

u-blox Investor Presentation

January, 2015

locate, communicate, accelerate



u-blox at a glance

- A **global company** providing embedded wireless communication and positioning solutions
- **Broad customer base** with more than 4500 customers and significant market share
- The only company **focusing on wireless and positioning**, delivered as both integrated circuits and modules
- **High product quality**, comprising excellent reliability and environmental friendliness, ensured because we design the chips and software ourselves

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.



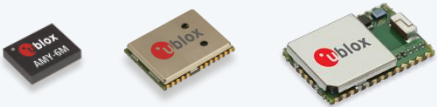




u-blox at a glance

- **Swiss semiconductor company**
 - Founded in 1997
 - Listed on the SIX Swiss Exchange since 2007 (SIX:UBXN)
- **Core competencies**
 - Cellular communications technologies
 - Satellite based positioning technologies
 - Short range radio technologies
- **Product offering**
 - Integrated circuits – the foundation of our solutions
 - Modules – fully implemented, drop-in solutions
 - Services – delivering added value to our solutions
- **Market focus**
 - Automotive – robust, automotive grade products
 - Industrial – durable components for professional electronics
 - Consumer – mass market ICs and modules
- **Business model**
 - Fabless operation
 - Commercial, off-the-shelf products














Strong combination of technology and product offerings

	Positioning	Cellular Communication	Short Range Communication
Integrated Circuits			
Modules			
Services	CellLocate® AssistNow™	Wireless solutions	

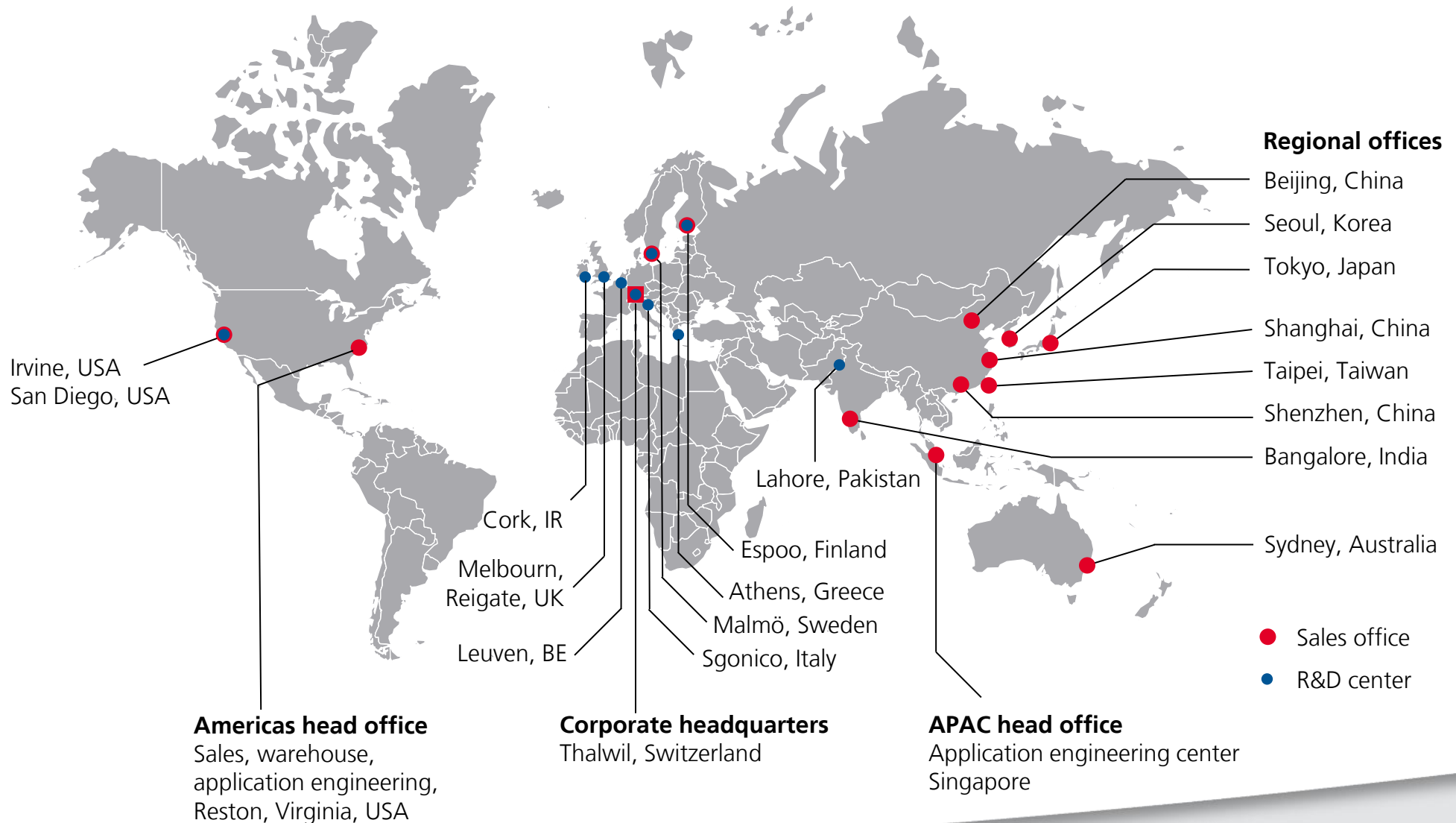
u-blox organization



Our history

	Employees	
2014 TOBY LTE multi-mode module launched Acquisition of connectBlue, Antcor and lesswire, adding Short Range Radio	540	
2013 TOBY LTE single-mode module launched u-blox M8 concurrent multi-GNSS platform launched	450	
2012 u-blox 7 multi GNSS platform launched Kicked off 4G LTE chip development	390	
2011 CDMA cellular modules launched	220	
2010 LISA 3G cellular modules launched	204	
2009 First cellular module launched: LEON (2G)	190	
2007 IPO on the Swiss Exchange	73	
2006 u-blox 5 GPS platform launched	53	
2003 Dead reckoning solution completed for the automotive industry	40	
2002 Development of own GPS chip ANTARIS	30	
1998 World's first surface-mount GPS module	15	
1997 Founding of u-blox	6	

Worldwide presence – 22 locations



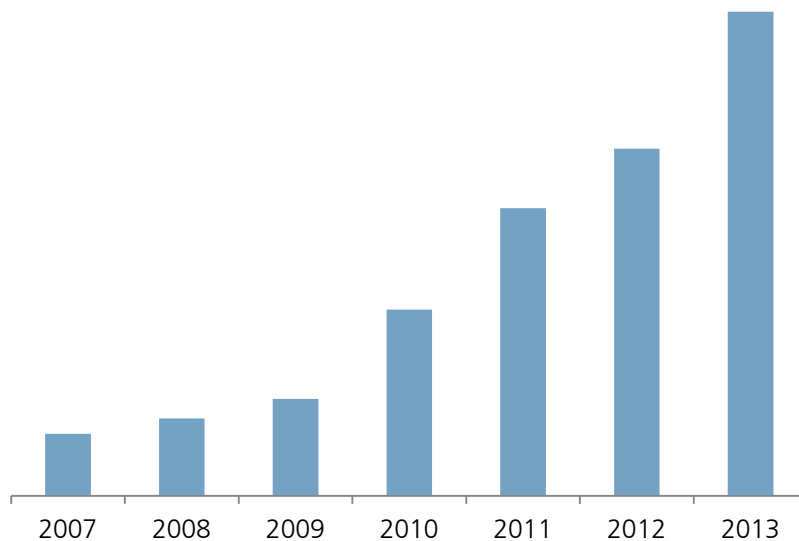
Vision and Strategy



**To be the leading, industry-quality, supplier of
communications and positioning components in
the Internet of Things that Really Matter**

...leading...

Units Shipped



Positioning

- Started in 1997
- Organic growth, added Fastrax in 2012
- **Market leader in positioning modules**

Cellular

- Started in 2009 (NeonSeven)
- Added CDMA in 2010 (Fusion Wireless)
- Added LTE IP in 2012 (Cognovo, 4M)
- **Number 4 position reached within 5 years**

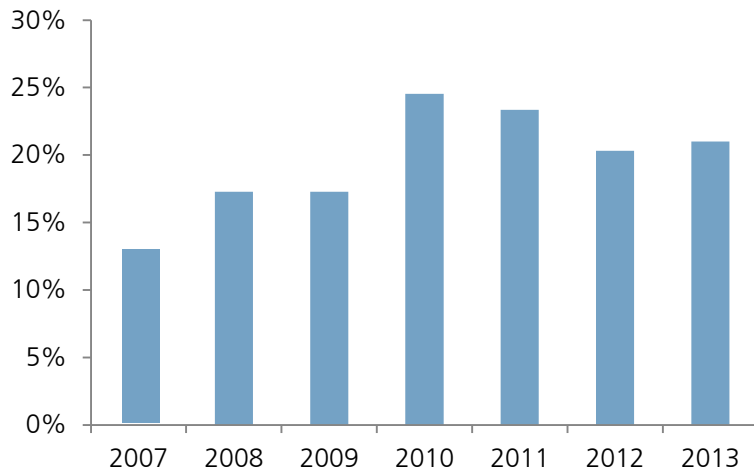
Short Range

- Started in May 2014 (connectBlue) for modules
- Added Wi-Fi IP (Antcor) and automotive modules (lesswire)
- **Aim at strong market position**

...leading...

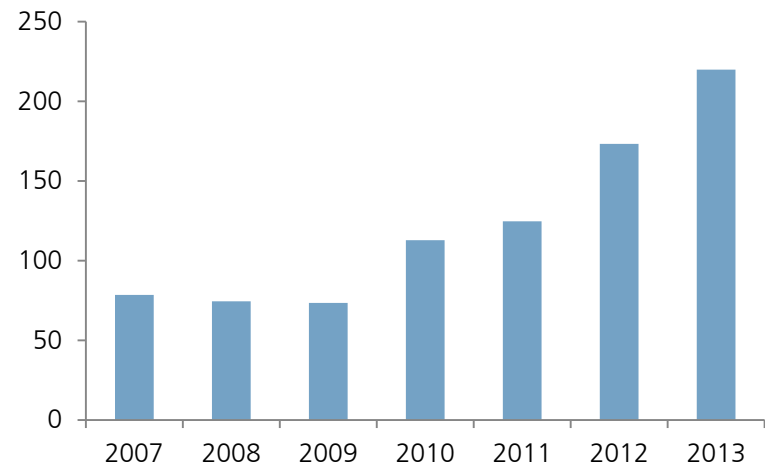
- Want to have Top-Two status in our key business area of M2M modules
- Maintaining steady growth in revenue and number of units shipped, whilst being cash-generative with consistently good margin

EBITDA



CHF in millions

Revenue



...industry-quality...

Swiss quality at the heart of everything we do



- Design, manufacturing, packaging, support and supply chain management all aligned with the customers' requirements for long-term success in demanding markets such as automotive and industrial
- Aiming for zero defects hand-in-hand with reduced manufacturing cost

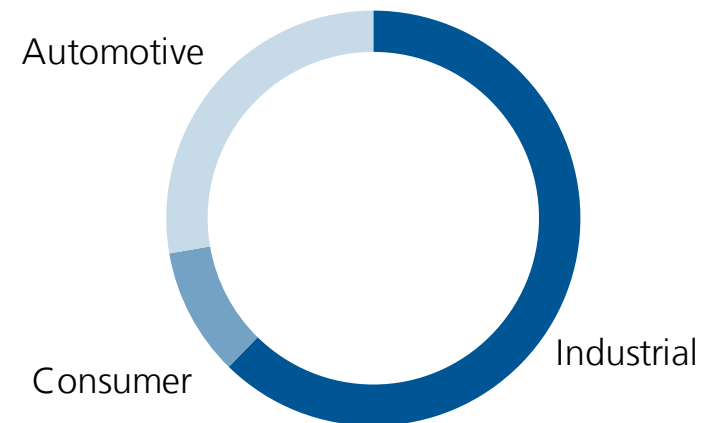
...industry-quality...

	Standard Grade	Professional Grade	Automotive Grade
Tolerance to environmental conditions	Designed and tested for consumer environment	Designed and tested for industrial environment	Designed and tested for automotive environment
Typical ambient temperature range	-20 ... +65°C	-40 ... +85°C	-40 ... +85°C
Product Qualification	JESD47 (chips) Subset of ISO 16750 (modules)	JESD47 (chips) ISO 16750 (modules)	AEC-Q100 (chips) ISO 16750 (modules)
Process levels for design, manufacturing and testing	100% outgoing test, product traceability	Standard grade, plus... x-ray testing of modules, top-grade components	Professional grade, plus ... PPAP, 8D, ISO/TS 16949, automotive test flow, component traceability, selectively automotive grade components
Field Reliability	Very high	Very high over long product life time	Extremely high. according to ppm agreement

...supplier...

- Catalogue products
- Strong and stable customer base
- More than 4500 customers worldwide
- Good spread over different applications and geographical regions
- Small customer dependency: Largest customer accounts for 7% of total revenue in H1/14
- 10 biggest customers account for 35% of total revenue in H1/14

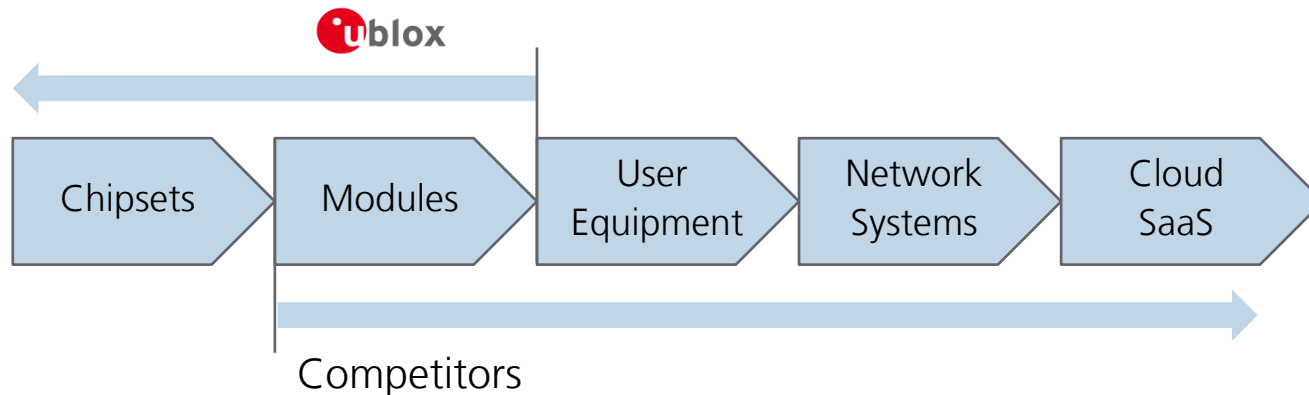
Revenue split per market for H1/14



Note: Estimate

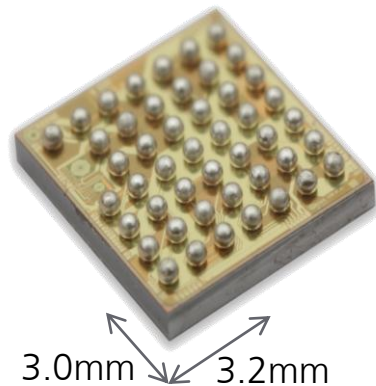
...supplier...

- Our customers are our partners not our competitors
- Value is in the core technology: costly, but differentiating
- Economies of scale in components – maximise the common components across vertical market segments



...components...

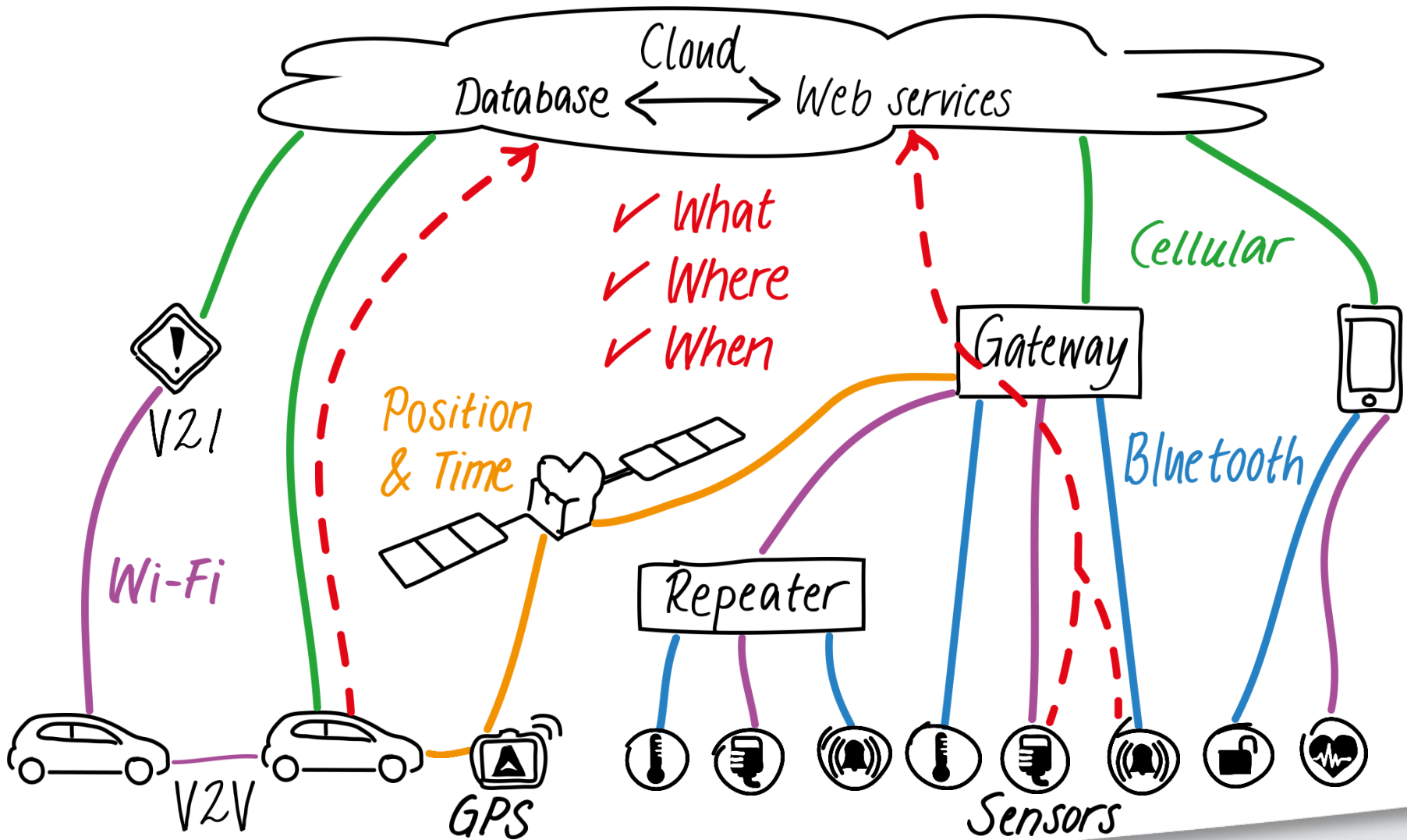
**Chips: technology implemented
in integrated circuits**



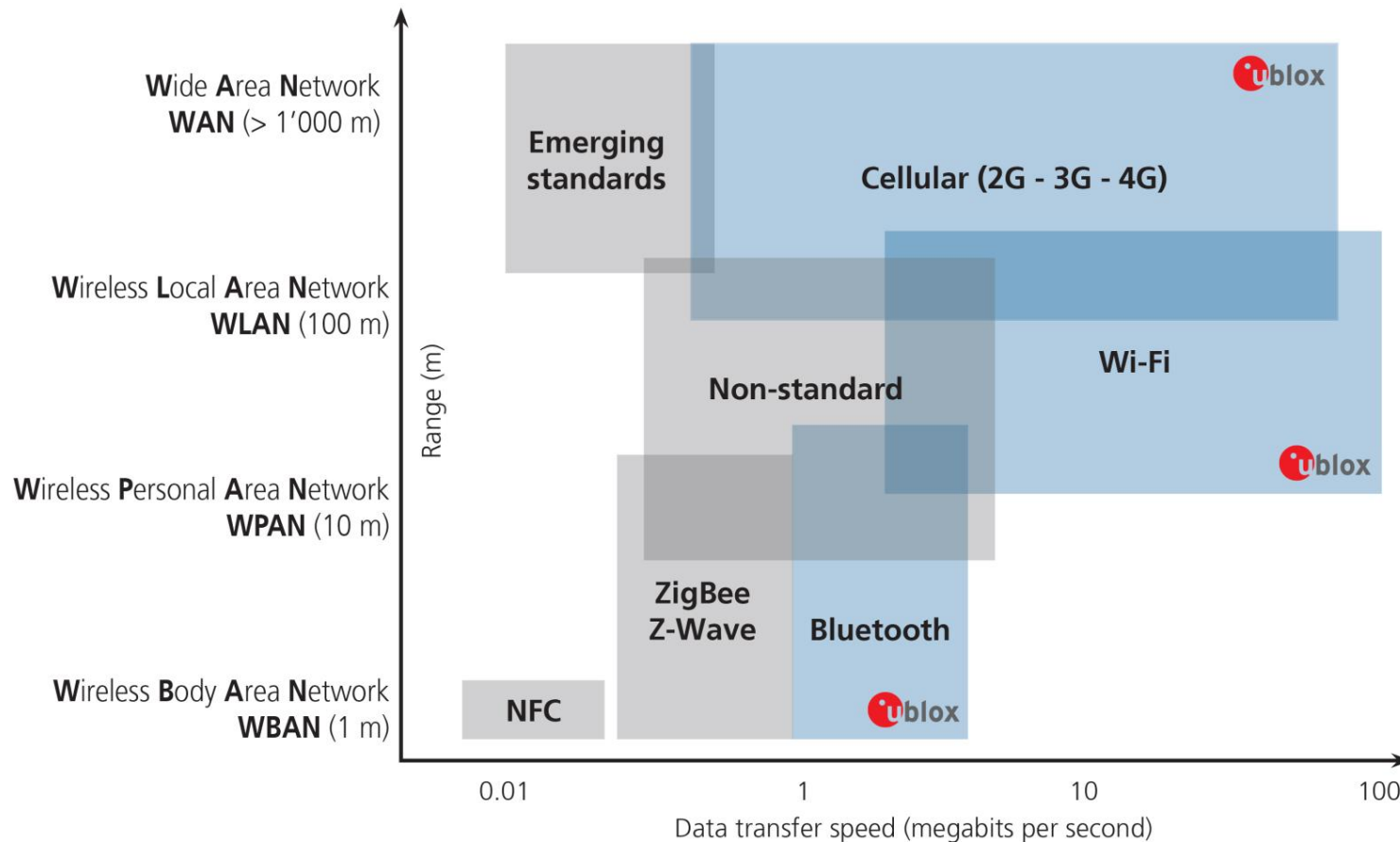
**Modules that simplify the use of the
technology**



...Internet of Things...



...Internet of Things...



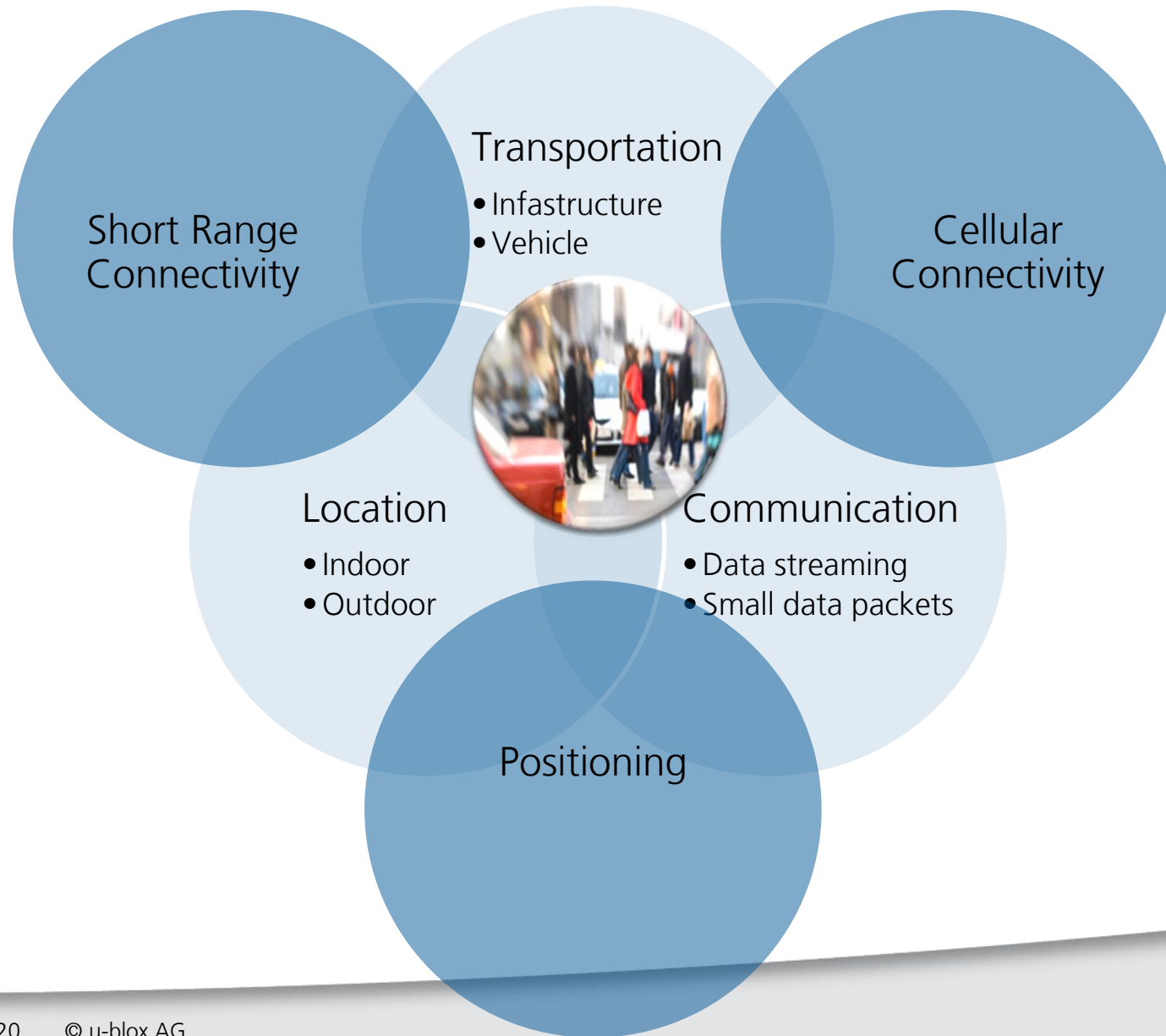
- Complete portfolio of wireless connectivity solutions
- Strong cross selling effect, also with positioning

Mobility and the Internet of Things

locate, communicate, accelerate

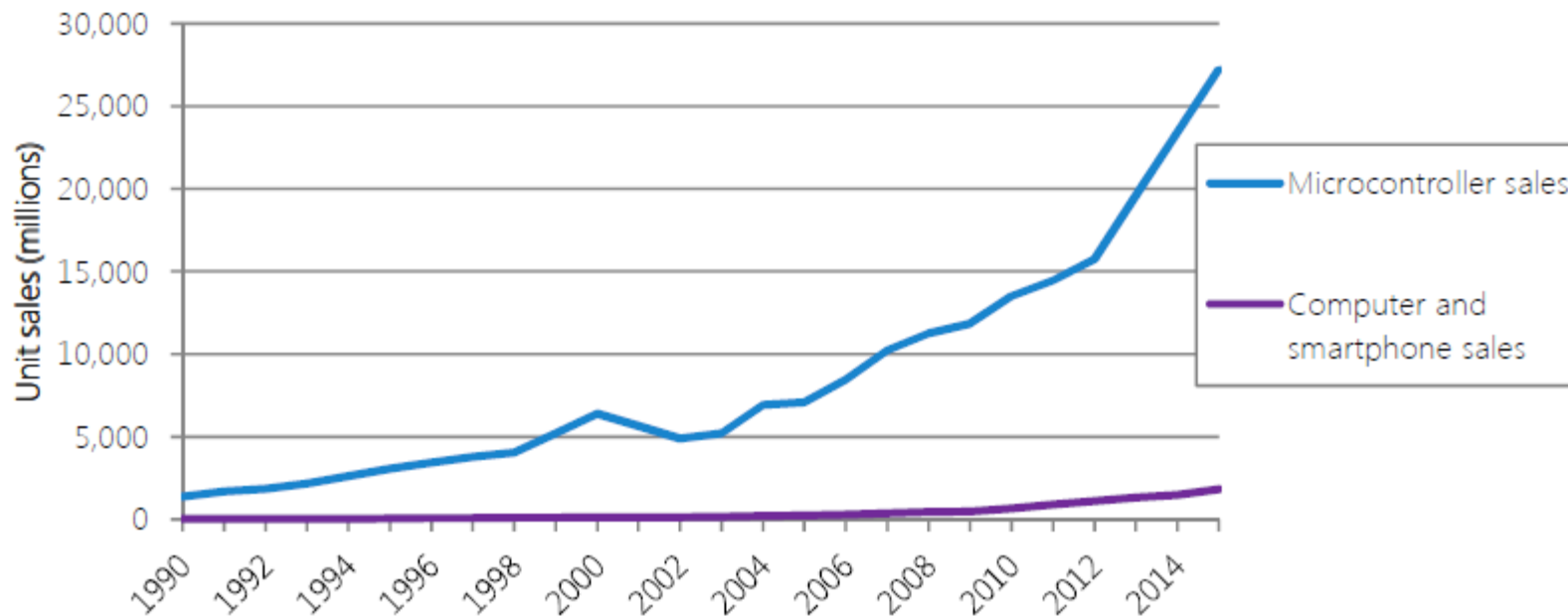


Mobility demands closely related technologies



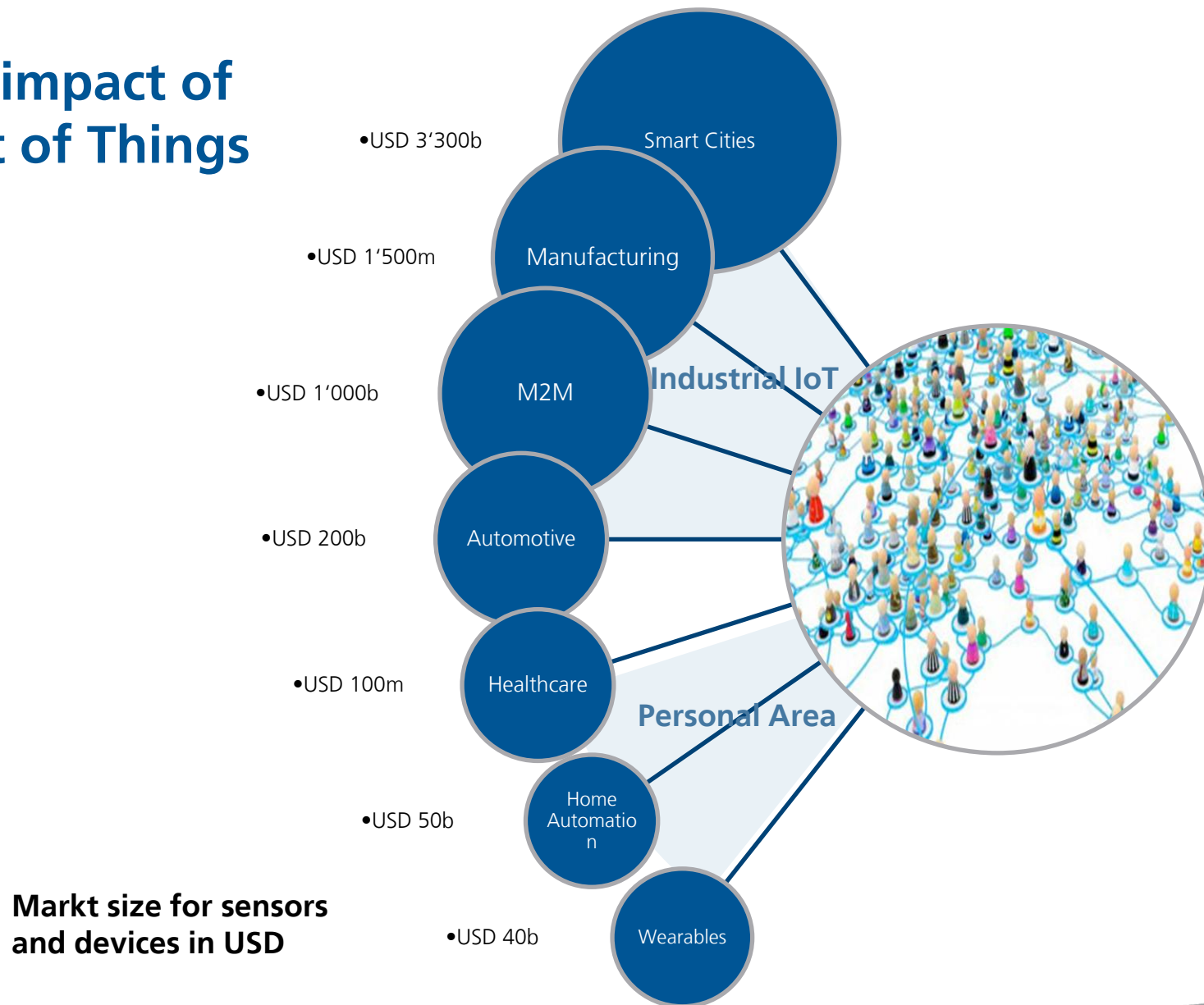
Market Potential

Sales of microcontrollers are a better indication of the potential for connected machines than sales of computers and smartphones



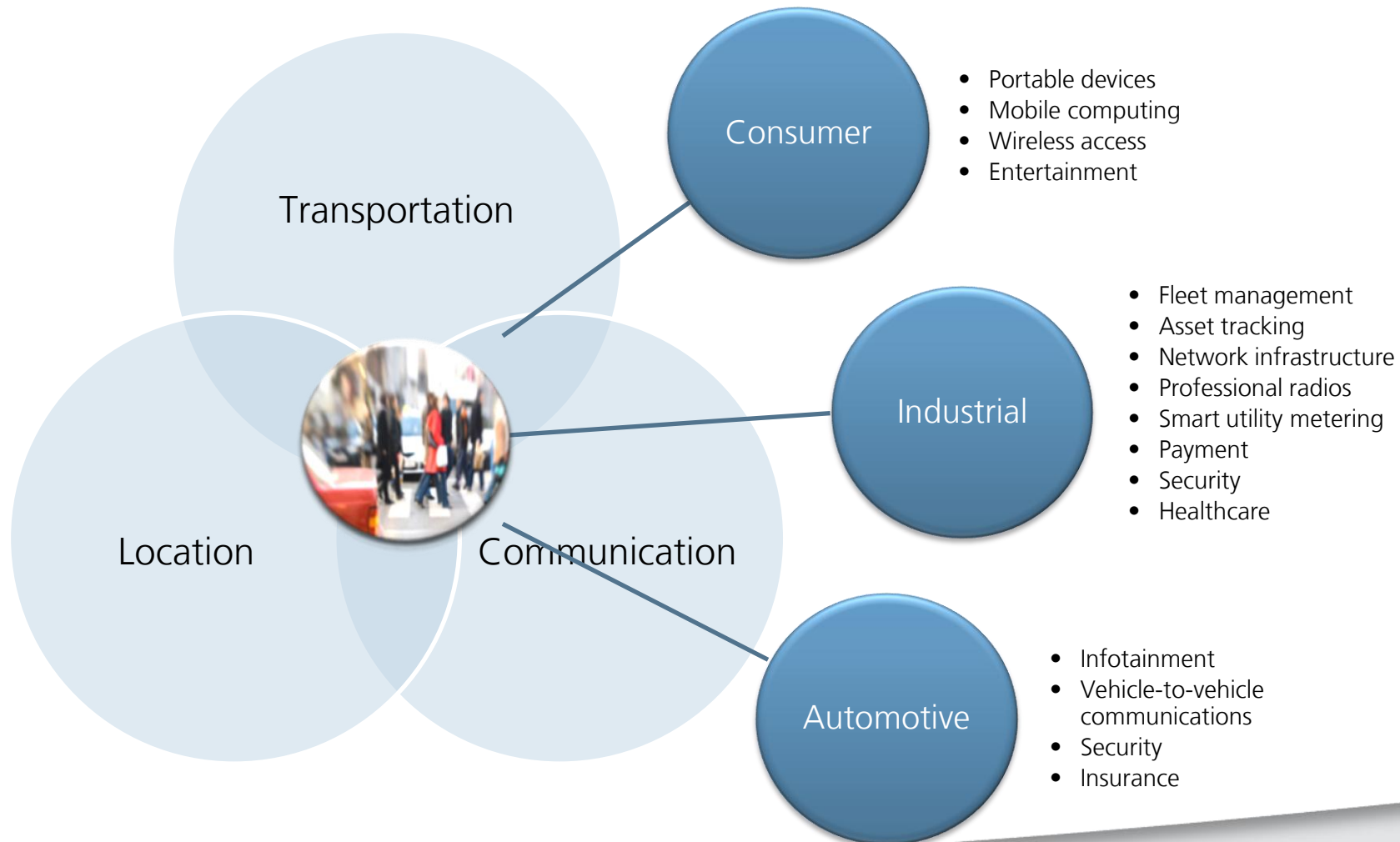
Source: Thanki/ICSS 2013

Market impact of Internet of Things



Source: Credit Suisse

Mobility converts into many business sectors



Business Driver



Source: Scanomat

- **Product** manufacturers are keen to develop their business models in the direction of **Services**
- Needs a communication link to the product
- Important way for creating product differentiation and for participating in “big data”

The Internet of Things that really matter

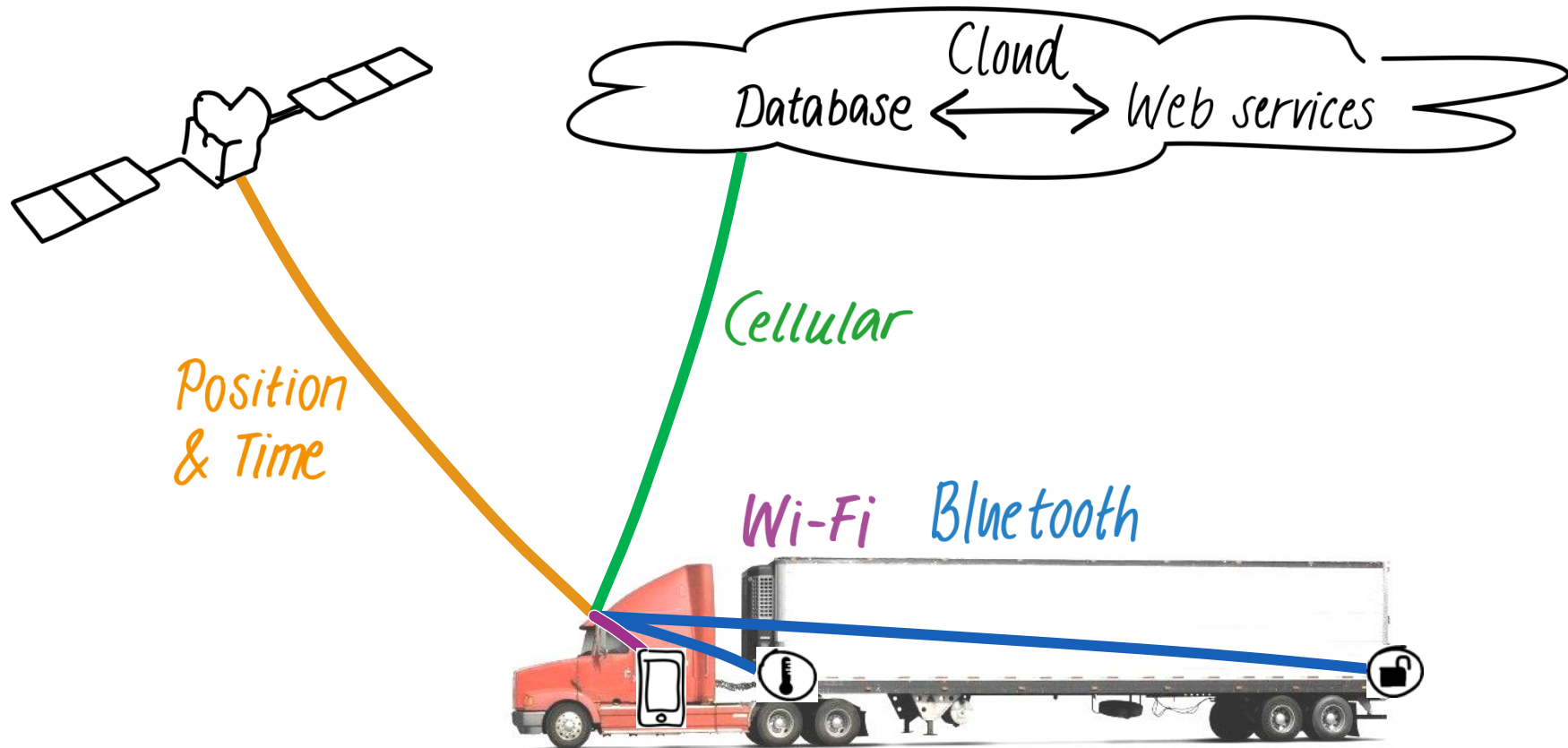
- The value of the data from B2B applications is much greater than the value of data from Facebook and Twitter

The Business Critical Internet

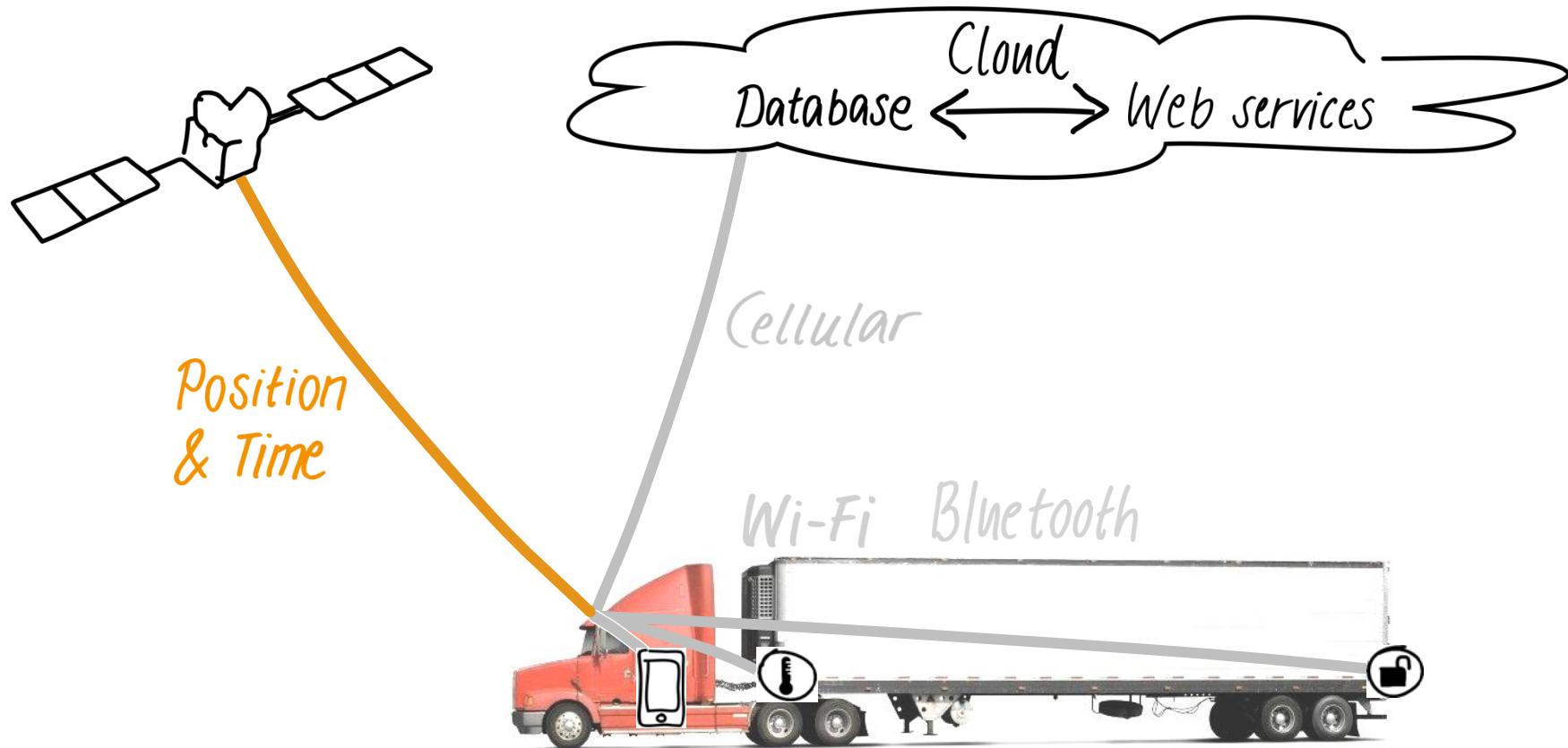
- Because we have control of the core technology we can focus on all the things that big business needs to exploit the IoT
 - Robustness, security, availability, quality, reliability, etc
 - Our products are tailored to meet the industrial requirement
 - We offer long product life to meet the need of industrial internet users

u-blox technology enables the internet of things

Example fleet management



Satellite positioning for location and time



Applications Positioning

- **Cellular Base station synchronisation**

- Requires accurate time and frequency reference
- Good market in 2014, expected to continue
- **u-blox**: long-term availability and high performance essential



Cellular base station,
using a GNSS receiver for
synchronization

- **Unmanned Aerial Vehicles**

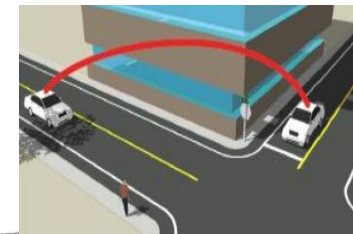
- Consumer quad-copters to professional drones
- Growth expected in coming 5 years
- **u-blox**: products optimised for this application and early support for the community



Microdrone md4-1000,
using u-blox positioning
products for navigation and
control

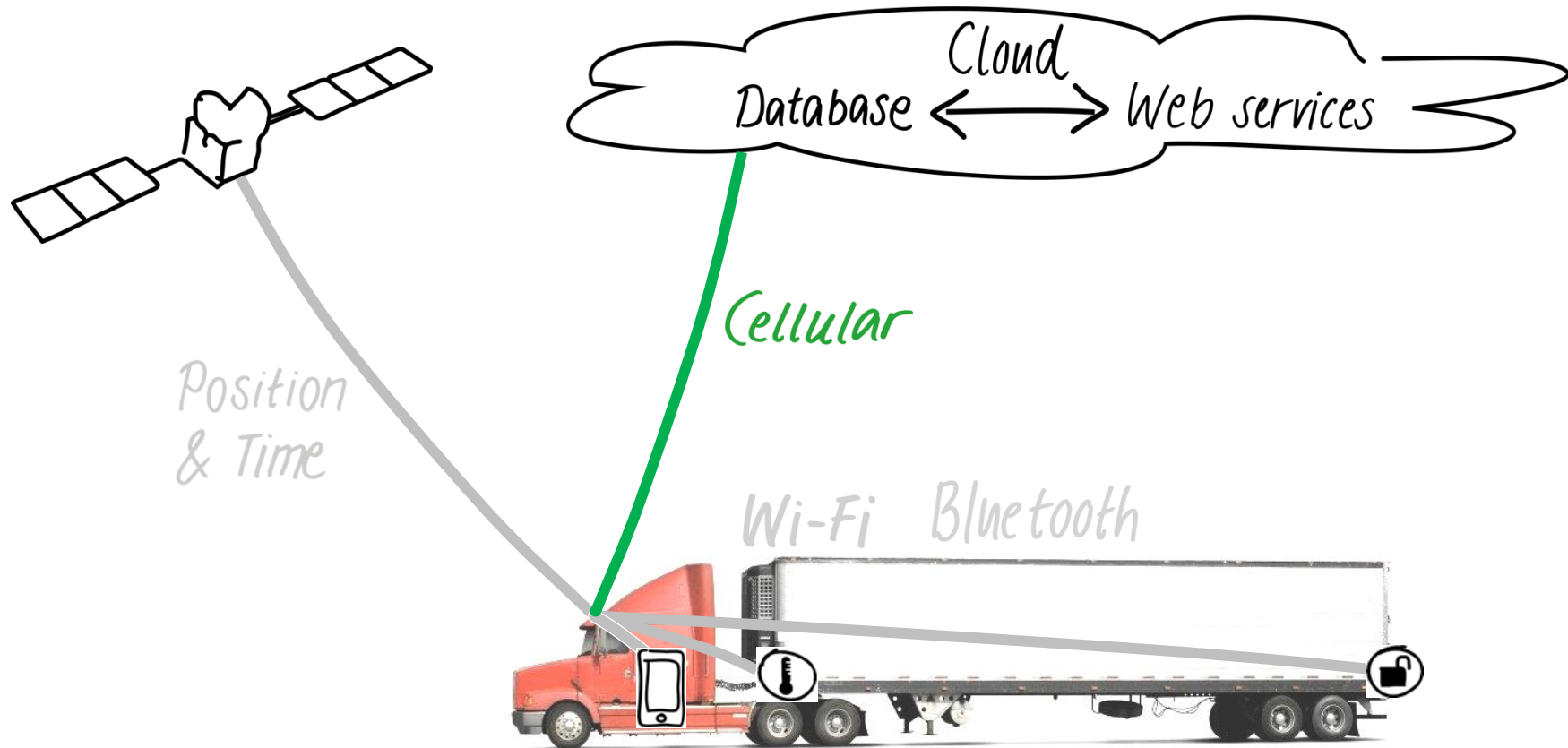
- **Collision Avoidance Systems**

- Vehicles broadcast position, speed, direction locally
- Standardisation completed; systems being mandated
- **u-blox**: long automotive design cycle; designs start now



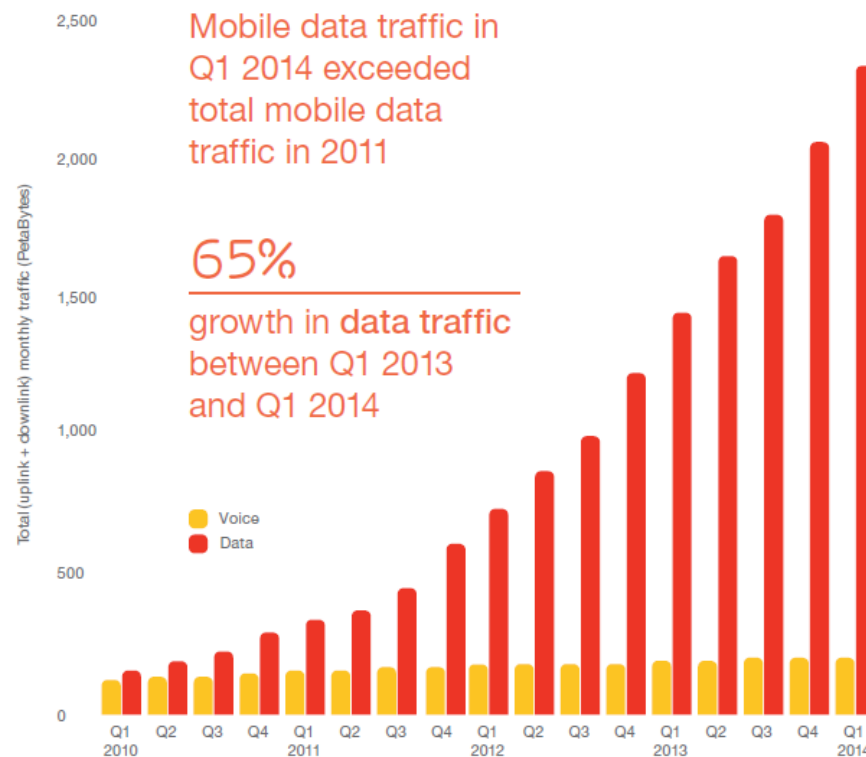
**Collision avoidance
use case**

Cellular technology for mobile connectivity



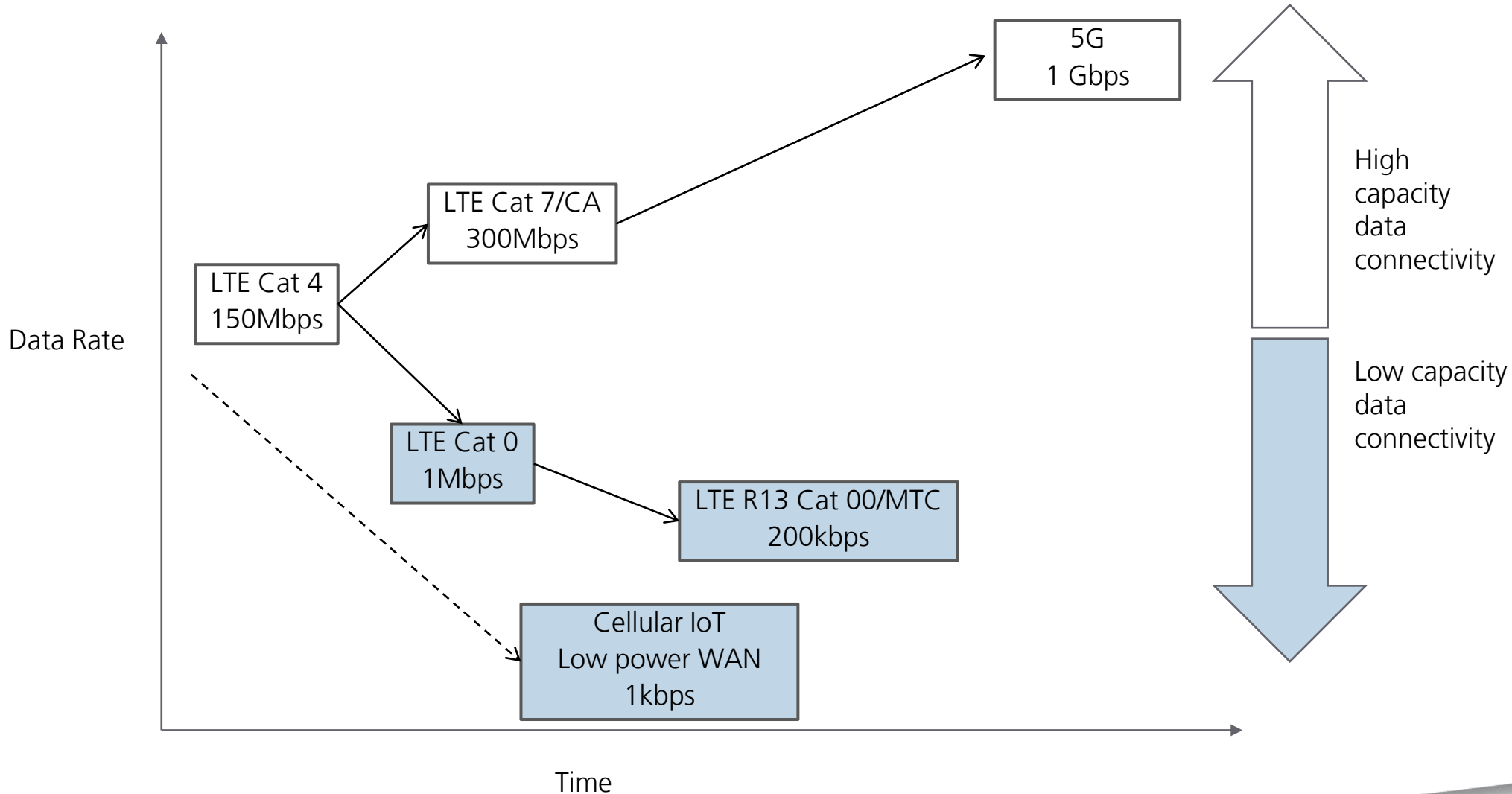
Cellular industry background

- Consumer devices are driving mobile network evolution
 - From voice-centric to data-centric
 - Data volume rapidly increasing
 - Consumer: Video, games
 - Professional: Machine-to-Machine communications (M2M)
- Convergence on LTE
 - A single global standard
 - Investment in infrastructure is huge
 - No alternative standard with comparable footprint



Source: Ericsson

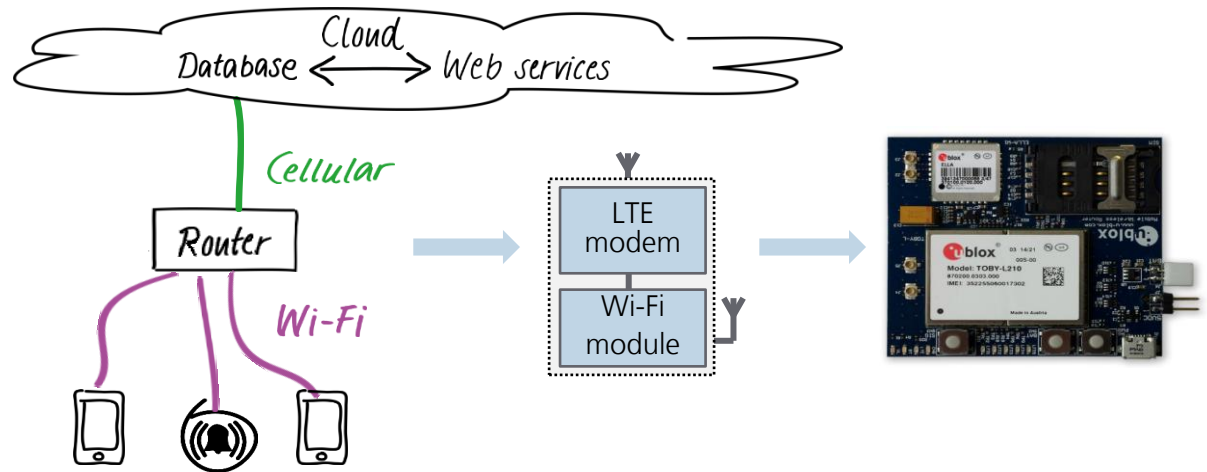
LTE cellular connectivity landscape



Applications Cellular Connectivity

- **Mobile Router**

- When 1 + 1 is more than 2
- **u-blox**: synergies between modules allows a very simple implementation



- **CDMA 450 for European Metering**

- Renaissance of 2G CDMA standard for metering application
- **u-blox**: complete portfolio of technologies; quick response to market needs

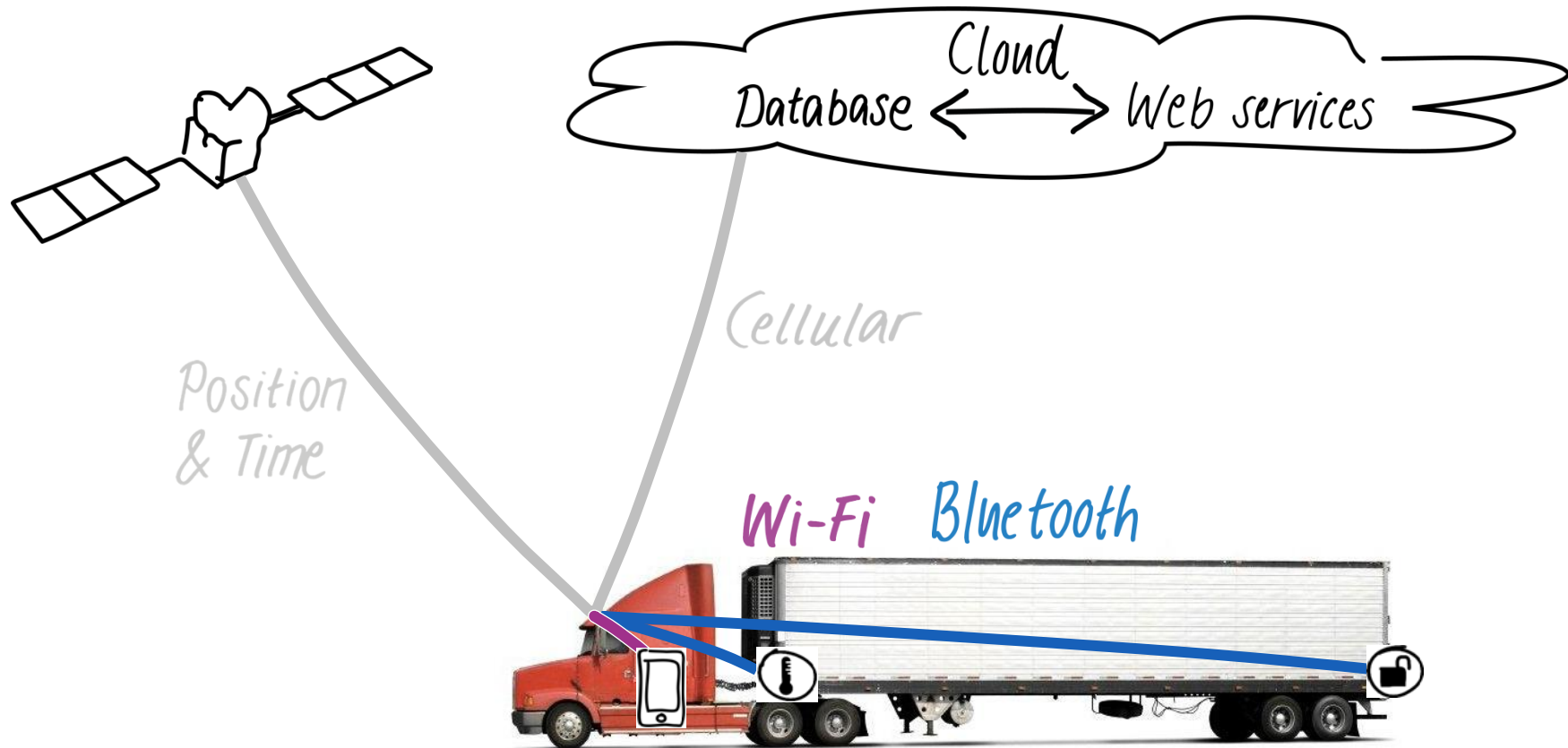


LISA-C210



22.4 x 33.2 mm

Short range technology for the last hop (1 – 300 m)



Bluetooth low energy drives the Internet of Things



- Bluetooth Low Energy enables small and low cost devices.
- Huge market volumes:
 - Phone accessories: > 10 billion
 - Smart Energy (energy counter and displays): ~ 1 billion
 - Home Automation: > 5 billion
 - Health, Wellness, Sports & Fitness: > 10 billion
 - Assisted Living: > 5 billion
 - Animal tagging: ~ billion
 - P2P Intelligent Transport Systems: > 1 billion
 - Industrial Automation/M2M: 10 billion
- Smart phones and tablets can act as user interfaces

Source: Bluetooth SIG

Applications short range connectivity

- **POS Printer**

- High capacity receipt printer (60 receipts/min)
 - Android and iOS compatible
- Requires
 - Fast robust connectivity with MFi
- **u-blox:**
 - Bluetooth module with u-blox Bluetooth stack
 - Support for iOS and Android
 - Fast link 1.3Mbit/s (standard) and 250kb/s (iPAD)



- **Emergency Medical Care**

- Monitor and Defibrillator
 - Cloud-based analysis for rapid response
- Requires
 - Most robust Bluetooth link for this critical application
- **u-blox:**
 - Bluetooth module with u-blox Bluetooth stack
 - Long term availability and knowledge of the sector



**To be the leading, industry-quality, supplier of
communications and positioning components in
the Internet of Things that Really Matter**

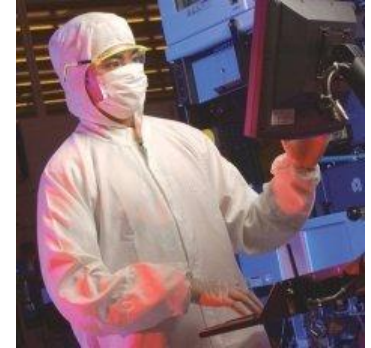
 *ublox = IoT Connectivity*



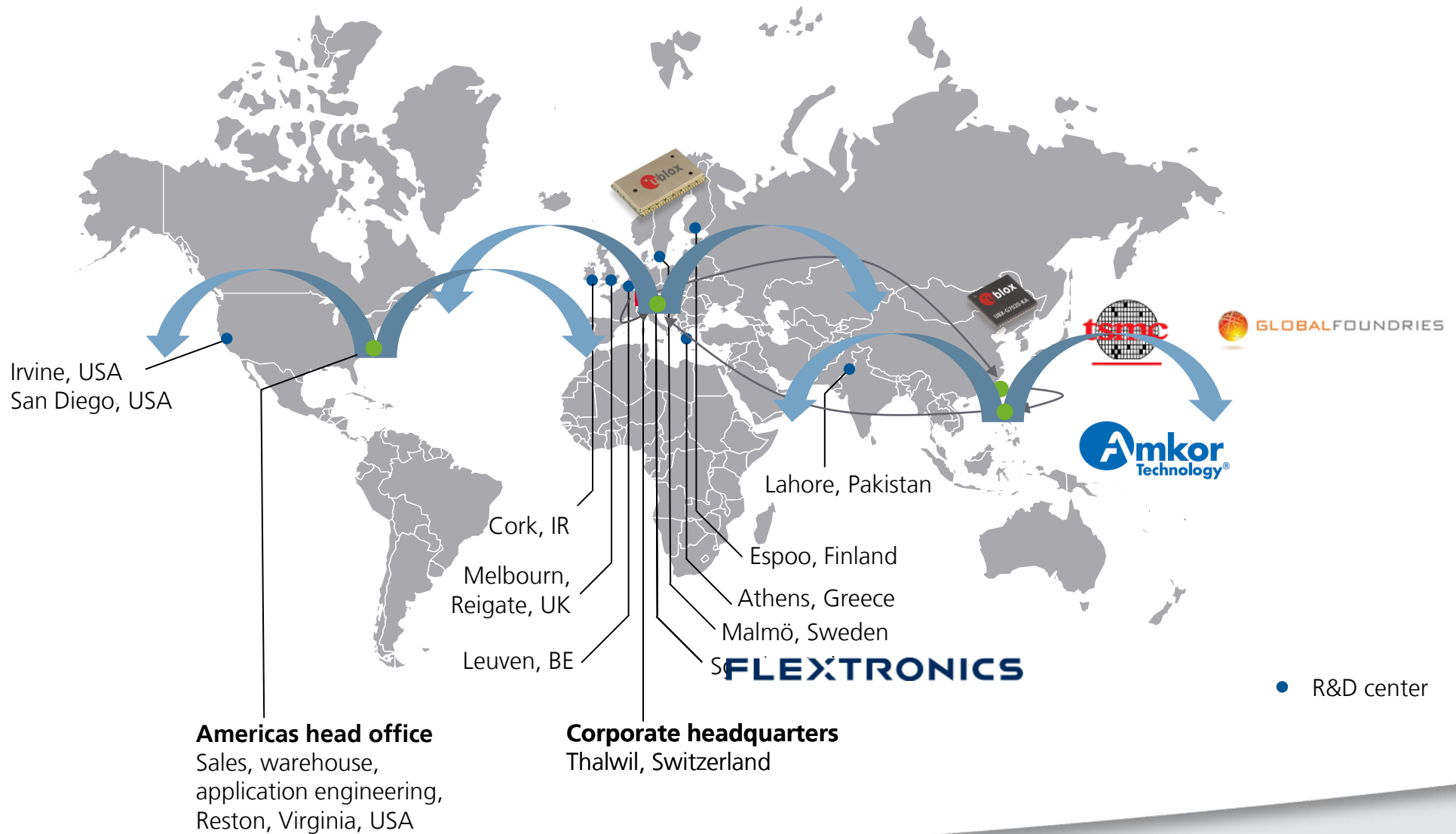
Business model and execution

Our fabless model

- We focus on our core activities
 - R&D of the technologies that we want to control
 - Development of the relationship with the customer
- Then leverage standardized manufacturing processing
 - Making and Packaging the integrated circuits
 - Large scale processes with huge capex cost
 - Take advantage of Moore's law; 28nm for today's designs
 - Assembly of electronics components
 - Surface mount technology SMT with high capex
 - Dedicated assembly lines, fully automated
 - u-blox jigs, fixtures and test routines
 - Take advantage of the purchasing power of the assembly partner
- As we grow our volumes we get more influence over our supply chain



Our fabless model



Our fabless model



R&D investment



Premium reliability based on strict conformance to automotive standards



Advanced nested design module philosophy & customer-friendly form factor roadmap

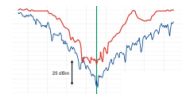
Products addressing all satellite positioning standards



Experts in low-power concurrent GNSS chip design



Industry' leading anti-jamming technology



In-house 4G technology



CellLocate®: first hybrid embedded positioning solution based on 2G, 3G cell visibility



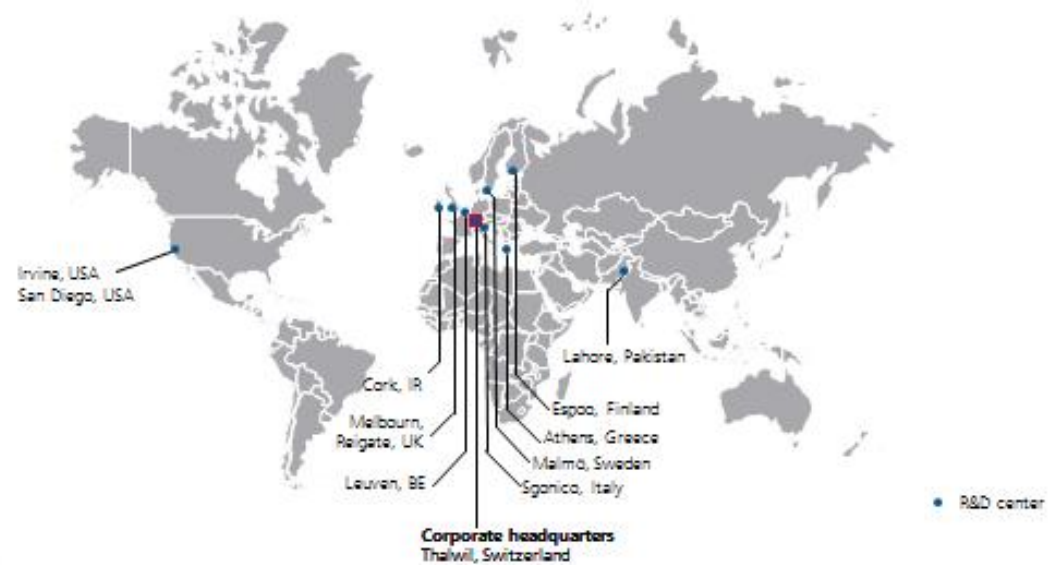
Industry leading 3D Automotive Dead Reckoning solution



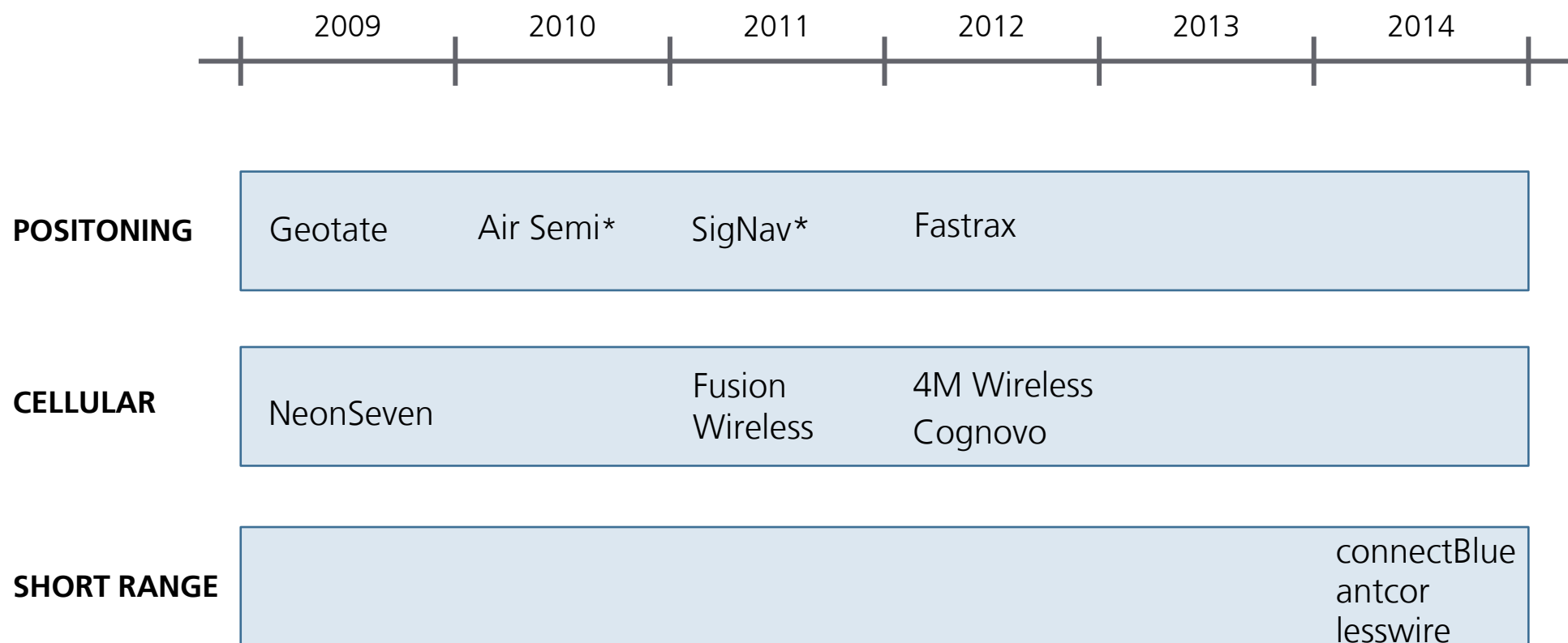
**18% of sales
invested in R&D**

Multi-site R&D

- 10 R&D sites around the globe
- Giving access to technology pools
- Allowing recruitment of top talent
- Cost optimization
- Strong culture of inter-site exchange
- One u-blox program management system



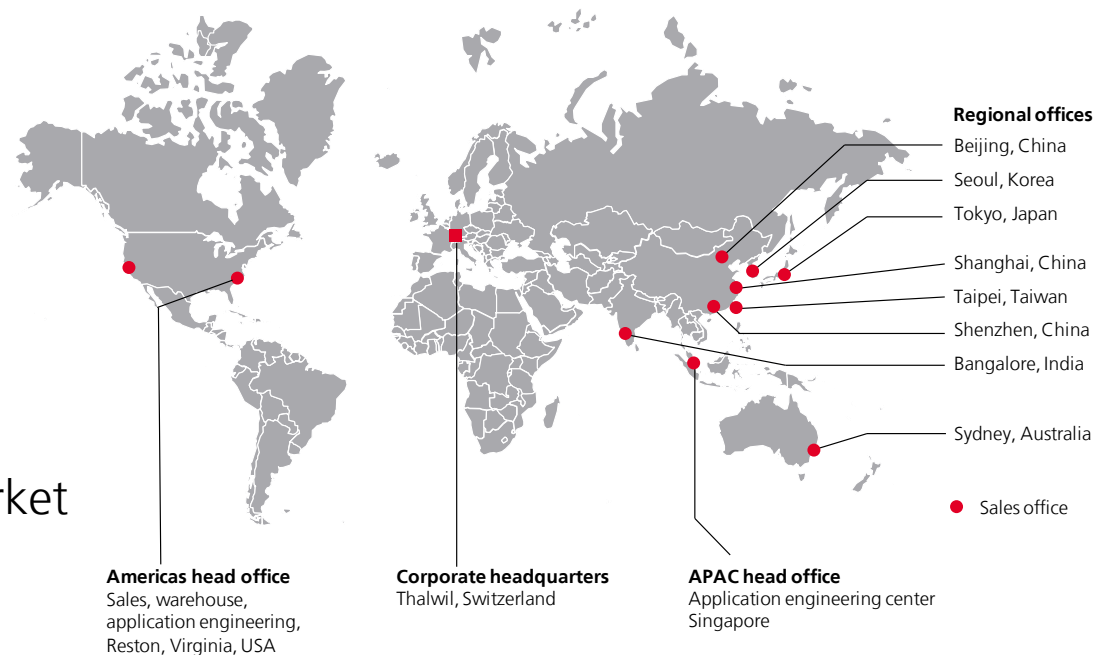
Acquisitions for accelerated growth



*Acquisition of assets

Direct sales

- Our products are key components and core to our customers' products
- Products need pre-sales technical support, free of charge
- The feedback from the customer is essential for successful product positioning and innovation
- Focus in sales channel increases market penetration
- Own logistics outpaces competition



Competition landscape

- Chips: Large semiconductor manufacturers
 - Qualcomm (US)
 - CSR (US)
 - Broadcom (US)
 - ST Microelectronics (CH)
 - MTK (TW)
- GNSS Modules vendors
 - Trimble (US)
 - Asian local assemblers (CN, JP, KR, TW)
- Wireless Modules vendors
 - Telit (IT)
 - Cinterion (DE)
 - Sierra Wireless (US)
 - SIM (CN)
 - Asian assemblers (CN, KR, JP)

Why customers choose u-blox

Dependable

- Public company financially very solid
- More than 3,500 active customers, strong market presence
- Full control over value chain and product road map
- High product quality, excellent reliability and environmentally friendly

Competent

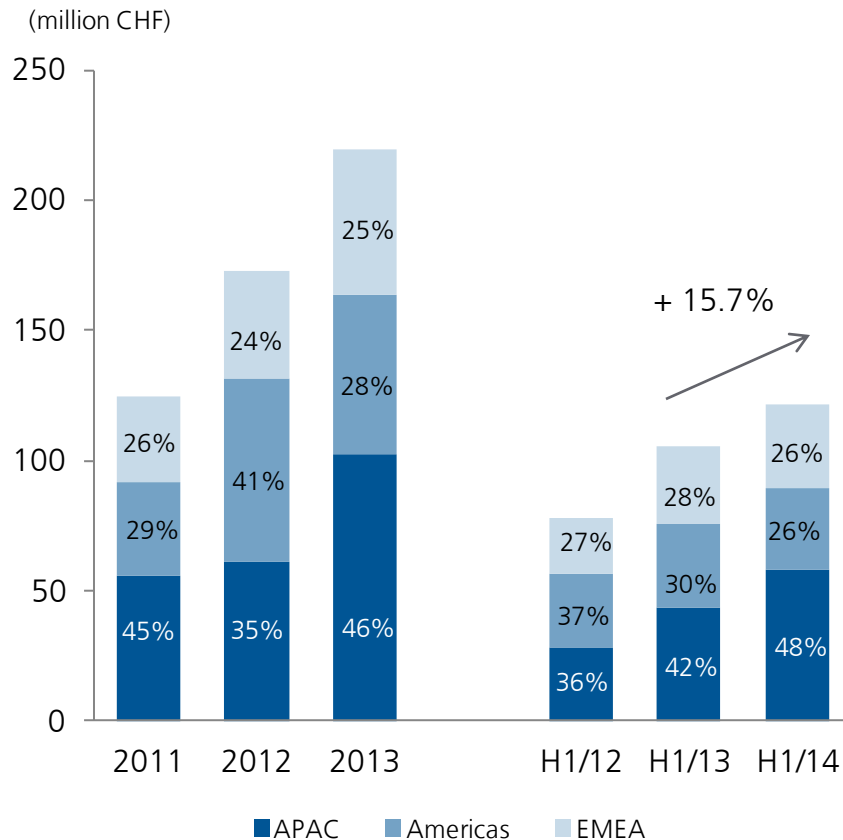
- The only company developing both chips and modules for cellular wireless and positioning
- Very competent technical and commercial support from more than 14 locations world wide
- Very dynamic company developing products and processes for maintaining a leading position

A photograph of two young women with long brown hair, smiling and hugging each other. The woman on the left has sunglasses on her head and is wearing a white top. The woman on the right is wearing a red and white striped top. They are standing outdoors on a paved path, with a marina and boats visible in the background. A third person's head is partially visible on the right side of the frame. The woman on the right is holding a small, square, vintage-style photograph of the two women, which is placed over the bottom right corner of the main image.

Financials H1/2014

Revenues by geography

Revenues by geographic region



Note: based on customers' billing location

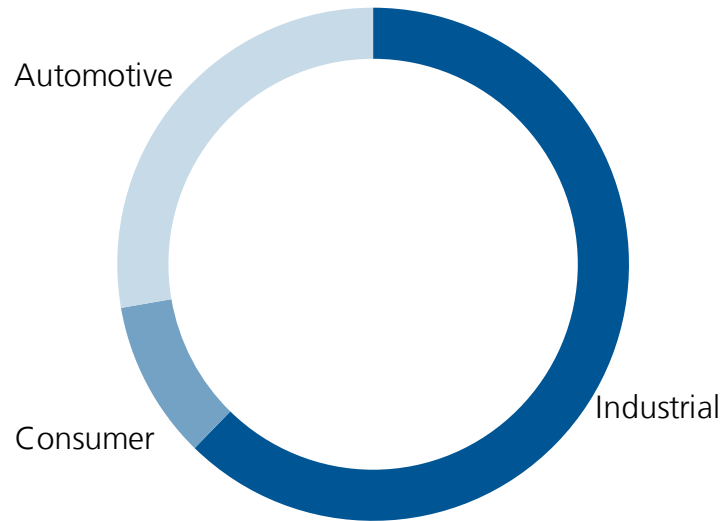
Comments

Growth by geographic regions

- Balanced geographical mix
- Asia Pacific +33.1 %
growth partially due to shift of production of customers from the US to Asia
- EMEA: +7.6 %
growth along with overall business growth
- Americas: -0.7 % (without effect of shift of production to Asia, growth in Americas would have been around +13 %)

Revenue by markets

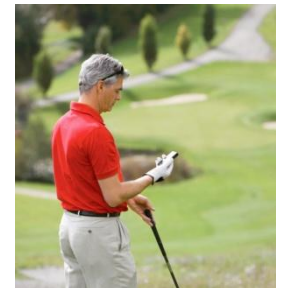
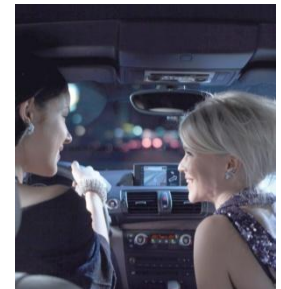
Revenue split per market for H1/2014



Note: Estimate

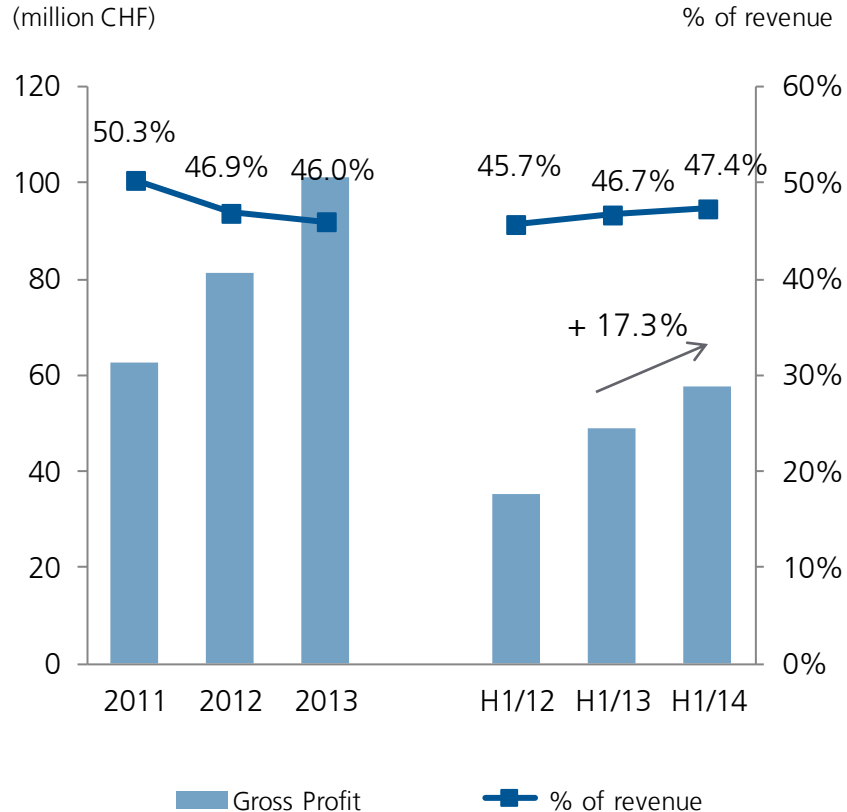
Comments

- Growth in Industrial markets
 - Strong sales into fleet management systems and vehicle telematics
 - Sales into timing solution more than doubled
 - Remarkable progress with healthcare applications
- Stable sales in automotive and consumer markets



Gross profit

Gross profit / Gross profit margin



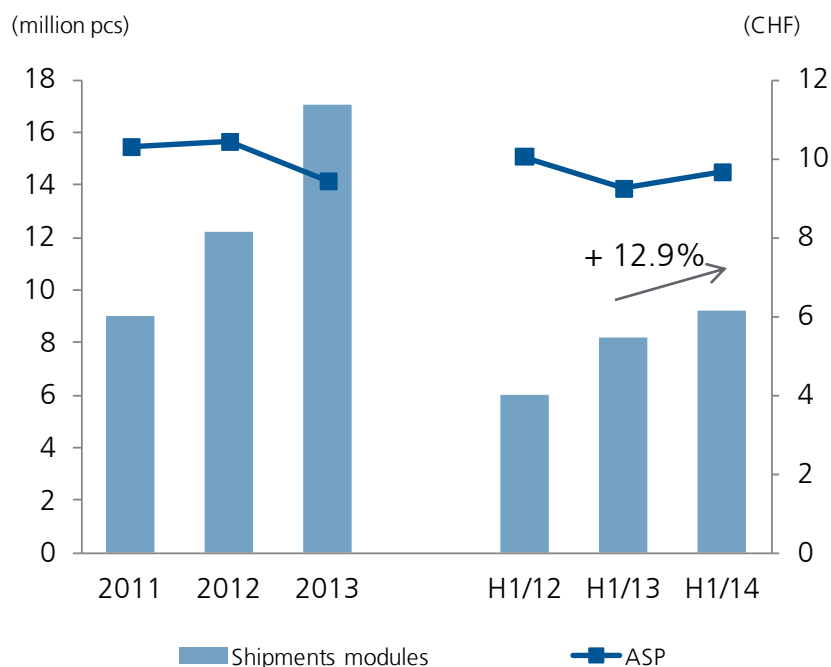
Comments

- Increase in gross profit to CHF 57.6m in H1/14
- Growth of gross profit of +17.3% compared to H1/13
- Gross profit margin in H1/14 increased compared to H1/13 and compared to FY 2013 due to changes in the product mix

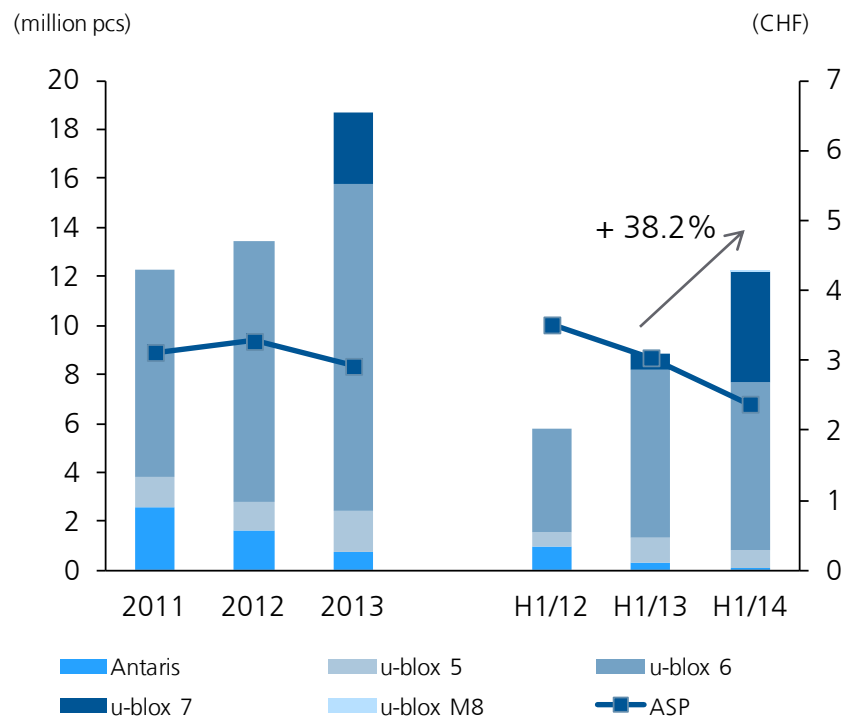
Shipments and ASP development

- Growth of both module and chip volume
- Shipments of new positioning platform u-blox M8 has started

Modules



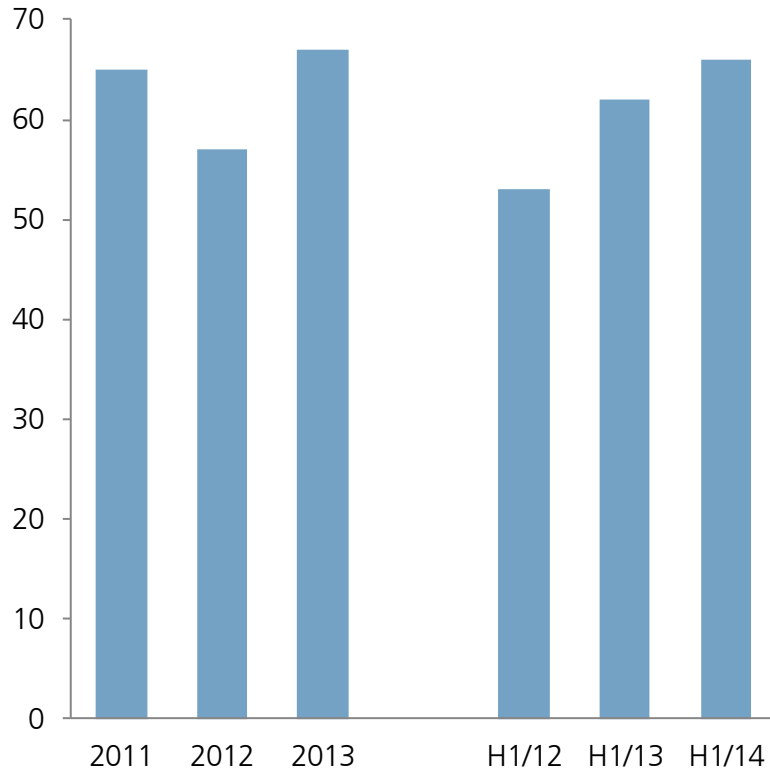
GNSS chips



Note: incl. ANTARIS-Chipset sales by Atmel

Global customer base

Number of customers totaling 80% of revenue

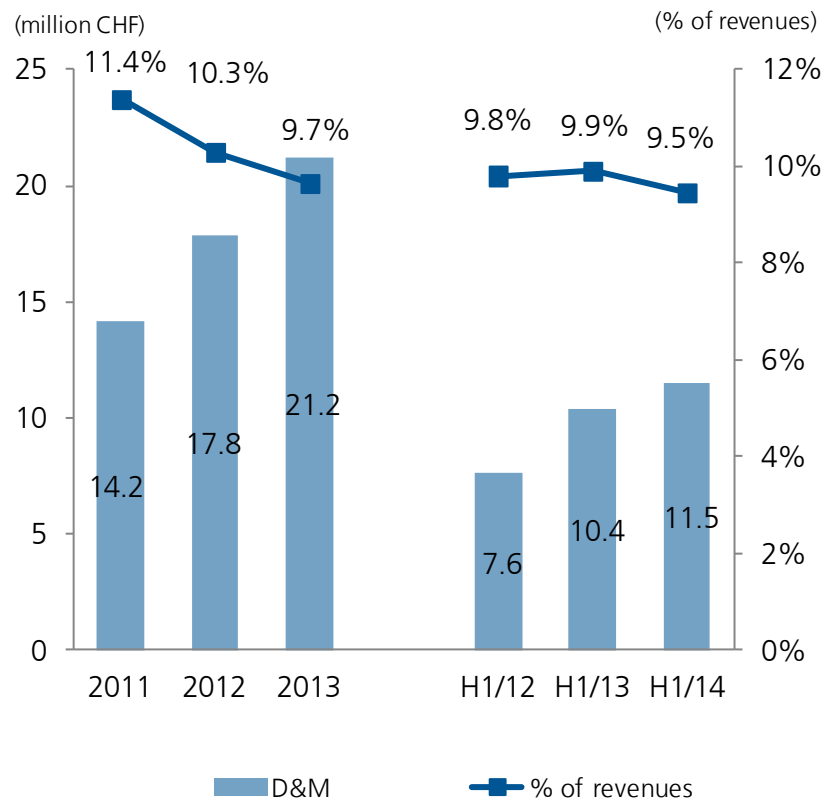


Comments

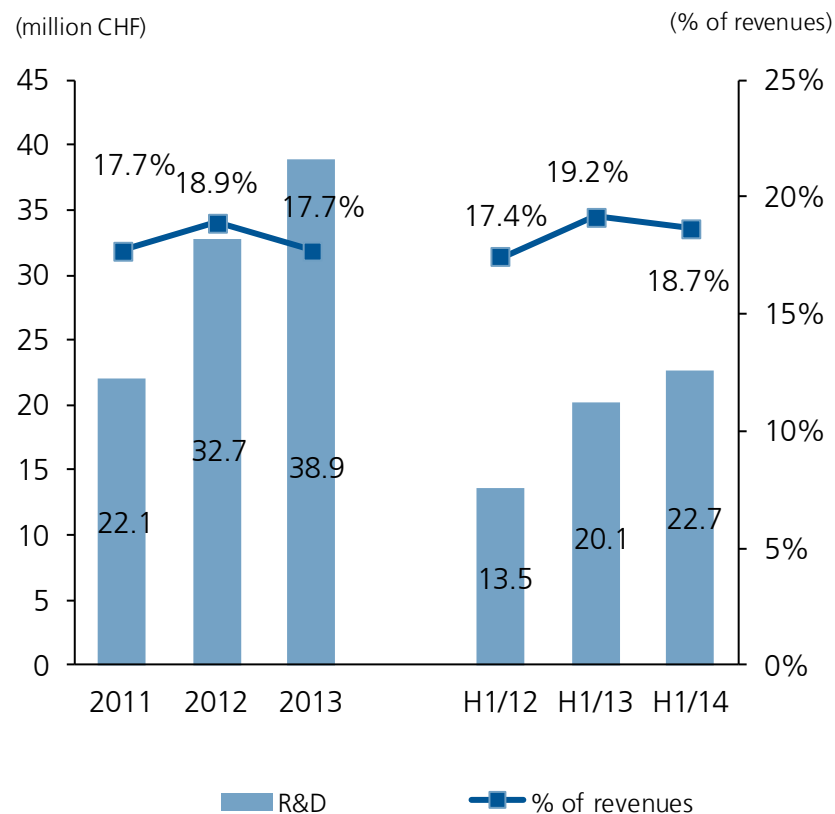
- Strong and stable customer base
- More than 4'500 customers worldwide
- Continued wide spread over different applications and geographical regions
- Small customer dependency: Largest customer accounts for 7% of total revenue in H1/14
- 10 biggest customers account for 35% of total revenue in H1/14

Distribution & marketing / Research & development

Distribution & marketing expenses



Research & development expenses



Income statement

Consolidated income statement (condensed)

(in CHF 000s)	January - June		Jan. - Dec.
	2014	2013	2013
	(unaudited)	(unaudited)	(audited)
Revenue	121'625	105'106	219'813
Cost of sales	-64'031	-56'003	-118'654
Gross profit	57'594	49'103	101'159
Operating expenses	-38'897	-35'416	-71'192
Other income	101	85	83
Operating profit (EBIT)	18'798	13'772	30'050
Financial income	1'090	299	1'013
Finance costs	-385	-331	-2'193
Profit before income tax (EBT)	19'503	13'740	28'870
Income tax expense	-5'100	-1'577	-4'227
Net profit, attributable to owners of the parent	14'403	12'163	24'643
Operating profit (EBIT)	18'798	13'772	30'050
Depreciation and amortization	8'489	7'383	16'138
EBITDA	27'287	21'155	46'188

Comments

- Revenue increase of 15.7% from H1/13 to H1/14
- Increased gross profit by 17.3%
- R&D expenses now 18.7% of revenue
- H1/14: costs for share based payments in the amount of CHF 1.7m
- EBITDA growth of 29.0% with margin of 22.4%
- EBIT growth of 36.5% with margin of 15.5%
- Increased tax rate of 26.1% due to a one off effect of changed provisions in deferred tax
- Net profit growth of 18.4% with margin of 11.8%
- EPS = CHF 2.22 (diluted EPS: CHF 2.13)

Reportable segments

- We report two segments according to IFRS 8:

- **Positioning and Wireless products**

Development and distribution of GNSS receivers and wireless communication products. They are sold by u-blox sales organization and produced by third parties.



- **Wireless services**

Delivery of reference designs and software in the wireless communication technology.



Segment information

	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)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue third	121'532	104'448	93	658	121'625	105'106			121'625	105'106
Revenue intragroup			9'434	8'393	9'434	8'393	-9'434	-8'393	0	0
Total revenue	121'532	104'448	9'527	9'051	131'059	113'499	-9'434	-8'393	121'625	105'106
EBITDA	25'420	19'608	2'288	1'720	27'708	21'328	-421	-173	27'287	21'155
Depreciation	-2'122	-1'339	-801	-373	-2'923	-1'712	-	-	-2'923	-1'712
Amortization	-4'902	-4'855	-664	-816	-5'566	-5'671	-	-	-5'566	-5'671
EBIT	18'396	13'414	823	531	19'219	13'945	-421	-173	18'798	13'772
Financial income									1'090	299
Finance costs									-385	-331
EBT									19'503	13'740
	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Assets	184'050	142'431	15'639	15'521	199'689	157'952	61'895	68'557	261'584	226'509

Statement of financial position (1)

Consolidated Statement of financial position (condensed)

(in CHF 000s)	June 30, 2014 (unaudited)	Dec. 31, 2013 (audited)	June 30, 2013 (unaudited)
ASSETS			
Current assets			
Cash and cash equivalents	30'390	33'163	36'427
Marketable securities	24'920	27'395	27'286
Trade accounts receivable	35'179	29'204	27'132
Other current assets	38'558	32'589	26'177
Total current assets	129'047	122'351	117'022
Non-current assets			
Property, plant and equipment	13'824	13'764	9'982
Goodwill	53'265	37'825	37'755
Intangible assets	58'864	44'570	36'555
Financial assets	480	1'222	1'209
Deferred tax assets	6'104	6'777	5'766
Total non-current assets	132'537	104'158	91'267
Total assets	261'584	226'509	208'289

Comments

- Strong financial position with a liquidity (incl. marketable securities) of CHF 55.3m
- Inventory CHF 26.5m
- Increase of trade accounts receivable due to growing revenue
- Increased intangible assets due to acquisition and capitalization of R&D expenses
- Goodwill increased by CHF 15.6m as result of acquisition of ConnectBlue on May 19, 2014

Statement of financial position (2)

Consolidated Statement of financial position (condensed)

(in CHF 000s)	June 30, 2014 (unaudited)	Dec. 31, 2013 (audited)	June 30, 2013 (unaudited)
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities	56'017	35'974	34'590
Non-current liabilities	14'615	10'099	11'520
Total liabilities	70'632	46'073	46'110
Shareholders' equity			
Share capital	5'899	5'810	5'773
Share premium	88'340	92'556	91'182
Retained earnings	96'713	82'070	65'224
Total equity	190'952	180'436	162'179
Total liabilities and equity	261'584	226'509	208'289

Comments

- Trade accounts payable of CHF 15.8m
- Current liabilities contains a short-term bank loan of CHF 20.0m
- Non-current liabilities contains deferred tax liabilities (CHF 6.6m), Employee benefits (pensions) (CHF 5.1m) and provisions (CHF 2.8m)
- Share capital increase due to exercise of options

Statement of cash flows

Consolidated statement of cash flows (condensed)

(in CHF 000s)	Jan. - June		Jan. - Dec.
	2014	2013	2013
	(unaudited)	(unaudited)	(audited)
Net cash generated from operating activities	15'655	20'379	38'483
Net cash used in investing activities	-33'882	-13'447	-33'638
Net cash provided by / (used in) financing activities	15'778	-3'980	-4'784
Net (decrease)/increase in cash and cash equivalents	-2'449	2'952	61
Cash and cash equivalents at beginning of period	33'163	33'416	33'416
Effect of exchange rate fluctuations on cash and cash equivalents	-324	59	-314
Cash and cash equivalents at end of period	30'390	36'427	33'163

Comments

Cash flow from investing activities:

- CHF -2.6m investments into property, plant and equipment (tools, furniture, equipment)
- CHF -10.3m investments into intangible assets (Software, capitalization of R&D)
- CHF 2.4m net result of marketable securities
- CHF -23.6m acquisition of connectBlue net of cash

Cash flow from financing activities:

- CHF -8.5m dividend 2013 paid in May 2014
- CHF +4.4m capital increase from options
- CHF +20.0m short term bank loan

Outlook

Goals

- Grow business with new products
 - Wireless
 - Expansion of module product line
 - Positioning
 - Migration to u-blox 8
 - Expansion of module product line
- Continued focus on strategic development
- Strengthening of the global presence
- Operational excellence for higher efficiency

Financial performance outlook 2014

- Continued strong business growth in 2014
- Some impact by product mix on relative gross margin
- Natural hedging maintains relative gross margin against foreign exchange variations

	Actual FY 2013	Actual HY 2014	Guidance 2014^{*)}
Revenue	219.8m	121.6m	264 – 275m
EBIT	30.1m	18.8m	35 – 39m
	CHF	CHF	CHF

^{*)} This guidance is based on the absence of unforeseen economic adversity and exchange rates assumed at budget level

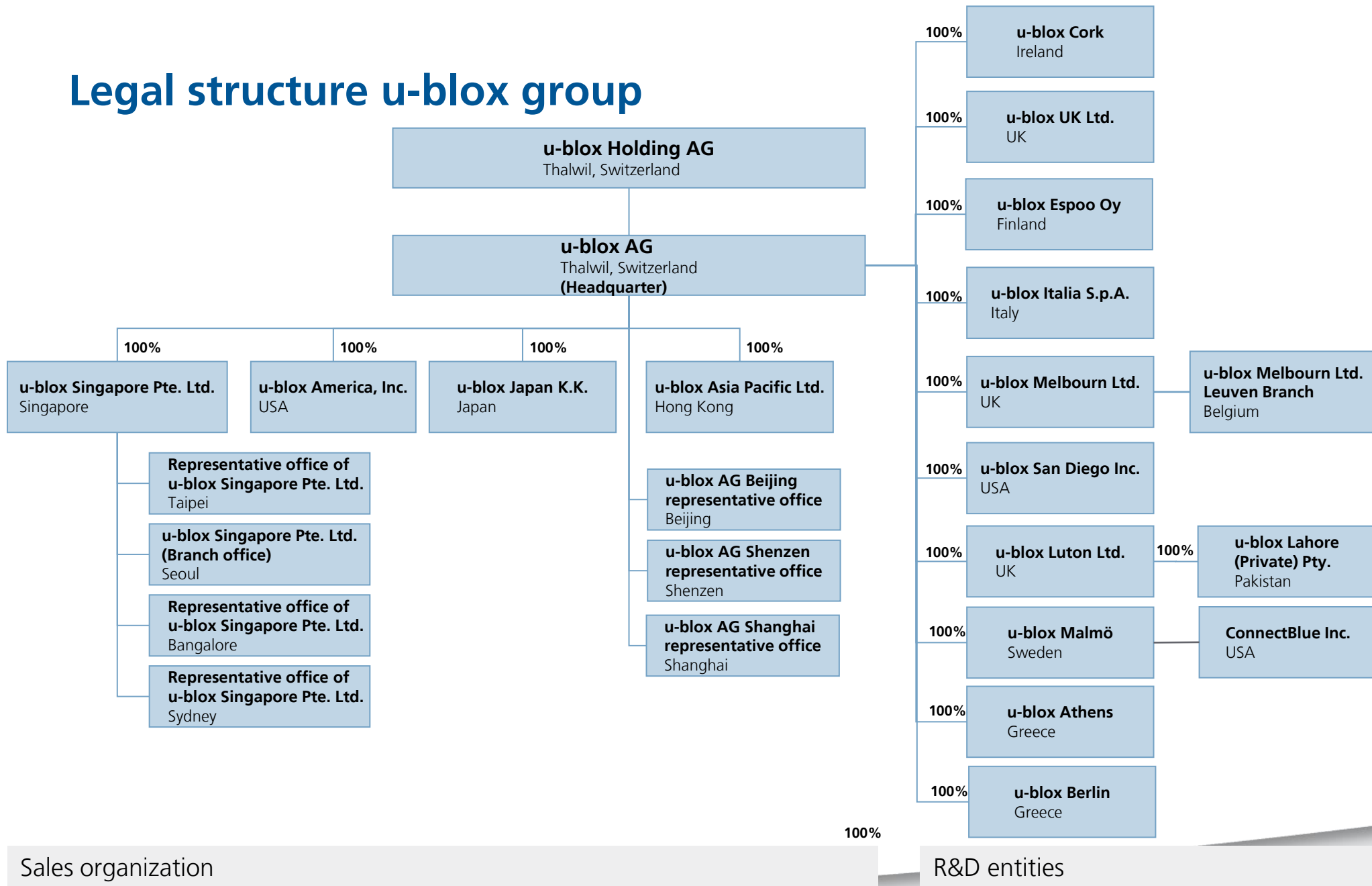
- Exchange rate assumptions for 2014:
EUR/CHF: 1.23 USD/CHF: 0.90 GBP/CHF: 1.45
- FX-sensitivity against CHF on Guidance 2014

+10% of	USD	EUR	GBP
Revenue	+ 8%	+ 2%	0%
EBIT	+ 20%	- 0.5%	- 3.5%

Corporate Information



Legal structure u-blox group



Sales organization

R&D entities

Board of directors



Fritz Farni
Chairman
Member AC and NCC



Hans-Ulrich Müller
Vize Chairman
Chairman AC



Prof. Gerhard Tröster
Chairman NCC



Soo Boon Quek



Dr. Paul van Iseghem



Thomas Seiler
CEO



Jean-Pierre Wyss
COO

Additional information – see annual report „Corporate Governance“ p. 50-58

Executive Committee



Thomas Seiler
CEO
Head of Marketing and Sales



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



Roland Jud
CFO



Daniel Ammann
Executive Vice President
Positioning Products
Co-founder u-blox AG



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

Additional information – see annual report „Corporate Governance“ p. 54

Shares

Stock Exchange	SIX Swiss Exchange
Swiss Security Number / ISIN	3336167 / CH0033361673
Ticker	UBXN
Nominal value	CHF 0.90
Shares issued	6'588'681 (December 31, 2014)
Market cap	CHF 621 Mio. (December 30, 2013) CHF 905 Mio. (December 30 , 2014)
High / Low 52 weeks	CHF 143.00 /CHF 99.25 (December 30, 2014)
Latest market price	CHF 137.40 (December13, 2014)

Analyst Coverage & Market making

Analysts

- | | |
|------------------------|-----------------|
| • Zürcher Kantonalbank | Andreas Müller |
| • Credit Suisse | Felix Remmers |
| • Bank Vontobel | Michael Foeth |
| • Main First | Michael Inauen |
| • Bank am Bellevue | Christoph Wirtz |

Market making

- Zürcher Kantonalbank

Please note that any opinions, estimates or forecasts regarding u-blox' performance made by these analysts are theirs alone and do not represent opinions, forecasts or predictions of u-blox or its management.

Upcoming events

- Annual results 2014 March 19, 2015
- Annual General Meeting 2015 April 28, 2015

Investor relations contact

Thomas Seiler

Chief Executive Officer

u-blox Holding AG
Zürcherstrasse 68
8800 Thalwil, Switzerland

Phone: +41 44 722 74 44

Fax: +41 44 722 74 99

E-mail: thomas.seiler@u-blox.com

Roland Jud

Chief Financial Officer

u-blox Holding AG
Zürcherstrasse 68
8800 Thalwil, Switzerland

Phone: +41 44 722 74 44

Fax: +41 44 722 74 99

E-mail: roland.jud@u-blox.com

locate, communicate, accelerate

Thank you!