2020 Results
u-blox Holding AG

March 12, 2021

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Roland Jud, CFO
Disclaimer

This presentation contains certain forward-looking statements. Such forward-looking statements reflect the current views of management and are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements of the Group to differ materially from those expressed or implied herein.

Should such risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this presentation.

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Agenda

Full year 2020: Summary financial results
Business highlights
Financial highlights
Business review
Strategy
Outlook
Q&A
Full year 2020: Summary financial results
## Full year 2020: Summary financial results

(CHF millions, except EPS and margins)

<table>
<thead>
<tr>
<th></th>
<th>2020 IFRS reported</th>
<th>2019 adjusted¹</th>
<th>Change 2020 to 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (at constant exchange rates)</td>
<td>333.5m</td>
<td>385.1m</td>
<td>-13.4% (-9.3%)</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>150.4m</td>
<td>175.1m</td>
<td>-13.8%</td>
</tr>
<tr>
<td>Gross margin (%)</td>
<td>45.1%</td>
<td>45.5%</td>
<td>45.5%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>35.4m</td>
<td>71.7m</td>
<td>-41.2%</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>10.6%</td>
<td>18.6%</td>
<td>18.6%</td>
</tr>
<tr>
<td>Operating Profit (EBIT)</td>
<td>-64.8m</td>
<td>43.1m</td>
<td>-58.3%</td>
</tr>
<tr>
<td>EBIT margin (%)</td>
<td>-19.4%</td>
<td>11.2%</td>
<td>11.2%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>-64.9m</td>
<td>32.0m</td>
<td>-90.9%</td>
</tr>
<tr>
<td>Cash Flow from operating activities</td>
<td>39.5m</td>
<td>77.3m</td>
<td>-48.9%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>-16.5m</td>
<td>10.5m</td>
<td>n/a</td>
</tr>
<tr>
<td>EPS in CHF, fully diluted</td>
<td>(9.32)</td>
<td>4.69</td>
<td></td>
</tr>
</tbody>
</table>

¹ Excl. Share-based payments, impacts based on IAS-19, amortization of intangible assets acquired, impairments and non-recurring expenses
Business highlights
Business highlights

• Acquired IoT Communication-as-a-Service Provider Thingstream
  • Aligns with strategy to expand services portfolio and accelerates path to achieving silicon-to-cloud differentiation
  • Provides comprehensive, end-to-end solution for global IoT connectivity services using the industry standard MQTT protocol
  • Delivers platform for any of u-blox service offers
• Launched important new products across platform
  • R5 chipset and modules certified in the major markets for LTE-M
  • Global LPWA cellular module SARA-R422 with increased security and positioning features
  • Mesh technology for Bluetooth deployed in modules
• Continued investing in R&D - capacity maintained during the COVID-19 crisis
• OPEX cost saving initiated resulting in CHF 15m annual savings; program initiated mid-year with full run-rate achieved by year-end
Financial highlights
Financial highlights 2020

Financial results reflect impact of COVID-19

- Total revenues of CHF 333.5m, a decline of -13.4% (-9.3% at constant exchange rates)
- Gross profit margins maintained at 45.3% (45.5% in 2019)
- EBITDA (adjusted) was CHF 42.2m, compared to CHF 71.7m last year
- Cash flow from operating activities of CHF 39.5m in 2020, compared to CHF 77.3m last year
- Free cash flow of CHF -16.5m (before acquisitions CHF -3.0; 2019: CHF 21.3m)
- Impairment charge of CHF 74.1m due to depressed market conditions at outbreak of COVID crisis, mainly in automotive, changes in business plan expectations and refocusing of various programs. Actual product offering unaffected.
Historical Revenue and EBITDA development

Comments

• 2020 revenue below previous year (-13.4% compared to 2019)
• Negative currency impact on revenues at 2019 rates: -4.1%
• EBITDA (adjusted) margin of 12.6%
Revenues by geography

Comments

- APAC revenue decreased by -5%
- Business in China and Korea remained relatively consistent throughout 2020
- Negative impact of COVID-19 on automotive and telematics applications
- EMEA revenue decreased by -20%
- Good progress in industrial automation solutions
- Decline in automotive and tracking applications
- Americas revenue decreased by -17%
- Increased demand of industrial automation solutions
- Decline in tracking and consumer applications

Note: based on reporting area
Revenue by market

Comments
In absolute terms:
• Industrial markets stable
  • Infrastructure
  • Automation
• Automotive market declined
  • All applications decreased due to lockdown measures worldwide
• Consumer markets declined
  • Most applications with exception of fitness

Revenue split per market

<table>
<thead>
<tr>
<th>Market</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial</td>
<td>63.0%</td>
<td>56.5%</td>
</tr>
<tr>
<td>Consumer</td>
<td>7.9%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Automotive</td>
<td>24.5%</td>
<td>23.8%</td>
</tr>
<tr>
<td>Not assigned</td>
<td>4.7%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

Note: Estimate
Shipments and ASP development

Comments

- Module business slight increase with decline in ASP due to product mix
- Chipset sales driven by u-blox 8/M8 series
- Decline in overall chipset volume due to decline in consumer and automotive markets, and lower ASP
Gross profit

Comments
• Gross profit (adjusted) of CHF 150.9m
• Gross profit margin (adjusted) well maintained again

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Profit (adjusted) (in million CHF)</th>
<th>Gross Profit margin (adjusted) (in % of revenue)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>167.8</td>
<td>46.6%</td>
</tr>
<tr>
<td>2017</td>
<td>184.8</td>
<td>45.8%</td>
</tr>
<tr>
<td>2018</td>
<td>177.9</td>
<td>45.2%</td>
</tr>
<tr>
<td>2019</td>
<td>175.1</td>
<td>45.5%</td>
</tr>
<tr>
<td>2020</td>
<td>150.9</td>
<td>45.3%</td>
</tr>
</tbody>
</table>
Distribution & Marketing / Research & Development

Comments

• D&M expenses (adjusted) improved with cost savings realized in 2020
• R&D expenses (adjusted) increased due to higher amortization
• R&D pipeline fully maintained during the COVID crisis
• Reduced cash expense for R&D in 2020 compared to 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>D&amp;M (adjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>29.9</td>
</tr>
<tr>
<td>2017</td>
<td>34.0</td>
</tr>
<tr>
<td>2018</td>
<td>34.8</td>
</tr>
<tr>
<td>2019</td>
<td>35.2</td>
</tr>
<tr>
<td>2020</td>
<td>31.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>R&amp;D expenses (adjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>57.4</td>
</tr>
<tr>
<td>2017</td>
<td>58.3</td>
</tr>
<tr>
<td>2018</td>
<td>67.8</td>
</tr>
<tr>
<td>2019</td>
<td>78.9</td>
</tr>
<tr>
<td>2020</td>
<td>82.4</td>
</tr>
</tbody>
</table>

D&M expenses (adjusted) % of revenues (in % of revenue)

R&D expenses (adjusted) % of revenues (in % of revenue)
## Income statement
### Adjusted and IFRS numbers

### Comments

- **Adjustments are share-based payments of CHF 4.8m, pension impact of IAS-19 of CHF 2.0m, amortization of intangible assets acquired of CHF 2.0m and impairments** of CHF 74.1m
- **Financial result consist primarily of foreign exchange losses, the interest for the two bonds and the result of Sapcorda GmbH**
- **For group adjustments corporate tax rate of 18.1% applied**

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### Adjustments

#### (in CHF 000s)

<table>
<thead>
<tr>
<th></th>
<th>Jan - Dec 2020</th>
<th>Adjustments (1)</th>
<th>Jan - Dec 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(IFRS) % revenue</td>
<td>(adjusted) % revenue</td>
<td>(adjusted) % revenue</td>
</tr>
<tr>
<td>Revenue</td>
<td>333'513 (100.0%)</td>
<td>333'513 (100.0%)</td>
<td>385'099 (100.0%)</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-182'080 -54.9%</td>
<td>516</td>
<td>-182'564 -54.7%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>150'433 45.1%</td>
<td>516</td>
<td>160'949 45.3%</td>
</tr>
<tr>
<td>Distribution and marketing expenses</td>
<td>-33'902 -10.1%</td>
<td>1'712</td>
<td>-31'890 -9.8%</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>-160'333 -48.1%</td>
<td>77'953</td>
<td>-82'370 -24.7%</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>-22'976 -6.9%</td>
<td>2'598</td>
<td>-20'378 -6.1%</td>
</tr>
<tr>
<td>Other income</td>
<td>1'665 0.5%</td>
<td>1'665 0.5%</td>
<td>3'732 1.0%</td>
</tr>
<tr>
<td>Operating Profit (EBIT)</td>
<td>-64'813 -19.4%</td>
<td>82'789</td>
<td>177'976 5.4%</td>
</tr>
<tr>
<td>Finance income</td>
<td>226 0.1%</td>
<td>226 0.1%</td>
<td>547 0.1%</td>
</tr>
<tr>
<td>Finance costs</td>
<td>-10'299 -3.1%</td>
<td>-10'299 -3.1%</td>
<td>-4'133 -1.1%</td>
</tr>
<tr>
<td>Share of profit of equity-accounted investees, net of taxes</td>
<td>-4'164 -1.2%</td>
<td>-4'164 -1.2%</td>
<td>-4'249 -1.1%</td>
</tr>
<tr>
<td>Profit before income tax (EBIT)</td>
<td>-79'050 -23.7%</td>
<td>82'789</td>
<td>37'399 1.1%</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>14'187 4.3%</td>
<td>-15'010</td>
<td>-823 -0.2%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>-64'863 -19.4%</td>
<td>67'779</td>
<td>2'916 0.9%</td>
</tr>
<tr>
<td>Minority interests</td>
<td>-238 -0.1%</td>
<td>-238 -0.1%</td>
<td>-149</td>
</tr>
<tr>
<td>Net Profit, attributable to equity holders of the parent</td>
<td>-64'625 -19.4%</td>
<td>31'154</td>
<td>32'166 8.6%</td>
</tr>
<tr>
<td>Earnings per share in CHF</td>
<td>-9.32</td>
<td>0.42</td>
<td>4.69</td>
</tr>
<tr>
<td>Diluted earnings per share in CHF</td>
<td>-9.32</td>
<td>0.42</td>
<td>4.69</td>
</tr>
<tr>
<td>Operating Profit (EBIT)</td>
<td>-64'813 -19.4%</td>
<td>82'789</td>
<td>177'976 5.4%</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>100'250 30.1%</td>
<td>76'075</td>
<td>24'775 7.2%</td>
</tr>
<tr>
<td>EBITDA (2)</td>
<td>35'437 10.6%</td>
<td>6'714</td>
<td>42'151 12.6%</td>
</tr>
</tbody>
</table>

1) Management calculates EBITDA (earnings before interest, taxes, and 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, impairments and amortization of intangible assets acquired

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3) Impairment was caused by market conditions at outbreak of COVID crisis, mainly in automotive, changes in business plan expectations and refocusing of various programs. The company’s existing lines of product offerings remain unaffected.
Statement of financial position

Comments

• Solid financial position with liquidity (incl. marketable securities) of CHF 94.4m (2019: CHF 128.3m)
• Inventory CHF 33.6m (2019: CHF 51.6m) reflects decline in revenue due to COVID-19
• Trade receivables CHF 34.0m (2019: CHF 48.5m)
• Other current assets contains outstanding VAT receivables of CHF 19.6m (CHF 2019: CHF 8.4m)
• Capitalized R&D now CHF 162.5m (2019: CHF 199.9m). Amortization and Impairment of capitalized R&D: CHF 73.4m
• Right of use assets amounted to CHF 32.5m (2019: CHF 21.8m) and leasing liabilities were CHF 33.0m (2019: CHF 22.2m)
• Current liabilities contain trade payables of CHF 17.8m (2019: CHF 25.4m) and bond repayable April 2021 of CHF 60.0m
• Non-current liabilities contain bond of CHF 60.7m, deferred tax liabilities CHF 1.6 m, employee benefits (IAS-19) CHF 24.6m, provisions CHF 7.2m
Consolidated statement of cash flows

Comments

- Cash flow from operating activities (positively impacted by reduced net working capital) of CHF 39.5m (2019: CHF 77.3m)
- Maintained investment activities
- Free Cash Flow (before acquisitions & participations in capital increase) CHF -3.0m (2019: CHF 21.3m)
- Acquisition of Thingstream of CHF 9.3m and reduced further investment into JV Sapcorda and Tashang of CHF 4.2m (2019: CHF 10.7m)

<table>
<thead>
<tr>
<th>(in CHF 000s)</th>
<th>For the period ended December 31, 2020</th>
<th>For the period ended December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit</td>
<td>-64'863</td>
<td>12'913</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>100'250</td>
<td>43'189</td>
</tr>
<tr>
<td>Other non-cash transactions</td>
<td>7'606</td>
<td>5'263</td>
</tr>
<tr>
<td>Financial income &amp; financial expense</td>
<td>14'237</td>
<td>7'835</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>3'370</td>
<td>16'186</td>
</tr>
<tr>
<td>Change in net working capital and provision</td>
<td>-8'894</td>
<td>-9'401</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>39'519</td>
<td>77'291</td>
</tr>
<tr>
<td>Net investment into property, plant and equipment</td>
<td>-4'278</td>
<td>-6'454</td>
</tr>
<tr>
<td>Net investment into intangibles</td>
<td>-38'441</td>
<td>-50'446</td>
</tr>
<tr>
<td>Net investments into financial assets</td>
<td>241</td>
<td>874</td>
</tr>
<tr>
<td>Acquisition of subsidiaries, net of cash acquired &amp; participations</td>
<td>-13'517</td>
<td>-10'734</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>-55'905</td>
<td>-56'760</td>
</tr>
<tr>
<td>Free Cash Flow (before Acquisition &amp; participations in capital increase)</td>
<td>-29'597</td>
<td>21'265</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>-16'476</td>
<td>10'531</td>
</tr>
<tr>
<td>Proceeds from issuance of ordinary shares (par value reduction)</td>
<td>0</td>
<td>876</td>
</tr>
<tr>
<td>Par value reduction / Dividends paid to owners of the parent</td>
<td>-4'269</td>
<td>-11'077</td>
</tr>
<tr>
<td>Net proceeds from borrowings</td>
<td>1'046</td>
<td>0</td>
</tr>
<tr>
<td>Payment of lease liabilities</td>
<td>-5'797</td>
<td>-4'996</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>107</td>
<td>0</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>243</td>
<td>85</td>
</tr>
<tr>
<td>Interest paid</td>
<td>-2'678</td>
<td>-2'544</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>-11'277</td>
<td>-17'656</td>
</tr>
<tr>
<td>Net decrease in cash and cash equivalents</td>
<td>-27'753</td>
<td>-7125</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>127'424</td>
<td>126'296</td>
</tr>
<tr>
<td>Exchange gains/(losses) on cash and cash equivalents</td>
<td>-5'797</td>
<td>-1'747</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of the period</td>
<td>93'874</td>
<td>127'424</td>
</tr>
</tbody>
</table>
Statement of financial position

Comments

• Solid equity base maintained
• Equity ratio of 54.6% (2019: 60.0%)
• Treasury shares for option program CHF 31.9m (2019: CHF 32.0m)
• Equity ratio without treasury shares: 57.2% (2019: 62.3%)
• Equity ratio without IFRS 16: 58.2% (2019: 62.3%)
• Minority interests of CHF 0.1m (2019: CHF 0.1m)
Global customer base

Comments

• Widespread across different applications and geographical regions

• Strong and growing customer base, serving 9’000 customers worldwide in 2020 (2019: 7’200 customers)

• Low customer dependency
  • 93 customers total 80% of revenue
  • Largest customer accounts for 7.4% of total revenue in 2020

• 10 biggest customers account for 27.8% of total revenue in 2020

Number of customers totaling 80% of revenue
Employment

Employee breakdown (End of December 2020, FTE based)

- Research & development: 69% (2019: 743)
- Sales, marketing, support: 16% (2019: 177)
- Logistics, admin: 15% (2019: 168)

Total = 1'160 FTE (2019: 1'088 FTE)

Note: 76% of employees based outside Switzerland (spread across 18 countries)

Average number of employees (FTE based)

Note: FTE = full time equivalent

(Average FTE)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE</td>
<td>786</td>
<td>893</td>
<td>993</td>
<td>1'043</td>
<td>1'124</td>
</tr>
</tbody>
</table>
## Segment information

### IFRS numbers

<table>
<thead>
<tr>
<th></th>
<th>Positioning and wireless products</th>
<th>Wireless services</th>
<th>Total segments</th>
<th>Non-allocated/eliminations</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue third parties</td>
<td>333'158</td>
<td>384'956</td>
<td>355</td>
<td>143</td>
<td>333'513</td>
</tr>
<tr>
<td>Revenue intragroup</td>
<td>0</td>
<td>31'099</td>
<td>31'916</td>
<td>31'099</td>
<td>31'916</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>333'158</td>
<td>384'956</td>
<td>31'454</td>
<td>32'059</td>
<td>364'612</td>
</tr>
<tr>
<td>EBITDA *)</td>
<td>33'898</td>
<td>58'946</td>
<td>1'539</td>
<td>6'297</td>
<td>35'437</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-9'309</td>
<td>-10'335</td>
<td>-2'919</td>
<td>-3'546</td>
<td>-12'228</td>
</tr>
<tr>
<td>Amortization</td>
<td>-12'758</td>
<td>-16'626</td>
<td>-1'144</td>
<td>-35</td>
<td>-13'902</td>
</tr>
<tr>
<td>Impairment</td>
<td>-74'120</td>
<td>-12'647</td>
<td>0</td>
<td>0</td>
<td>-74'120</td>
</tr>
<tr>
<td><strong>Operating profit (EBIT)</strong></td>
<td>-62'289</td>
<td>19'338</td>
<td>-2'524</td>
<td>2'716</td>
<td>-64'813</td>
</tr>
<tr>
<td>Finance income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of profit of equity-accounted investees, net of taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*) 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.
Business review
Current market conditions
Significant increase in demand across all regions and end markets

• Resurgent demand that accelerated through the end of 2020 into 2021
  • Current orderbook level is approximately four times the amount held in summer 2020
  • Orderbook strength driven by long-term growth drivers of our business combined with a rebound in demand across all regions and end markets
  • Demand is particularly strong in automotive, and geographically, in the Americas and EMEA
• The global semi-conductor industry is in a constrained supply situation
  • Lockdowns spurred unexpected demand for computers and other electronics worldwide
  • Auto OEMs and Tier1s experiencing surge in demand after shutdowns during Q2 and Q3 in 2020, and furthermore had maintained low inventory levels
  • u-blox has installed a team to control the various aspects of the component shortage and is working closely with its customers to offer multiple alternatives to mitigate
Demand outlook: regional markets
Strong and sustained rebound in demand is expected across all regions

• APAC
  • China will continue to be the largest part of our business in APAC and we expect continued growth evidenced by recent design wins and strong momentum across end markets
  • Record bookings in Japan and Korea, mainly thanks to Automotive

• EMEA
  • Expected to benefit from a strong swing in automotive
  • Additional near-term opportunities to expand share in several fast-growing applications in automotive and industrial

• Americas
  • Expect to continue capturing the strong expansion of CATM1 connectivity with targeted go-to-market plans, in a broad range of industrial IoT opportunities

• As demand swings back from 2020, u-blox will stand to benefit from substantial operating leverage as the existing business can support substantial future revenue growth with minimal incremental operating expenses required

• We expect that operating leverage will be further amplified by the OPEX cost savings program of CHF 15m that was achieved in 2020
Update: Automotive

Substantial impact in 2020 from COVID-19 due to production shutdowns; revenues strongly recovering and exceeding production capacities

COVID-19 Impact
• In 2020, revenue decreased to CHF 81m from CHF 117m in 2019 (-31%)
• Rebound since September has occurred in all regions

Expectations
• Continued strong demand and acceleration of ramp-ups
• Autonomous driving remains in focus by OEMs
• Electronics content increasing with more complex system architecture in cars, and EV expansion strongly supported mainly in EMEA
**Outlook: Automotive**

Global automotive industry is poised for a sharp rebound in 2021/2022

- Carmakers’ R&D activities are aligned with autonomous driving as their North Star
  - Cloud connectivity and edge intelligence are two key prerequisites for achieving autonomous control
- u-blox is on track to deliver high precision positioning with functional safety, thanks to continued investment and leadership
- Wireless connectivity is shaping up to be an essential enabler for electric vehicle (EV) charging infrastructure, which is in high demand as EVs grow their market share
Update: Industrial
Stable in 2020 with most application sectors continuing to grow

COVID-19 impact

- Revenue in 2020 was essentially flat at CHF 210m from CHF 217m in 2019 (-4%)
- Most application sectors growing, except for telematics
  - UAV ✓ ✓
  - Infrastructure, surveillance, security ✓ ✓
  - Automation, monitoring, sensor ✓ ✓
  - Medical, healthcare ✓
  - Macro, small & femto cell ✓
  - Metering ✓/-
  - Tracking, telematics --

Expectations

- Trends driving growth in connected solutions continue, and in some cases, have accelerated due to COVID-19
Outlook: Industrial
Demand from our industrial customers is booming

• As industries connect, wireless technology will deliver accuracy and efficiency gains in operations and business.
• In healthcare, the growing role of data in diagnosing disease, delivering care, and cutting costs is making wireless technology indispensable.
• In mobility, it is enabling smart micro-mobility solutions, increasingly connected vehicles, and advanced telematic systems.
• In industry, it is driving automation, boosting resilience, and increasing productivity.
• In homes, buildings, and cities, it is increasing convenience, efficiency, and safety.
**Update: Consumer**

Downturn from COVID-19 due to restrictions impacting outdoor and communal activities have begun to reverse

COVID-19 impact

- H1 2020 revenue was CHF 26m vs. CHF 29 (-11%)
- Downturn in several applications (e.g. cameras, watches) but fitness was positive in 2020

Expectations

- Recovery driven by eased lockdown restrictions worldwide
- Several new applications for COVID-19 tracking are driving growth
- Consumer applications represent relatively small part of our total revenue (7%)
Product launches 2020

Broad expansion of solution capabilities will drive business growth

**Cellular communication**

**UBX-R5**
UBX-R5 LTE-M/NB-IoT chipset offers unprecedented wireless technology integration with built-in end-to-end security, making it ideal for mission-critical or long life-cycle IoT applications.

**JODY-W3**
Designed for the increasing number of wireless high speed connections that will be required in vehicles.

**Short range radio communication**

**Positioning**

**M9**
The ultra-robust M9 technology platform will serve demanding automotive and high-end telematics applications.

**M10**
Leading edge GNSS platform for wearables and asset trackers, with small size and very low power consumption.

**Services**

**Thingstream acquisition**
Enables u-blox to expand its services portfolio toward achieving unique silicon-to-cloud differentiation.

**u-blox Holding AG**
Customers: ORBCOMM
Helping industry thrive and stay connected during times of uncertainty

- ORBCOMM’s advanced IoT solutions are powering the new stay-at-home economy.
- ORBCOMM’s IoT solutions provide end-to-end tracking, monitoring, and control of temperature-sensitive refrigerated trailers, dry vans, and sea containers.

ORBCOMM’s global reach coupled with our unique dual-mode connectivity and our ability to track and monitor temperature sensitive freight from the time it’s loaded to the time it’s delivered, has positioned us to play a key support role in ensuring the COVID-19 vaccine safely and reliably reaches its final destination – whether it’s a clinic, hospital, pharmacy or grocery store.

Chris MacDonald, ORBCOMM’s Senior Vice President and General Manager, Americas.
Customers: Swoop Aero
Vaccine delivery with the first autonomous two-way air transport network

• Aeromedical logistics is transforming access to healthcare and delivering life-saving vaccines.
• Swoop Aero is enabling on-demand healthcare by deploying aeromedical logistics networks to access places that ground transport cannot – safely, reliably, and sustainably.
• u-blox ZED-F9P high precision GNSS module delivers centimeter level positioning accuracy.
Customers: Modmo
When e-bikes replace cars

• Featuring u-blox GPS technology with dedicated 4G data connection for location tracking and security:
  • Real-time location uploaded to a cloud server and retrieved from a mobile phone via cellular connectivity (LARA-R211)
  • Locking and unlocking e-bike with mobile phones via Bluetooth low energy (NINA-B111)
  • Connectivity handled in Thingstream platform
Customers: greenTEG
Leverages u-blox connectivity to protect health and safety amid COVID-19 pandemic

• CORE is a wearable for continuous and accurate core body temperature monitoring.
• CORE communicates wirelessly using the u-blox NINA-B306 stand-alone Bluetooth 5 low energy module.
• Can be used to track users’ wellness status as they return to the workplace from their homes and alerts them when their core body temperature rises unexpectedly.

eHealth: Wearable core body temperature monitor
Strategy
Strategy
4-pillar strategy – no paradigm change

• As the world resets within the context of a pandemic, megatrends continue to change the way we work, learn, move about the planet, receive healthcare and spend our free time.
• With our four-pillar strategy, we provide the connectivity, location-awareness, and security these megatrends are made of.
Strategic priorities

Market position
- Focus on building a portfolio of products that combines connectivity, location-awareness, and timing, as required in the end use.
- Complementing our products and technology with value-added data services for added benefits to our customers who prioritize robustness as much as functionality.

Technology & innovation
- IP portfolio reflects our long history of R&D know-how built over decades of experience and cannot easily be replicated.
- Building more products on our own silicon, developing additional combination modules that blend u-blox technologies, and furthering innovations in miniaturization.
- Growing services portfolio by combining our products with the data services that will improve efficiency, usage and value for customers.
**Strategic priorities**

**Operational excellence**
- Focused on executing on exceptional levels of delivery reliability of our products, manufacturing efficiency and short throughput times.
- Prioritize aspects of sustainability in partnership with operational excellence.
- Continue rigorous quality assurance assessments that are periodically audited by customers and review partners and suppliers to ensure our high standards of operations.
- Initiated cost savings and efficiency measures totaling CHF 15 million. Continual improvement of internal processes and procedures.

**Partnerships and acquisitions**
- Growing and achieving our strategic goals is dependent on external partnerships and acquisitions.
- Dedicated team to continually evaluate such opportunities.
- In 2020, successfully acquired IoT Communication-as-a-Service Provider, Thingstream.
Acquisition criteria
Our M&A strategy

- M&A has always been a part of our long-term strategy; successfully closed 16 transactions to date
- Target must complement product portfolio and add service component with a strong industrial logic
- Purchase price to enable shareholder value creation based on conservative synergy calculation
- Business model, management and culture an ideal fit for u-blox:
  - Technology acquisition
  - Gain economies of scale
  - Expanding customer footprint and cross selling
  - Recurring revenue models
- Formally ended preliminary discussions with Telit on 18 January 2021 - bound by UK takeover rules through 18 June 2021

We maintain a continual stream of acquisition opportunities
Outlook
Guidance 2021
Strong order intake – revenues restricted by component supply constraints

- Strong recovery of demand and record bookings since late 2020
  - Content extension in automotive
  - Expansion of industrial IoT
  - Healthy ramp-up with new products
- Efficiency measures fully implemented
- Revenues lag bookings due to supply constraints for electronic components
- Only short visibility on obtainable output capacity

<table>
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<th>CHF</th>
<th>Actual FY 2020 (adjusted)</th>
<th>Guidance 2021 (adjusted)</th>
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<tbody>
<tr>
<td>Revenue growth at 2020 exchange rates</td>
<td>-9.3%</td>
<td>5…15%</td>
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<tr>
<td>EBITDA margin</td>
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<td>16…22%</td>
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<tr>
<td>EBIT margin</td>
<td>5.4%</td>
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- Exchange rate assumptions for 2021: Average rates of 2020 (USD: 0.939, EUR: 1.075, GBP: 1.204)
- FX-sensitivity against CHF:

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<th>+10% of</th>
<th>USD</th>
<th>EUR</th>
<th>GBP</th>
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<td>Revenue</td>
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<td>+ 1%</td>
<td>0%</td>
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<tr>
<td>EBITDA</td>
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<td>-2%</td>
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<tr>
<td>EBIT</td>
<td>+ 22%</td>
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Q&A
Upcoming events

• Annual general meeting 22 April, 2021
• 2021 half year results 20 August, 2021
• Analyst day 23 November, 2021
Thank you for your attention