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.

u-blox is providing the information in this presentation 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.
Our vision

Mission
With our innovative products and services, we empower customers to locate their devices and connect them from silicon to cloud.

Vision
We enable customers to make their business wirelessly connected. As we develop next-generation silicon and services, we remain committed to putting state-of-the-art products into the hands of our customers that are built to last and to secure systems from within. Adhering to the Swiss tradition of technological innovation we continuously strive to find applicable and modern ways to boost our customers’ businesses. This helps us in building a sustainable future.
Billions of things waiting to be connected

- Power tools: ~1.3 billion
- Parking spaces: ~1.2 billion
- Cars: ~0.5 billion
- Drones: ~5 million
- Bicycles: ~1.3 billion
- Pets: ~0.5 billion
- Street lights: ~1 billion
- Drones: ~5 million
- Drones: ~5 million
- People: ~2.2 billion
We bring things to the cloud
Positioning and wireless communication technology

From the customer’s perspective:

- A seamlessly integrated bundle of technologies leads to faster time to market
- Execution risk greatly reduced when working closely with one competent supplier
- Customer may be unable to create the desired solution on their own when dealing with several suppliers
- u-blox can deliver the desired combination of hardware components and services, and ensure that it will cooperate seamlessly
- No other provider has this capability

U-blox solutions comprised of chipsets, modules and data services

<table>
<thead>
<tr>
<th>U-blox solutions comprised of chipsets, modules and data services</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Chipset" /> <img src="image2.png" alt="Module" /> <img src="image3.png" alt="Data Service" /></td>
</tr>
</tbody>
</table>

Services
To enhance and complement location, connectivity and security.

<table>
<thead>
<tr>
<th>P</th>
<th>C</th>
<th>S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positioning</td>
<td>Cellular connectivity</td>
<td>Short range connectivity</td>
</tr>
<tr>
<td>To locate the source of information</td>
<td>To connect over a wide area</td>
<td>To connect over short distances</td>
</tr>
</tbody>
</table>
## u-blox at a glance in numbers

<table>
<thead>
<tr>
<th>3</th>
<th>334 m</th>
<th>1997</th>
<th>20.5 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core markets</td>
<td>Revenue in 2019</td>
<td>Founded as a spin-off from ETH Zurich</td>
<td>of revenue invested into R&amp;D</td>
</tr>
<tr>
<td>Automotive</td>
<td>334 m in CHF</td>
<td>in CHF</td>
<td>20.5 %</td>
</tr>
<tr>
<td>Industrial</td>
<td></td>
<td>Founded as a spin-off from ETH Zurich</td>
<td>of revenue invested into R&amp;D</td>
</tr>
<tr>
<td>Consumer</td>
<td></td>
<td>in CHF</td>
<td>20.5 %</td>
</tr>
<tr>
<td></td>
<td>1/3 of revenue</td>
<td>1997</td>
<td>20.5 %</td>
</tr>
<tr>
<td>9000 Customers served worldwide</td>
<td>1/3 of revenue</td>
<td>1997</td>
<td>20.5 %</td>
</tr>
<tr>
<td></td>
<td>AMER, EMEA, APAC</td>
<td>1000+</td>
<td>20.5 %</td>
</tr>
<tr>
<td></td>
<td>Employees 68% in R&amp;D</td>
<td>1000+</td>
<td>20.5 %</td>
</tr>
<tr>
<td></td>
<td>IPO and listed SIX:UBXN</td>
<td>1000+</td>
<td>20.5 %</td>
</tr>
</tbody>
</table>
Global presence
31 locations

Asia regional offices
- Wuhan, China
- Beijing, China
- Seoul, Korea
- Tokyo, Japan
- Osaka, Japan
- Shanghai, China
- Chongqing, China
- Taipei, Taiwan
- Shenzhen, China
- Bangalore, India
- Sydney, Australia
- Melbourne, Australia

Americas head office
Reston, Virginia, USA

Corporate headquarters
Thalwil, Switzerland

APAC head office
Singapore

Sales office
R&D center
We make wireless connectivity easy
Built bottom-up from core IP

• Modules simplify the integration of wireless technology – just connect power and antenna.
• Modules are certified and thoroughly tested during assembly.
• Our chips let specialized high-volume customers benefit from economies of scale.
• Our rich software suite makes it easy for customers to adapt products to diverse applications.
• Data services enhance the feature set and performance of our products.
Enabling the Internet of Things (IoT)

Our technologies transform a wide range of products and services into the IoT.
What POSITIONING technology delivers

u-blox is the benchmark for GNSS positioning performance

**Standard precision**
Meter-level accuracy suitable for a wide range of applications

**High precision**
Decimeter-to centimeter-level accuracy for robotics and autonomous driving

**Dead reckoning**
100% positioning information also in parking garages or tunnels

**Timing**
Highly accurate timing used in communication networks, power grids, or financial systems
What CELLULAR technologies deliver
Focus on low power – wide area (2G to 5G)

- **2G / 3G**
  - Low to medium data rates
  - Legacy network support, including data and voice

- **LTE-M / NB-IoT**
  - Ultra-low to medium data rates ideal for IoT
  - Broad coverage
  - Ultra-low power

- **LTE Cat 1**
  - Medium data rates
  - Mobile applications
  - Video / audio streaming

- **High Cat LTE**
  - Highest data rates
  - Video transmission and infotainment
What SHORT RANGE technology delivers
u-blox has the widest range of solutions for Bluetooth and Wi-Fi

<table>
<thead>
<tr>
<th>Sensor connection</th>
<th>Gateways, access points</th>
<th>V2X</th>
<th>Networks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Capillary connectivity</td>
<td>• Bluetooth connectivity combined with Wi-Fi for internet access</td>
<td>• Reliable data transmission for enhanced vehicle safety</td>
<td>• Meshing of devices</td>
</tr>
<tr>
<td>• Ranging for positioning</td>
<td></td>
<td></td>
<td>• Long-range connectivity for controls</td>
</tr>
</tbody>
</table>
What SERVICE technology delivers

Connectivity and extensions enhance customer value over the entire product lifetime

**Communication**
- End-to-end communication as a service
- 600+ GSM carriers across 190 countries
- Scalable MQTT broker and data flow manager

**Security**
- Secure data end-to-end
- Keep sensitive data safe
- Secure communication

**Location**
- Hybrid GNSS & mobile location
- Satellite data via wireless networks
- High precision correction data
Strong foothold in long-term markets
Industrial and automotive markets define our DNA

- We have a strong traditional foothold in the industrial sector.
- We are experiencing continued growth in automotive.
- With our expansion into CEL and SHO, the consumer market has become an opportunistic application focus – mainly high-level consumer goods.
Growth drivers in the **automotive space**

*In-vehicle electronic content is expanding strongly as volumes remain flat*

- Internet connectivity replicated in the car
  - Wi-Fi hotspot
  - Smartphone to dashboard
  - Infotainment on all seats
- Vehicle to the cloud
  - Driver assistance
  - Car systems maintenance
  - Support services
- Vehicle-to-X (V2X)
  - Enhanced safety
- Position
  - Navigation
  - Automated driving

*Source: auto motor und sport, Heft 24, 7 Nov 2019,*
u-blox products connect vehicles

Wireless technology increases passenger comfort

<table>
<thead>
<tr>
<th>Feature</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartphone to dashboard</td>
<td>Wi-Fi and Bluetooth</td>
</tr>
<tr>
<td>Rear seat entertainment</td>
<td>Wi-Fi</td>
</tr>
<tr>
<td>Smart charging</td>
<td>Wi-Fi</td>
</tr>
<tr>
<td>Keyless entry</td>
<td>Bluetooth</td>
</tr>
</tbody>
</table>
u-blox products connect vehicles

Wireless technology enables driver assistance

<table>
<thead>
<tr>
<th>Cellular connectivity</th>
<th>In-car navigation</th>
<th>Car-to-car communication</th>
<th>Automated driving</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTE Cat 4+</td>
<td>GNSS</td>
<td>V2X</td>
<td>GNSS &amp; Functional safety</td>
</tr>
</tbody>
</table>
Growth drivers in the industrial space

The scope of application is increasing rapidly as the wireless content in individual applications remains fixed

- Most industrial applications transfer small amounts of data.
- Efficient solutions are a must.
- Connectivity must support high capillarity and density of things.
- Local control loops are replaced by edge and cloud combined intelligence.
- Power-optimized devices deliver long battery lives.
u-blox products connect industrial goods

Wireless content makes stand-alone equipment a thing of the past

Power tools
Bluetooth

Solar panels
Cellular, Wi-Fi

Containers
Cellular, Wi-Fi, Bluetooth
Products are core to new industrial solutions

Wireless technology enables previously unimaginable automation solutions

Lawnmowers
Cellular, GNSS

e-Scooters
Cellular, GNSS, Bluetooth

Drones
GNSS, Wi-Fi, Cellular
9000 customers worldwide
Continued expansion of our customer base
Why are we competitive?
We are innovative and reliable to the core

- Since our foundation as a spin-off from ETH, we have maintained our innovative spirit, the still-present founders are the guarantors of this attitude.
- **Strong enthusiasm** for our purpose is the central driver in our product centers.
- We focus on our markets and customers with **high dedication**.
- We are **lean and agile** - we make innovative products with less resources and shorter turnaround times.
- Our large competitors focus on very large customers in the consumer space – not our realm.
- We have **robust markets shares** in our market sectors and are often the **undisputed leader**.
- There is **no comparable company** with our unique strategic line-up.
Competition – main players

No other company offers the same solution space. Individual competitors occupy only a subset of our product sectors.

<table>
<thead>
<tr>
<th>Integrated Circuits</th>
<th>Cellular communication</th>
<th>Short range communication</th>
<th>Positioning</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualcomm</td>
<td>NXP</td>
<td>Qualcomm STMicro</td>
<td>Trimble</td>
<td></td>
</tr>
<tr>
<td>Mediatek</td>
<td>Autotalks</td>
<td></td>
<td>Hexagon</td>
<td></td>
</tr>
<tr>
<td>Sequans</td>
<td>Silicon Labs</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Texas Instrument</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Qualcomm</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Modules</td>
<td>Telit</td>
<td>Laird</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gemalto</td>
<td>Lantronix</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sierra Wireless</td>
<td>Alps</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quectel</td>
<td>LG</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Murata</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

The combination of our three core technologies offered in the form of chips and modules is unique in the market.

- Competitors in the integrated circuits space focus mainly on the smart phone.
- Competitors in the module space have no access to core IP and implement only the reference design of the chip suppliers.

The market is more fragmented by many small local competitors.
Business model
Focus on intellectual property and customer relationships

- **Wireless IP**: The core of the business
- **Integrated circuits**: The IP package in tangible and functional form
- **Modules**: A sub-assembly easy to use by the OEM
- **Integration in OEM products**: Engineering support
- **Lifetime usage by end customer**: Recurring data services
- **Acquisitions and partnerships**
Inorganic growth
17 acquisitions in 11 years

- Strong acceleration via acquisitions
- 14 technology and service focused deals, driving expansion of technology and product portfolio
- 3 business add-ons adds scale and expands customer base
- Successful, fast integrations
- Key people still on board
u-blox in summary
An attractive investment case

• A leading supplier of wireless technology to a broad range of industrial, automotive and consumer customers
• Unique, comprehensive solution offering for the IoT - from chip to cloud
• Strong underlying market trends
  • Automotive: Increasing electronic content per vehicle
  • Industrial: Significant application expansion for making things smart is driving volume growth
• Extensive business diversification: Geographic regions, applications, and technologies
• Long-term business cycle – long technology lifetime leads to longstanding customer relationships
• Established reputation as reliable and trusted industry partner; hard to replicate by newer, smaller competitors
• Solid track record of organic growth enhanced with acquisitions
• Proven strategy execution by long-standing management team
Sustainability
Integrating ESG into our strategy
It’s exponential our sustainability potential

• IoT is posed to make an exponential contribution to a more sustainable world
• u-blox has a key role in the innovation driving sustainability across it and a responsibility to produce products and services sustainably
• We are taking action in 5 areas aligned with the 17 UN Global Compact Sustainable Development Goals

<table>
<thead>
<tr>
<th>Our 5 engagements</th>
<th>Supported SDG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Ethics</td>
<td>3, 5, 8, 16</td>
</tr>
<tr>
<td>Employees</td>
<td>4, 5, 8, 9, 11</td>
</tr>
<tr>
<td>Environmental responsibility</td>
<td>3, 12, 16</td>
</tr>
<tr>
<td>Supply chain responsibility</td>
<td>3, 12, 16</td>
</tr>
<tr>
<td>Community</td>
<td>3, 4, 5, 10, 11</td>
</tr>
</tbody>
</table>
How our products support sustainability

Driving greener travel
Our JODY-W2 Wi-Fi and Bluetooth products are being used in an inductive electric vehicle (EV) charging initiative which promises to simplify this key aspect of EV ownership, and thereby drive adoption of zero-emission vehicles.

Safer and energy efficient communities
Our UBX-M8 GNSS chipset and SARA-R4 series cellular modems are being used in smart street lighting around the globe. This enables real-time fault-detection that leads to faster repairs, keeping communities energy efficient.

Reducing greenhouse gas emissions from central heating
Heating large buildings is a significant contributor to global greenhouse gas emissions. The SARA-R4 cellular range is at the heart of a globally available system that cuts energy waste from buildings.
Financials
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
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

<table>
<thead>
<tr>
<th>Year</th>
<th># Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>71</td>
</tr>
<tr>
<td>2017</td>
<td>84</td>
</tr>
<tr>
<td>2018</td>
<td>104</td>
</tr>
<tr>
<td>2019</td>
<td>108</td>
</tr>
<tr>
<td>2020</td>
<td>93</td>
</tr>
</tbody>
</table>
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

![Graph showing module shipments and ASP](image)

![Graph showing GNSS chip shipments](image)

![Graph showing revenue](image)
Gross profit

Comments

• Gross profit (adjusted) of CHF 150.9m
• Gross profit margin (adjusted) well maintained again
**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>
<th>% of revenues</th>
<th>R&amp;D expense (adjusted)</th>
<th>R&amp;D expense % of revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>29.9</td>
<td>8.3%</td>
<td>57.4</td>
<td>15.9%</td>
</tr>
<tr>
<td>2017</td>
<td>34.0</td>
<td>8.4%</td>
<td>58.3</td>
<td>14.5%</td>
</tr>
<tr>
<td>2018</td>
<td>34.8</td>
<td>8.8%</td>
<td>67.8</td>
<td>17.2%</td>
</tr>
<tr>
<td>2019</td>
<td>35.2</td>
<td>9.1%</td>
<td>78.9</td>
<td>20.5%</td>
</tr>
<tr>
<td>2020</td>
<td>31.9</td>
<td>9.6%</td>
<td>82.4</td>
<td>24.7%</td>
</tr>
</tbody>
</table>

**Graphs:**

- D&M expenses (adjusted) 2016-2020
- R&D expenses (adjusted) 2016-2020
## 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\(^3\) 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**

\(^3\)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.

### 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\(^3\) 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

<table>
<thead>
<tr>
<th>(in CHF 000s)</th>
<th>Jan - Dec 2020</th>
<th>Adjustments(^2)</th>
<th>Jan - Dec 2020</th>
<th>Jan - Dec 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>333'513</td>
<td>100.0%</td>
<td>333'513</td>
<td>305'099</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-182'080</td>
<td>-54.9%</td>
<td>516</td>
<td>-182'564</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>150'433</td>
<td>45.1%</td>
<td>516</td>
<td>160'949</td>
</tr>
<tr>
<td>Distribution and marketing expenses</td>
<td>-33'902</td>
<td>-10.1%</td>
<td>1'712</td>
<td>-31'890</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>-160'333</td>
<td>-48.1%</td>
<td>77'963</td>
<td>-82'370</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>-22'976</td>
<td>-6.9%</td>
<td>2'598</td>
<td>-20'378</td>
</tr>
<tr>
<td>Other income</td>
<td>1,665</td>
<td>0.5%</td>
<td>1,665</td>
<td>537</td>
</tr>
<tr>
<td>Operating Profit (EBIT)</td>
<td>-64'813</td>
<td>-19.4%</td>
<td>82'789</td>
<td>177'976</td>
</tr>
<tr>
<td>Finance income</td>
<td>226</td>
<td>0.1%</td>
<td>226</td>
<td>547</td>
</tr>
<tr>
<td>Finance costs</td>
<td>-10'299</td>
<td>-3.1%</td>
<td>-10'299</td>
<td>-4'133</td>
</tr>
<tr>
<td>Profit before income tax (EBIT)</td>
<td>-79'050</td>
<td>-23.7%</td>
<td>82'789</td>
<td>37'399</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>14'187</td>
<td>4.3%</td>
<td>-15'010</td>
<td>-823</td>
</tr>
<tr>
<td>Net Profit</td>
<td>-64'863</td>
<td>-19.4%</td>
<td>67'779</td>
<td>2'516</td>
</tr>
<tr>
<td>Minority interests</td>
<td>-238</td>
<td>-0.1%</td>
<td>-238</td>
<td>-149</td>
</tr>
<tr>
<td>Net Profit, attributable to equity holders of the parent</td>
<td>-64'625</td>
<td>-19.4%</td>
<td>31'154</td>
<td>32'166</td>
</tr>
<tr>
<td>Earnings per share in CHF</td>
<td>-9.32</td>
<td>0.42</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>0.42</td>
<td>4.69</td>
</tr>
<tr>
<td>Operating Profit (EBIT)</td>
<td>-64'813</td>
<td>-19.4%</td>
<td>82'789</td>
<td>177'976</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>100'250</td>
<td>30.1%</td>
<td>76'075</td>
<td>24'175</td>
</tr>
<tr>
<td>EBITDA (^1)</td>
<td>35'437</td>
<td>10.6%</td>
<td>67'174</td>
<td>42'151</td>
</tr>
</tbody>
</table>

\(^1\) Management calculates EBITDA (earnings before interest, taxes, 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.
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>7,035</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>14,187</td>
<td>1,906</td>
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<tr>
<td>Change in net working capital and provision</td>
<td>3,370</td>
<td>16,186</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>-6,894</td>
<td>-9,401</td>
</tr>
<tr>
<td>Net cash generated from operating activities</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>-55,995</td>
<td>-66,760</td>
</tr>
<tr>
<td>Free Cash Flow (before Acquisition &amp; participations in capital increase)</td>
<td>-2,959</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>
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<tr>
<td>Net proceeds from borrowings</td>
<td>1,046</td>
<td>0</td>
</tr>
<tr>
<td>Payment of lease liabilities</td>
<td>-5,726</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>-7,125</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>127,424</td>
<td>136,296</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>
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
Capitalization of R&D
Mechanics

Product idea → Feasibility study → Ressource planning → Financial plan → Do it?

- Project is technically feasible
- Ressources are available
- Financial plan delivers a positive NPV (net present value) based on the estimated costs and revenues

Stop R&D work on this product

Yes → R&D project passes Gate 2

FY 2019 = CHF 12.9m

Amortization over useful life (3-7 years)

Impairment booking in P&L

R&D project passes Gate 7 (Initial Production)

FY 2019 = CHF 50.0m (46.2%)

Capitalize costs

<table>
<thead>
<tr>
<th>Ramp-up/ Certification</th>
<th>Build/ Verification</th>
<th>Development</th>
</tr>
</thead>
</table>

Impairment test at least once a year:
Review Business plan and underlying assumptions

Yes → FY 2019 = CHF 50.0m (46.2%)
Impairment booking
Reasons, and financial impact H1 2020

Why?
• Market conditions hampered by COVID-19 crisis and US-China trade war
  • Strong set-up in automotive market
  • Export business hampered in APAC
• Expectations in business plans less optimistic lowering NPVs
• Refocusing of efforts in various programs
→ Existing lines of product offerings remain unaffected and R&D pipeline fully loaded with next generation platforms

Financial impact H1 2020
• Income Statement
  • Only IFRS and local accounts are affected
  • No impact on EBITDA
  • Amortization of CHF 74m shown as R&D expenses
  • Positive impact on income tax of CHF 12m

• Balance Sheet
  • Capitalized Development reduced from CHF199.9m to CHF 140.2m
  • Acquired Technology reduced by CHF 7m
  • IP reduced by CHF 6m
  • Deferred tax asset increased through loss carry forwards by CHF 12m

• No impact on actual cashflows
Outlook
Guidance 2021

Strong order intake – revenues restricted by component supply constraints

- The pace of order intake has continued to accelerate since the previous guidance presented in March 2021
- Orderbook levels are much higher than previously anticipated
- Experiencing this dynamic across the entire business in terms of end markets and geographies
- 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

<table>
<thead>
<tr>
<th>(in CHF millions)</th>
<th>Actual FY 2020 (adjusted)</th>
<th>Previous Guidance (adjusted)</th>
<th>Updated Guidance 2021 (adjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>334</td>
<td>5...15%</td>
<td>11...19%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>42</td>
<td>16...22%</td>
<td>16...22%</td>
</tr>
<tr>
<td>EBIT</td>
<td>18</td>
<td>9...15%</td>
<td>9...12%</td>
</tr>
</tbody>
</table>

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

- FX-sensitivity against CHF:

<table>
<thead>
<tr>
<th>+10% of</th>
<th>USD</th>
<th>EUR</th>
<th>GBP</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>+ 9%</td>
<td>+ 1%</td>
<td>0%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>+ 16%</td>
<td>0%</td>
<td>-2%</td>
</tr>
<tr>
<td>EBIT</td>
<td>+ 22%</td>
<td>- 1%</td>
<td>- 3%</td>
</tr>
</tbody>
</table>
Executive Committee

Thomas Seiler
CEO

Jean-Pierre Wyss
Executive Vice President
Head of Production and Logistics
Co-founder u-blox AG

Roland Jud
CFO

Markus Schaefer
Executive Director Global Marketing & Sales

Andreas Thiel
Executive Vice President Wireless Products
Co-founder u-blox AG

Additional information – see Corporate Governance and Financial Report 2020, p. 14 - 16
### Analysts

<table>
<thead>
<tr>
<th>Company</th>
<th>Analyst</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baader Helvea</td>
<td>Rolf Renders</td>
</tr>
<tr>
<td>Bryan, Garnier &amp; Co</td>
<td>Dorian Terral</td>
</tr>
<tr>
<td>Credit Suisse</td>
<td>Serge Rotzer</td>
</tr>
<tr>
<td>Julius Bär</td>
<td>Cengiz Sen</td>
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<tr>
<td>Kepler Cheuvreux</td>
<td>Torsten Sauter</td>
</tr>
<tr>
<td>Stifel</td>
<td>Michael Inauen</td>
</tr>
<tr>
<td>Research Partners AG</td>
<td>Reto Huber</td>
</tr>
<tr>
<td>UBS</td>
<td>François-Xavier Bouvignies</td>
</tr>
<tr>
<td>Vontobel</td>
<td>Mark Diethelm</td>
</tr>
<tr>
<td>Zürcher Kantonalbank</td>
<td>Andreas Müller</td>
</tr>
</tbody>
</table>

Please note that any opinions, estimates, or forecasts regarding u-blox’s performance made by these analysts are theirs alone and do not represent opinions, forecasts or predictions of u-blox or its management.
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Thank you for your attention