locate, communicate, accelerate

Annual results 2009
u-blox Holding AG

March 19, 2010
Thomas Seiler, CEO
Jean-Pierre Wyss, CFO
Disclaimer

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Agenda

- Introduction
- Highlights 2009
- Financial results
- Business update
- Outlook 2010
- Q&A
Financial highlights

- 2009 revenue: CHF 73.5 million; decline from 2008 to 2009: -1.3%
- Increased gross profit: 52.9% gross profit margin (2008: 42.7%)

- 2009 EBITDA: CHF 12.7 million
- 2009 EBITDA margin: 17.2%

- 2009 EBIT: CHF 5.2 million
- 2009 EBIT margin: 7.1%

- 2009 net profit: CHF 3.3 million
- 2009 net profit margin: 4.5%

- 2009 net operating cash flow: CHF 14.7 million

Remark: all numbers in the presentation are unadjusted
Operational highlights 2009

• Expanded leadership position
  • Acquisitions in March: Geotate and Neonseven, for GPS and wireless technology
  • More than 7 million GPS receivers delivered to the market

• Improved quality
  • u-blox expanded testing and qualification capacities in June

• Continued innovation: u-blox 6
  • In September, u-blox launched next-generation GPS receiver platform u-blox 6
  • Ultra-low power, for fast positioning and battery-powered products

• New wireless production line
  • In October, an automated production line for wireless modules was activated at our manufacturing partner Flextronics, Austria

• New cross-company processes adopted
  • In November, a new process landscape was deployed streamlining all business processes based on ISO-9001 standards
Revenue and EBITDA

(CHF in million)

2005 2006 2007 2008 2009

Revenue EBITDA

34.3 54.4 78.4 74.5 73.5

4.4 9.1 8.9 12.9 12.7

0 10 20 30 40 50 60 70 80 90

2005 2006 2007 2008 2009

Revenue EBITDA
Markets trends

Revenue split by markets for 2009

<table>
<thead>
<tr>
<th>Market</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial</td>
<td>45%</td>
</tr>
<tr>
<td>Automotive</td>
<td>25%</td>
</tr>
<tr>
<td>Consumer</td>
<td>30%</td>
</tr>
</tbody>
</table>

Comments

- Continued strong foot hold in the industrial market, led by vehicle tracking applications
- Consumer market mainly growing in Asia with PND devices
- Automotive market lead by Asia

Note: Estimate
Revenue by geographic region

Comments

- Strong increase in Asia (+25%)
- Decline in Europe due to recession (-26%)
- Stable business in Americas

Note: based on customers' location
Gross profit

- Strong increase in gross profit margin in 2009 due to u-blox 5 platform and change in product mix
- Increasing sales volumes for special GPS applications (e.g. timing)
- Growth rate of 22% of gross profit margin
Shipments and ASP development

- Strong increase of u-blox 5 chip shipments in 2009
- 78% of GPS module shipments based on u-blox 5 in 2009
Global Customer Base

- Large and stable customer base
- More than 2000 customers worldwide
- Good spread over various applications and all geographical regions
- Largest customer accounts for less than 5% of total revenue in 2009
- 10 biggest customers account for 40% of total revenue in 2009

Number of customers totaling 80% of sales:

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>2006</td>
<td>60</td>
<td></td>
<td></td>
<td></td>
<td>60</td>
</tr>
<tr>
<td>2007</td>
<td>60</td>
<td></td>
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<td></td>
<td>60</td>
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<tr>
<td>2008</td>
<td>60</td>
<td></td>
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<td></td>
<td>60</td>
</tr>
<tr>
<td>2009</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td>50</td>
</tr>
</tbody>
</table>
Distribution & marketing / Research & development

Distribution & marketing expenses

Research & development expenses

(Distriution & marketing expenses) (Research & development expenses)

2005 2006 2007 2008 2009

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Personnel

Employee breakdown (end of 2009, FTE based)

- Research & development: 50% (95 employees)
- Sales, marketing, support: 36% (68 employees)
- Logistics, admin: 14% (27 employees)

Total: 190 employees

Note: 59% of employees based outside Switzerland (spread over 9 countries)

Employee Development (2005 – 2009)

(Average FTE)

- 2005: 40
- 2006: 53
- 2007: 73
- 2008: 94
- 2009: 164

Note: Average number of employees (FTE = full time equivalent)
Acquisition of Neonseven S.p.A.

<table>
<thead>
<tr>
<th>Purchase price</th>
<th>Purchase price allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total purchase price: CHF 17.6m</td>
<td>Customer relationships: CHF 0.5m</td>
</tr>
<tr>
<td>Cash payment: CHF 15.9m</td>
<td>Acquired technology: CHF 0.6m</td>
</tr>
<tr>
<td>Other payables: CHF 1.5m</td>
<td>Other assets: CHF 4.4m</td>
</tr>
<tr>
<td>Transaction costs: CHF 0.2m</td>
<td>Liabilities: CHF 2.4m</td>
</tr>
<tr>
<td>Conditional payment based on technical performance criteria (up to CHF 1.5m) is fully considered in the books</td>
<td>Goodwill: CHF 14.6m</td>
</tr>
</tbody>
</table>

Net cash outflow 2009

- CHF 16.1m

Consolidation as of April 1, 2009
## Acquisition of Geotate B.V.

<table>
<thead>
<tr>
<th>Purchase price</th>
<th>Purchase price allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total purchase price:</td>
<td>Acquired technology: CHF 4.5m</td>
</tr>
<tr>
<td>CHF 8.5m</td>
<td>Intellectual property rights: CHF 3.0m</td>
</tr>
<tr>
<td>Cash payment:</td>
<td>Other assets: CHF 0.5m</td>
</tr>
<tr>
<td>CHF 5.3m</td>
<td>Liabilities: CHF 2.5m</td>
</tr>
<tr>
<td>License payment:</td>
<td>Goodwill: CHF 3.0m</td>
</tr>
<tr>
<td>CHF 3.0m</td>
<td>Restructuring cost allocated to opening balance</td>
</tr>
<tr>
<td>Transaction costs:</td>
<td>Consolidation as of April 1, 2009</td>
</tr>
<tr>
<td>CHF 0.2m</td>
<td></td>
</tr>
</tbody>
</table>

### Net cash outflow 2009

- CHF 8.5m
Revenue decline of 1.3% from 2008 to 2009
• Growth of 15% from H1/09 to H2/09
• Increased gross profit by +22.3%
• Higher gross profit margin 52.9% due to migration to u-blox 5 and due to change in product-mix
• Higher operating expenses due to the acquisition of Neonseven and Geotate
• EBITDA margin of 17.2%
• EBIT margin of 7.1%
• Finance cost: negative foreign exchange result
• Stock options cost in the amount of CHF 0.7m for 2009
• Capex: TCHF 10’220
Statement of financial position

<table>
<thead>
<tr>
<th>Statement of financial position (condensed)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At December 31</strong> (in CHF 000s)</td>
<td></td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>20’153</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>5’000</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>39’740</td>
</tr>
<tr>
<td>Other current assets</td>
<td>19’406</td>
</tr>
<tr>
<td>Total current assets</td>
<td>84’299</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4’229</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>31’424</td>
</tr>
<tr>
<td>Financial assets</td>
<td>381</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>4’686</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>40’720</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>125’019</td>
</tr>
<tr>
<td><strong>LIABILITIES AND EQUITY</strong></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>12’270</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>3’308</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>15’578</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>5’619</td>
</tr>
<tr>
<td>Share premium</td>
<td>102’830</td>
</tr>
<tr>
<td>Retained earnings / (accumulated losses)</td>
<td>992</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>109’441</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>125’019</td>
</tr>
</tbody>
</table>

**Comments**

- Very strong financial position with a liquidity (incl. short term investment & marketable securities) of CHF 64.9m
- No significant debt
- Inventory level reduced to CHF 7.5m
- Intangible assets increased due to acquisitions, includes goodwill of CHF 17.4m
- No write-off due to impairment-tests on non-current assets
Statement of financial position

- Equity ratio at 87.5%
- Strong capital base supports expansion of business

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Equity (CHF million)</th>
<th>Equity Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>21</td>
<td>76%</td>
</tr>
<tr>
<td>2006</td>
<td>28</td>
<td>76%</td>
</tr>
<tr>
<td>2007</td>
<td>98</td>
<td>86%</td>
</tr>
<tr>
<td>2008</td>
<td>106</td>
<td>88%</td>
</tr>
<tr>
<td>2009</td>
<td>109</td>
<td>88%</td>
</tr>
</tbody>
</table>
Statement of cash flows

Consolidated cash flow Statement (condensed)

| (in CHF 000s)                                      | For the year ended December 31, |
|                                                 | 2009   | 2008   |
| Net cash provided by operating activities       | 14'736 | 2'570  |
| Net cash used in investing activities           | -31'774| -50'239|
| Net cash used in financing activities           | -6     | -364   |
| **Net decrease in cash and cash equivalents**   | -17'044| -48'033|
| Cash and cash equivalents at beginning of year  | 37'147 | 85'922 |
| Effect of exchange rate fluctuations on cash and | 50     | -742   |
| cash equivalents                                 |        |        |
| Cash and cash equivalents at end of year         | 20'153 | 37'147 |

Comments

- Positive operational cash flow
- Investing activities:
  - CHF 42.5m was provided by release of short term investments and CHF 40.0m was invested into marketable securities
  - CHF 24.6m used for cash payment of both acquisitions (net of cash acquired)
## Segment reporting (condensed)

<table>
<thead>
<tr>
<th>(in CHF 000s)</th>
<th>GPS / Wireless products</th>
<th>Wireless services 1)</th>
<th>Total Segments</th>
<th>Non allocated/ Eliminations</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue 2)</td>
<td>70'056</td>
<td>74'506</td>
<td>4'824</td>
<td>0</td>
<td>74'880</td>
</tr>
<tr>
<td>EBITDA</td>
<td>12'803</td>
<td>13'145</td>
<td>103</td>
<td>0</td>
<td>12'906</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-1'982</td>
<td>-1'778</td>
<td>-480</td>
<td>0</td>
<td>-2'462</td>
</tr>
<tr>
<td>Amortization</td>
<td>-4'618</td>
<td>-2'688</td>
<td>-415</td>
<td>0</td>
<td>-5'033</td>
</tr>
<tr>
<td>EBIT</td>
<td>6'203</td>
<td>8'679</td>
<td>-792</td>
<td>0</td>
<td>5'411</td>
</tr>
<tr>
<td>Financial result, net</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>EBT</td>
<td>6'203</td>
<td>8'679</td>
<td>-792</td>
<td>0</td>
<td>5'411</td>
</tr>
</tbody>
</table>

1) Wireless services are effective as of 1 April 2009
2) Wireless services: "Revenue from external customers" CHF 3'471 thousand; "Intersegment revenue" CHF 1'353 thousand
Business update

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2009: Delivering on strategic priorities

Technology & Innovation
- GPS platform u-blox 6
- New wireless modules in mass production
- 2/3.5G wireless reference designs

Market position
- Retained customer base of 2’000 and won new ones
- New markets: Telemetry, POS, security, timing
- Telematics customer recognized our combined GPS/GSM offerings

Operational excellence
- Better process landscape and quality improvements
- Cross-departmental program management
- Continued reduction of product cost

Partnerships & acquisitions
- Acquired Neonseven and Geotate
- Continued co-operation with Infineon for wireless solutions
- Microsoft granted us Windows 7 driver certification
A strong team after adding valuable new colleagues

“u-blox’ leading technology depends on teamwork, enthusiasm and the dedication of our employees.”
Rajani Rao
Senior Software Engineer
u-blox GPS R&D center, Reigate, UK

“At u-blox Wireless R&D center, my job is to develop state-of-the-art software that are the “brains” behind our embedded communication products.”
Francesco Alibrandi
Software Engineer
u-blox Wireless R&D center, Sgonico, Italy

“We understand that our level of quality can mean the difference between success or failure of their products on the market.”
Rosalba Rizza
Senior Production Engineer
u-blox GPS R&D center, Thalwil, Switzerland
Commercial highlights (1)

Increased penetration of consumer markets

- u-blox increased its share of the consumer markets, especially for PND and recreational devices

Gionee (China): mobile phone L800

McMurdo (UK): person tracker

Spot (USA): person tracker
Commercial highlights (2)

Breakthrough with new GSM modules

- The introduction of our LEON GSM module in February led to numerous customer wins for telematics and telemetry

Satel (Poland): wireless security module with u-blox’ GPS
Commercial highlights (3)

Geotate acquisition brings first customers

- The commercial deployment of u-blox’ “Capture & Process” software technology by camera accessory makers Bilora and Jobo were the first direct result of the acquisition of Geotate’s patented software GPS technology.

u-blox “Capture & Process” technology remembers where each photo was taken.
Commercial highlights (4)

Microsoft certifies u-blox GPS driver for Windows 7

- Drivers for PC software were officially certified as Windows 7 compliant, giving third party software developers a head start in developing the next generation of location-aware services running on Windows.
Commercial highlights (5)

Expansion of online services offering

• u-blox experienced continued market adoption of its existing online GPS service for accelerated positioning, as well as its new online service for geotagging applications
## Products and innovation

<table>
<thead>
<tr>
<th>Business segment</th>
<th>Product family</th>
<th>Product</th>
</tr>
</thead>
</table>
| GPS/wireless products | GPS chips | **u-blox 6 single chip:** Standard & automotive grades  
**u-blox 6 chipset:** Automotive grade |
|                  | Positioning  | **AMY:** World’s smallest GPS module  
**NEO:** World’s first 1.8 Volt GPS module  
**LEA:** GPS & GALILEO modules with optional flash |
|                  | GPS solutions | **YUMA:** Capture & Process for geotagging  
**AssistNow:** Global A-GPS services  
**Dead Reckoning:** For automotive applications |
|                  | Communications | **LEON:** GSM / GPRS module  
**LUCY:** HSDPA module |
| Wireless services | Wireless modules | **N721/731:** HSPA modem reference designs  
**N725:** HSDPA Mini PCI express card reference design  
**N709Q:** GSM/GPRS reference design |
New u-blox 6 GPS receiver technology

It never took so little...

- ... time to determine your location
  - New GPS engine with improved position acquisition

- ... to extend your battery life
  - Intelligent power management with Power Save Mode

- ... time to capture a position
  - Instant GPS data capture with revolutionary **Capture & Process** technology

- ... effort to keep pace with latest GPS technology
  - Drop-in compatible with u-blox 5
New LUCY UMTS/HSDPA modem module

It never was so fast…

• …to communicate
  • HSDPA data-rates of up to 7.2 Mb/s, GPRS/EDGE class 12 data transmission

• …to access networks all over the globe
  • Full tri-band HSDPA and quad-band GSM/GPRS data and voice

• …to communicate in parallel
  • Voice, SMS and Fax capabilities

• …to access the Internet:
  • Multiple protocols supported

• …with low power consumption
  • Intelligent power management
GPS became a highly valued feature in consumer devices

- Location aware devices enhance the user experience and enables numerous exciting applications:
  - What is around me?
  - Shopping, restaurants, ATMs, public transportation, tourist information, special offers, etc.
  - How do I get there? (Turn by turn directions for vehicles and pedestrians.)
  - Where have I been? (and taken a photo, passed by)
  - Who is around me?
New wireless modules for industrial markets

- Main market: Industrial applications
- Customers appreciate the fact that they can purchase our size-optimized GPS and wireless modules
- Supporting trends in telematics and telemetry
  - Cost reduction through reduced component count, size and bill of materials
  - High GPS and wireless performance to enable higher service level offerings and accountability
  - Increasing automation
Automotive grade GPS chips with dead reckoning software in ramp-up

- We are well positioned to play a significant role in the automotive market and therefore expect to grow faster than the overall market in 2010 and beyond.

- GPS can be used for multiple functions in modern cars:
  - In-car navigation to emergency call systems
  - Anti-theft devices,
  - Road-pricing systems
  - Insurance boxes that support pay-as-you-drive models.
Our technology, unseen, but with high impact

Stolen vehicle recovery
Our technologies are embedded in vehicle tracking and recovery systems: they know where they are, and can inform you.

Automatic road pricing
Automatic road pricing systems rely on u-blox’ technologies to track and bill for road usage.

Vehicle black-box
Devices using our GPS receivers can not only track where a vehicle was, but also how fast it was going.

Mobile Internet
Staying connected while on the go is possible with u-blox’ 2G and 3.5G wireless modems.

Emergency call
Automated assistance after a collision is enabled with u-blox technology.

Navigation
Thanks to navigation devices powered by u-blox’ technology, you can decide where you want to go, what you can find there.
locate, communicate, accelerate

Outlook 2010
Outlook 2010

<table>
<thead>
<tr>
<th>Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Go to market with important product innovations</td>
</tr>
<tr>
<td>- Wireless: 3G products</td>
</tr>
<tr>
<td>- GPS: u-blox 6</td>
</tr>
<tr>
<td>Continued development of new technologies for positioning and wireless solutions – we are working on some 50 R&amp;D projects</td>
</tr>
<tr>
<td>Capture additional business from existing customer relationships</td>
</tr>
<tr>
<td>Continued expansion of market presence in telemetry and broadband access markets</td>
</tr>
<tr>
<td>Strengthen the global presence</td>
</tr>
<tr>
<td>Operational excellence for lowest cost</td>
</tr>
</tbody>
</table>

Financial performance outlook 2010

- Market size for 2010 is still unpredictable – signs of recovery are visible but business remains short term minded
- Strong balance sheet to remain

Mid-term outlook

- Mid-term sales growth from
  - Chipset sales Positioning
  - Modules sales Wireless

<table>
<thead>
<tr>
<th></th>
<th>Actual 2009</th>
<th>Guidance 2010</th>
<th>Target 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>73.5</td>
<td>&gt; 90</td>
<td>140</td>
</tr>
<tr>
<td>EBIT</td>
<td>5.2</td>
<td>&gt; 6</td>
<td>20</td>
</tr>
</tbody>
</table>

in MCHF
Calendar

- Annual General Assembly 2009: April 29, 2010
- Half-year results 2010: September 3rd, 2010
Thank you!

locate, communicate, accelerate