (adjusted) in m CHF

6.3

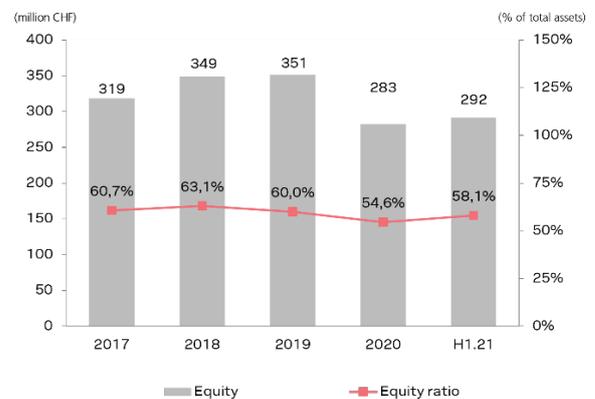
Net profit H1.2020 (adjusted): 4.7 – Growth rate: 34.5%

Gross profit (adjusted) in %

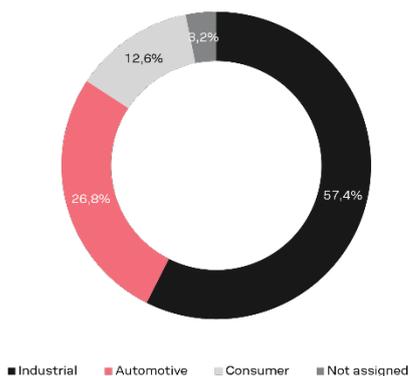
46.7%

Gross profit H1.2020 (adjusted): 45.6%

Total equity and equity ratio in m CHF

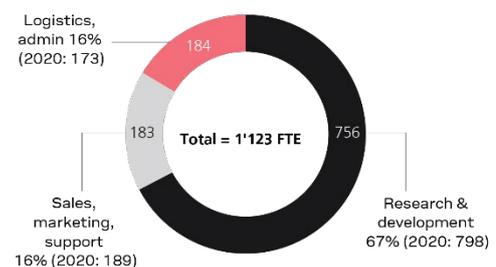


u-blox revenue split per market



Employee breakdown spread over 18 countries

75% of employees based outside Switzerland



u-blox reports H1 2021 financial results

Thalwil, Switzerland – 20 August 2021 – u-blox (SIX:UBXN), a global leader in wireless and positioning technologies, today announced its financial results for the first half of 2021. The company reported a strong first half year in revenues and gross margin, reflecting the continued expansion of demand across all end market sectors, only limited by supply constraints.

H1 2021 Highlights

(All comparisons versus the prior-year period unless otherwise noted)

- Revenue of CHF 192.7 million compared to revenues of CHF 174.0 million, an increase of 10.8% (at constant exchange rates: 16.5%)
- Gross profit (adjusted) of CHF 89.9 million compared to CHF 79.4 million, an increase of 13.3%, and equivalent to an adjusted gross margin of 46.7% versus 45.6% in the prior year period, plus 110 bps
- EBITDA (adjusted) of CHF 28.7 million, compared to CHF 24.1 million
- EBIT (adjusted) of CHF 10.5 million, compared to CHF 13.2 million
- Net profit (adjusted) before minority interests of CHF 6.3 million, compared to CHF 4.7 million
- Cash flow from operating activities of CHF 43.0 million, compared to CHF 13.9 million
- Free cash flow of CHF 27.7 million, compared to CHF -21.9 million
- CHF 85.1 million of cash and cash equivalents at 30 June 2021, compared to CHF 93.9 million at year-end 2020
- Repayment of the 1.625% CHF 60 million bond maturing on 27 April 2021 in its entirety using existing cash and a bridge loan of CHF 25 million

- Acquisition of full ownership in the Sapcorda Joint Venture in March 2021, in line with the company's strategic goal of driving global innovation and growth of GNSS augmentation services for high precision positioning

H1 2021 Product Announcements

The company announced the following product launches enhancing the expansion of solution capabilities across its entire platform:

- The ALEX-R5 is a unique miniature cellular module that integrates low power wide area (LPWA) connectivity and GNSS technology into an ultra-small system-in-package (SiP) form factor, making it a perfect fit for size constrained applications.
- The MAYA-W1 Wi-Fi and Bluetooth module is tailored to a wide range of fast-growing, future-oriented professional applications, such as power management, electric vehicle charging, tracking, telematics, and fleet management.
- The LEA-F9T and ZED-F9T GNSS timing modules and antenna solution makes it easy to develop high precision solution for network and other time and frequency critical applications.
- In Services, we introduced CloudLocate, a service that offloads the position calculation from IoT devices into the cloud. CloudLocate is ideally suited for Industrial IoT tracking applications that must survive in the field for months or years without battery replacement and only need a few position updates per day. It is available through the u-blox Thingstream IoT service delivery platform.

Financial Overview

For the first half of 2021, u-blox generated revenues of CHF 192.7 million, EBIT (adjusted) of CHF 10.5 million and EBITDA (adjusted) of CHF 28.7 million. Revenues in all regions were higher in H1 2021 compared to the same period last year, reflecting strong broad-based expansion of overall demand. In particular, the automotive and consumer end markets exhibited strong year-on-year growth. The weakened USD/CHF exchange rate had a negative growth impact of 5.7 %.

Bookings recovered strongly in all regions, and the pace of growth of the company's orderbook is exceeding by far the current revenue growth rate. The components market has been oversold since the beginning of the year, with delivery lead times increasing to several months and quantities limited by supply constraints.

APAC revenues increased to CHF 73.9 million in H1 2021 from CHF 70.1 million in H1 2020 (5.4%) driven by strong business levels in Japan and Korea. Growth in APAC was tempered by relatively flat results in China due to supply constraints and as some countries continued to be impacted by COVID-19. Revenues benefitted from particularly strong demand from automotive, as well as steady demand for drones and wearable applications.

EMEA revenues increased to CHF 59.4 million in H1 2021 from CHF 51.7 million in H1 2020 (15.0%) primarily due to a resurgence of demand in automotive as compared to the same period last year, in addition to solid demand within infrastructure and consumer tracking applications. Industrial applications remained stagnant due to limited component supply and a higher comparison basis year-on-year.

AMEC revenues increased to CHF 59.9 million in H1 2021 from CHF 48.9 million in H1 2020 (22.4%) propelled by automotive, telematics, medical and wearable applications. AMEC benefitted from robust demand from the automotive market, industrial telematics, medical and consumer applications.

u-blox operates in two segments:

- Positioning and wireless products
u-blox develops and sells chips and modules for positioning and wireless connectivity that are used in automotive, industrial and consumer applications. For H1 2021, revenue amounted to CHF 192.7 million compared to CHF 173.8 million in H1 2020.
- Wireless services
u-blox also offers wireless communication technology services in terms of data services, reference designs and software. For H1 2021, revenue for wireless services reached CHF 17.5 million compared to CHF 16.7 million in H1 2020 (including intra group revenue).

Adjusted gross profit increased by 13.3% to CHF 89.9 million in H1 2021 from CHF 79.4 million in H1 2020, resulting in an adjusted gross profit margin of 46.7% (H1 2020: 45.6%). Gross margin benefitted from the scale impact of increased demand as well as favorable product mix during H1 2021 as compared to H1 2020.

Adjusted operating expenses, which include R&D, distribution and marketing and G&A expenses, totaled CHF 80.5 million for H1 2021, compared to CHF 66.7 million in H1 2020. As a percentage of revenue, operating expenses were 41.8% of revenue compared to 38.3% last year.

Table 1: Consolidated income statement (adjusted)

(in CHF 000s)	Jan. - June 2021 (IFRS)	% revenue	Adjust- ments ²⁾	Jan. - June 2021 (adjusted)	% revenue	Jan. - Jun. 2020 (adjusted)	% revenue
Revenue	192'734	100.0%		192'734	100.0%	173'957	100.0%
Cost of sales	-103'008	-53.4%	207	-102'801	-53.3%	-94'565	-54.4%
Gross profit	89'726	46.6%	207	89'933	46.7%	79'392	45.6%
Distribution and marketing expenses	-18'831	-9.8%	765	-18'066	-9.4%	-15'805	-9.1%
Research and development expenses	-54'430	-28.2%	2'152	-52'278	-27.1%	-39'482	-22.7%
General and administrative expenses	-12'004	-6.2%	1'806	-10'198	-5.3%	-11'373	-6.5%
Other income	1'137	0.6%		1'137	0.6%	505	0.3%
Operating profit (EBIT)	5'598	2.9%	4'930	10'528	5.5%	13'237	7.6%
Financial income	5'090	2.6%		5'090	2.6%	87	0.1%
Finance costs	-6'594	-3.4%		-6'594	-3.4%	-3'533	-2.0%
Share of profit of equity-accounted investees, net of taxes	-1'456	-0.8%		-1'456	-0.8%	-1'907	-1.1%
Profit before income tax (EBT)	2'638	1.4%	4'930	7'568	3.9%	7'884	4.5%
Income tax expense	-383	-0.2%	-894	-1'277	-0.7%	-3'207	-1.8%
Net profit	2'255	1.2%	4'036	6'291	3.3%	4'677	2.7%
Minority interests	21	0.0%		21	0.0%	-69	
Net profit, attributable to owners of the parent	2'234	-1.2%	4'036	6'270	3.3%	4'746	2.7%
Earnings per share in CHF	0.32			0.89		0.67	
Diluted earnings per share in CHF	0.32			0.89		0.67	
Operating profit (EBIT)	5'598	2.9%	4'930	10'528	5.5%	13'237	7.6%
Depreciation and amortization	19'813	10.3%	-1'617	18'196	9.4%	10'905	6.3%
EBITDA¹⁾	25'411	13.2%	3'313	28'724	14.9%	24'142	13.9%

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, 2021	For the period ended June 30, 2020
Net profit	2'255	-60'022
Depreciation & Amortization	19'813	85'651
Other non-cash transactions	2'942	3'312
Financial income & Financial expense	2'960	5'353
Income tax expense	383	-11'121
Change in Networking Capital and provision	8'901	-5'825
Income tax paid	5'711	-3'493
Net cash generated from operating activities	42'965	13'855
Net investment into property, plant and equipment	-1'893	-2'855
Net investment into intangibles	-15'541	-19'855
Net investment into financial assets	315	467
Acquisition of subsidiaries, net of cash acquired & participations	1'831	-13'518
Net cash used in investing activities	-15'288	-35'761
Free Cash Flow (before acquisition & participations in capital increase)	25'846	-8'388
Free Cash Flow	27'677	-21'906
Proceeds from issuance of ordinary shares	0	0
Dividends paid to owners of the parent	0	0
Net proceeds from borrowings	-34'962	1'076
Payment of lease liabilities	-2'563	-2'313
Purchase of treasury shares	0	0
Non-controlling interests	82	125
Interest paid	-2'323	-2'566
Net cash provided by / used in financial activities	-39'766	-3'678
Net decrease in cash and cash equivalents	-12'089	-25'584
Cash and cash equivalents at beginning of year	93'874	127'424
Exchange gains/(losses) on cash and cash equivalents	3'314	-1'735
Cash and cash equivalents at the end of the period	85'099	100'105

R&D expenses (adjusted) increased to CHF 52.3 million in H1 2021 compared to CHF 39.5 million during the same period in 2020. As a percentage of revenue, adjusted R&D expenses in H1 2021 were 27.1 % of revenue compared to 22.7% in H1 2020. R&D expenses increased due to lower capitalization, and higher amortization expense as a consequence of product launches. The company increased R&D efforts in developing more agile processes and in re-designing modules to components with better accessibility, all recorded as expensed.

Distribution and marketing expenses (adjusted) in H1 2021 were CHF 18.1 million compared to CHF 15.8 million in the previous year period. As a percentage of revenue, distribution and marketing expenses (adjusted) were 9.4% in H1 2021 compared to 9.1% in H1 2020. Distribution and marketing expenses increased due to higher revenues which resulted in higher bonus accruals.

Finance costs of CHF 6.6 million (H1 2020: CHF 3.5 million) consisted primarily of interest payments for the two bonds, realized foreign currency losses and the net effect from full consolidation of Sapcorda GmbH. Share of loss of equity-accounted investees net of tax was CHF 1.5 million in H1 2021 (H1 2020: CHF 1.9 million).

Net profit (adjusted) before minority interests was CHF 6.3 million, compared to CHF 4.7 million last year. Diluted EPS (adjusted) in H1 2021 was CHF 0.89 per share compared to CHF 0.67 per share in H1 2020.

Net cash generated from operating activities

u-blox strongly generated cash from operating activities of CHF 43.0 million through H1 2021, compared to CHF 13.9 million generated the previous year, due to higher contribution, positive cashflow from net working capital and tax repayments.

Investing Activities

Investments in property, plant and equipment and intangible assets totaled CHF 17.5 million for H1 2021, compared to CHF 22.7 million in H1 2020. Free cash flow was CHF 27.7 million, compared to CHF -21.9 million in H1 2020.

Financial Position

At 30 June 2021, u-blox had a solid balance sheet with an equity ratio of 58.1%. Cash and cash equivalents totaled CHF 85.1 million as of 30 June 2021, compared to CHF 93.9 million as of 31 December 2020. The decrease in the cash balance reflects the repayment of the 1.625% CHF 60 million bond that was repaid on 27 April 2021.

Management Commentary

Thomas Seiler, u-blox Chief Executive Officer, commented, "We experienced good recovery of revenue and strong gross profit growth year-on-year driven by the expansion in demand across our business, and resulting in strong positive free cash-flow. The automotive industry, which last year was significantly negatively impacted by COVID due to business and production shutdowns, is now driving a surge in demand for automotive applications across all regions. Consumer markets were also very strong on a year-on-year basis, with wearables and tracking applications driving growth. Our industrial business compares to a relatively strong H1 2020 and, overall, generated stable performance year-on-year. Bookings continue to increase at a growing pace since the beginning of the year and our orderbook is now approximately seven times the amount recorded in summer 2020."

Table 3: Consolidated statement of financial position (condensed)

(in CHF 000s)	At June 30, 2021 (unaudited)	At December 31, 2020 (audited)
ASSETS		
Current assets		
Cash and cash equivalents	85'099	93'874
Marketable securities	500	498
Trade accounts receivable	41'308	33'959
Other assets	72'614	89'627
Total current assets	199'521	217'958
Non-current assets		
Property, plant and equipment	11'656	10'024
Right-of-use assets	34'059	32'499
Goodwill	60'976	59'910
Intangible assets	182'685	176'829
Financial assets (incl. equity accounted investees)	1'354	9'011
Deferred tax assets	12'169	11'671
Total non-current assets	302'899	299'944
Total assets	502'420	517'902
LIABILITIES AND EQUITY		
Current liabilities	83'939	112'107
Non-current liabilities	126'673	123'110
Total liabilities	210'612	235'217
Shareholders' equity		
Share capital	105'300	105'300
Share premium	16'600	16'600
Retained earnings	169'908	160'645
Total equity, attributable to owners of the parent	291'808	282'545
Non-controlling interest	0	140
Total equity	291'808	282'685
Total liabilities and equity	502'420	517'902

“We are optimistic for the second half of 2021 and beyond. The supply constraints for components have created challenges that we need to continually manage. Longer-term, the deep-rooted demand supporting the growth of our business will continue, driven by widespread IoT adoption and the desire for connectivity throughout the world.”

Outlook

For the 2021 financial year, u-blox is further updating its guidance based on continued strong demand throughout, balanced by near-term uncertainties and challenges caused by supply constraints for components. Additionally, the company is anticipating additional costs related to the integration of the Sapcorda acquisition and

efforts related to adapting certain products to align with component availability. The company is also expecting lower R&D capitalization in future periods in connection with implementing more agile product development models. The indications are made on the basis of the previous year average foreign exchange rates.

(in CHF millions)	Actual FY 2020 (adjusted)		Updated (adjusted) 1 June 2021	Updated (adjusted) 20 August 2021
Revenue	334	Revenue growth¹	11...19%	15...19%
EBITDA	42	EBITDA margin	16...22%	16...20%
EBIT	18	EBIT margin	9...12%	6...9%

¹⁾ Exchange rate assumptions for 2021: Average rate of 2020 (USD: 0.939, EUR: 1.075, GBP: 1.204)



André Müller
Chairman of the Board of Directors



Thomas Seiler
CEO

u-blox Holding AG, Thalwil

Condensed consolidated interim financial statements

June 30, 2021

Consolidated statement of financial position

(in CHF 000s)	June 30, 2021 (unaudited)	December 31, 2020 (audited)
Assets		
Current assets		
Cash and cash equivalents	85'099	93'874
Marketable securities	500	498
Trade accounts receivable	41'308	33'959
Other receivables	25'035	30'087
Current tax assets	10'587	14'475
Inventories	23'802	33'570
Prepaid expenses and accrued income	12'892	10'876
Derivative financial assets	298	619
Total current assets	199'521	217'958
Non-current assets		
Property, plant and equipment	11'656	10'024
Right-of-use assets	34'059	32'499
Goodwill	60'976	59'910
Intangible assets	182'685	176'829
Other financial assets	1'354	1'189
Equity-accounted investees	0	7'822
Deferred tax assets	12'169	11'671
Total non-current assets	302'899	299'944
Total assets	502'420	517'902
Liabilities and equity		
Current liabilities		
Trade accounts payable	18'626	17'774
Other payables	9'113	7'533
Lease liabilities	5'529	4'728
Current tax liabilities	1'394	882
Accrued expenses	24'277	21'228
Financial liabilities	25'000	59'962
Total current liabilities	83'939	112'107
Non-current liabilities		
Financial liabilities	60'820	60'716
Other payables	5'770	800
Provisions	7'759	7'203
Pension liabilities	21'308	24'574
Lease liabilities	29'211	28'262
Deferred tax liabilities	1'805	1'555
Non-current tax liabilities	0	0
Total non-current liabilities	126'672	123'110
Total liabilities	210'612	235'217
Shareholders' equity		
Share capital	105'300	105'300
Share premium	16'600	16'600
Treasury shares	-31'924	-31'924
Cumulative translation differences	-17'624	-19'765
Retained earnings	219'456	212'334
Total equity, attributable to equity holders of the parent	291'808	282'545
Non-controlling interest	0	140
Total equity	291'808	282'685
Total liabilities and equity	502'420	517'902

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

Consolidated income statement

(in CHF 000s)	Jan. – June 30, 2021 (unaudited)	Jan. – June 30, 2020 (unaudited)
Revenue	192'734	173'957
Cost of sales	-103'008	-94'927
Gross profit	89'726	79'030
Distribution and marketing expenses	-18'831	-16'907
Research and development expenses	-54'430	-115'483
General and administrative expenses	-12'004	-12'935
Other income	1'137	505
Operating profit/loss	5'598	-65'790
Finance income	5'090	87
Finance costs	-6'594	-3'533
Share of loss of equity-accounted investees, net of taxes	-1'456	-1'907
Profit/loss before income tax (EBT)	2'638	-71'143
Income tax benefit/(expense)	-383	11'121
Net profit/loss	2'255	-60'022
Net profit/loss attributable to non-controlling interest	21	-69
Net profit/loss attributable to equity holders of the parent	2'234	-59'953
Basic earnings per share (in CHF)	0.32	-8.64
Diluted earnings per share (in CHF)	0.32	-8.64

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

Consolidated statement of comprehensive income

(in CHF 000s)	Jan. – June 30, 2021 (unaudited)	Jan. – June 30, 2020 (unaudited)
Net profit/loss for the period	2'255	-60'022
Other comprehensive income	3'990	
Remeasurements on pension liability		-2'908
Income tax on remeasurements on pension liability	-758	529
Items that will not be reclassified to income statement	3'232	-2'379
Currency translation differences	2'141	-3'478
Items that are or may be reclassified subsequently to income statement	2'141	-3'478
Other comprehensive income for the period, net of taxes	5'373	-5'857
Total comprehensive income	7'628	-65'879
Total comprehensive income attributable to non-controlling interest	21	50
Total comprehensive income, attributable to equity holders of the parent	7'607	-65'929

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	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, 2020	109'569	16'600	-32'031	-17'663	274'989	351'464	135	351'599
Net profit/loss for the period	0	0	0	0	-59'953	-59'953	-69	-60'022
Other comprehensive income for the period, net of taxes	0	0	0	-3'597	-2'379	-5'976	119	-5'857
Total comprehensive income	0	0	0	-3'597	-62'332	-65'929	50	-65'879
Share-based payments ¹⁾	0	0	0	0	3'319	3'319	0	3'319
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	3'319	3'319	0	3'319
Balance at June 30, 2020 (unaudited)	109'569	16'600	-32'031	-21'260	215'976	288'854	185	289'039
Balance at January 1, 2021	105'300	16'600	-31'924	-19'765	212'334	282'545	140	282'685
Net profit for the period	0	0	0	0	2'234	2'234	21	2'255
Other comprehensive income for the period, net of taxes				2'141	3'232	5'373	0	5'373
Total comprehensive income				2'141	5'466	7'607	21	7'628
Share-based payments ¹⁾					1'656	1'656	0	1'656
Dividend out of share premium								
Options exercised during the year, net of transaction costs								
Total transactions with equity holders of the parent								
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

¹⁾ Represents the amount of stock option expense of CHF 1.78 million (2020: CHF 3.3 million) including respective tax effects of CHF 130 thousand (2020: CHF 0.0 million) recognized for 2021 and 2020 respectively.

Consolidated statement of cash flows

(in CHF 000s)	Jan. - June 2021 (unaudited)	Jan. - June 2020 (unaudited)
Net cash generated from operating activities	42'965	13'855
Net cash used in investing activities ¹⁾	-15'288	-35'761
Net cash used in financing activities ^{2) 3)}	-39'766	-3'678
Net increase/(decrease) in cash and cash equivalents	-12'089	-25'584
Cash and cash equivalents at beginning of period	93'874	127'424
Effect of exchange rate fluctuations on cash and cash equivalents	3'314	-1'735
Cash and cash equivalents at end of period	85'099	100'105

¹⁾ Net cash used in investing activities consists of investments into property, plant and equipment of CHF 2.0 million (June 30, 2020 CHF 2.9 million) and investments into intangible assets of CHF 15.5 million (June 30, 2020 CHF 18.7 million) in the first half year 2021.

²⁾ Net cash provided by financing activities contains the exercise of employee stock options of CHF 0 (June 30, 2020 CHF 0), the dividend payment out of reserves from capital contributions of CHF 0 (June 30, 2020 CHF 0).

³⁾ 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, 2020.

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, 2020.

Income taxes are recognized based on best estimate of the weighted average annual tax rate for 2021.

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, 2021		December 31, 2020	
	Average rate	Closing rate	Average rate	Closing rate
EUR	1.09437	1.09686	1.07053	1.08247
USD	0.90826	0.92497	0.93872	0.88629
GBP	1.26095	1.27928	1.20418	1.21335

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, 2020. The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements for the year ended December 31, 2021.

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 000s)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue third	192'680	173'795	54	162	192'734	173'957		0	192'734	173'957
Revenue intragroup		0	17'405	16'519	17'405	16'519	-17'405	-16'519	0	0
Total revenue	192'680	173'795	17'459	16'681	210'139	190'476	-17'405	-16'519	192'734	173'957
EBITDA	23'836	18'336	1'575	1'525	25'411	19'861		0	25'411	19'861
Depreciation	-4'082	-4'636	-1'414	-1'385	-5'496	-6'021		0	-5'496	-6'021
Amortization	-12'990	-5'144	-1'260	-382	-14'250	-5'526		0	-14'250	-5'526
Impairment	-67	-74'104		0	-67	-74'104		0	-67	-74'104
Operating profit/loss	6'697	-65'548	-1'099	-242	5'598	-65'790		0	5'598	-65'790
Financial income									5'090	87
Finance costs									-6'594	-3'533
Share of loss of equity-accounted investees, net of taxes									-1'456	-1'907
Profit/loss before income tax									2'638	-71'143

3 Revenue recognition

Revenues are derived from:

(in CHF 000s)	Jan. - June 2021 (unaudited)	Jan. - June 2020 (unaudited)
Sales of goods	192'600	173'788
Services rendered	132	157
Licence fees	2	12
Total revenue from contracts with customers	192'734	173'957
Other revenues	0	0
Total	192'734	173'957

Revenue by market

(in CHF 000s)	Jan. - June 2021 (unaudited)	Jan. - June 2020 (unaudited)
Automotive	51'680	41'315
Consumer	24'292	12'778
Industrial	110'677	110'235
Others	6'085	9'629
Total revenue from contracts with customers	192'734	173'957

Revenue by product type

(in CHF 000s)	Jan. - June 2021 (unaudited)	Jan. - June 2020 (unaudited)
Module	146'815	137'885
Chips	44'005	34'809
Others	1'914	1'263
Total revenue from contracts with customers	192'734	173'957

Revenue by region (based on billing location)

(in CHF 000s)	Jan. - June 2021 (unaudited)	Jan. - June 2020 (unaudited)
EMEA	54'926	49'764
thereof: Switzerland	812	1'136
Germany	8'098	8'290
America	37'418	36'897
thereof: United States of America	30'135	31'821
Asia Pacific	100'390	87'296
thereof: China	52'294	49'221
Total	192'734	173'957

4 Impairment of intangible assets in 2020

During the first half of 2020, the Group recognized CHF 74.1 million of impairment losses on intangible assets. The impairment was due to current market conditions mainly in automotive, changes in business plan expectations and refocusing of development projects. Each of those development projects was deemed an individual cash generating unit ('CGU').

The impairment charge in 2020 was recognized in 'research and development expenses'. The charge relates to intangible assets in the positioning and wireless products segment. The respective CGU's were fully written off as the recoverable amount was deemed to be zero.

5 Financial instruments

(in CHF 000s)	Carrying amount June 30, 2021	Carrying amount Dec 31, 2020
Cash and cash equivalents	85'099	93'874
Trade accounts receivable	41'308	33'959
Other receivables	1'775	5'205
Accrued income	533	680
Other financial assets	1'354	1'189
Financial assets at amortized costs	130'069	134'905
Marketable securities	500	498
Derivative financial assets	298	619
Financial assets at fair value through profit or loss	798	1'117
Trade accounts payable	18'626	17'774
Other payables	3'934	4'686
Accrued expenses	8'652	8'685
Lease liabilities	34'739	32'990
Financial liabilities	85'820	120'678
Liabilities at amortized cost	151'771	184'813
Other payables - contingent consideration	800	800
Liabilities at fair value through profit and loss	800	800

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, 2021 (in CHF 000s)	Carrying amounts		Fair value		
	Total	Level 1	Level 2	Level 3	
Marketable securities	500	500	0	0	
Derivative financial assets	298	0	298	0	
Total assets	798	500	298	0	
Other payables – contingent consideration	800	0	0	800	
Financial liabilities	85'820	61'020	26'038	0	
Total liabilities	86'620	61'020	26'038	800	
December 31, 2020 (in CHF 000s)	Total	Level 1	Level 2	Level 3	
Marketable securities	498	498	0	0	
Derivative financial assets	619	0	619	0	
Total assets	1'117	498	619	0	
Other payables – contingent consideration	800	0	0	800	
Financial liabilities	120'678	119'220	995	0	
Total liabilities	121'478	119'220	995	800	

6 Nominal share repayment

On April 23, 2020 the Annual General Meeting of u-blox Holding AG approved a nominal share repayment of CHF 0.60 per share.

A total nominal share repayment in the amount of CHF 4.27 million was paid out on July 14, 2020, whereof CHF 107 thousand pertained to treasury shares held.

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

At June 30, 2021 and December 31, 2020 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.

8 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.

	CHF 000's
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

These values are provisional and subject to change as the purchase balance sheet is finalized.

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.

On April 1, 2020, the Group acquired IoT Communication-as-a-Service Provider Thingstream in an agreement, which is a business combination according to IFRS 3.

The purchase price was CHF 11.2 million, of which CHF 10.4 million was paid in cash and CHF 800 thousand in contingent consideration.

9 Events after the balance sheet date

On August 19, 2021 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

Corporate address

u-blox Holding AG
Zürcherstrasse 68
8800 Thalwil
Switzerland
Phone +41 44 722 7444
Fax +41 44 722 7447

Investor relations

Thomas Seiler
Chief Executive Officer
E-mail: thomas.seiler@u-blox.com

Roland Jud
Chief Financial Officer
E-mail: roland.jud@u-blox.com

Website

www.u-blox.com

Financial calendar

- Analyst day November 23, 2021
- Full year results 2021 March 11, 2022
- Annual General Meeting April 20, 2022

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.

Imprint

Publisher / Copyright: August 2021, u-blox Holding AG, Thalwil, Switzerland.



u-blox Holding AG
Zuercherstrasse 68
8800 Thalwil
Switzerland

Reliable. Smart. Secure.

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