

Acquisition of SIMCom Wireless

Investor presentation
January 20, 2017

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u-blox acquires SIMCom Wireless

Shanghai-based SIMCom Wireless is one of the world's leading machine-to-machine (M2M) wireless module and solutions suppliers.

In an asset deal worth USD 52.5 million, u-blox is acquiring the company's cellular products, R&D team and customer base, which will expand the u-blox cellular product range and make it one of the world's largest suppliers of cellular modules.



Acquisition overview

- Acquisition of SIMCom Wireless assets from existing shareholders
 - Asset deal includes purchase of customers, products, team, patents and copyrights
 - SIMCom Wireless is part of SIMTech Group Ltd.
 - SIMTech Group is publically traded on Hong Kong Stock Exchange
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- Acquisition price USD 52.5M
 - Cash purchase
 - Target close date: March 31, 2017

Strategic rationale

Overview of SIMCom Wireless

- Cellular module vendor, volume leader
- 14 years of history in M2M
- \$95M USD in revenue in 2016
- 200 employees worldwide, R&D center in China

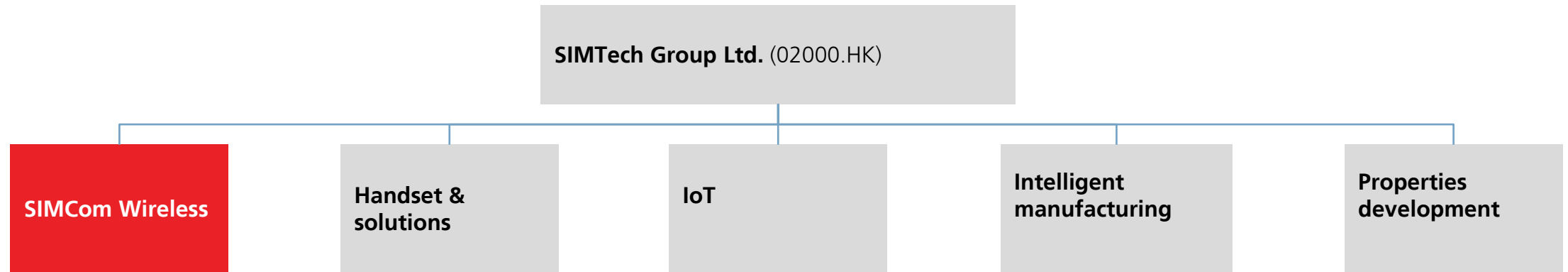
Strategic rationale

- **Scale** Adding SIMCom Wireless makes us the vendor with the largest volume and increases u-blox cellular market share
- **Markets** SIMCom Wireless revenue comes mostly from cellular markets where u-blox is weaker (China and Europe)
- **China Base** Establish a significant R&D base, better customer support capability for China, rest of APAC and Russia
- **Sockets** The increased scale would provide essential opportunity to capitalize on u-blox' own cellular chips

Shareholder value creation

- Will move u-blox to 500M CHF in annual revenue
- Creates economies of scale for cellular (and some for positioning)
- Expands cross selling opportunities for boosting growth
- Higher and quicker return on cellular chipset investment
- Improved EPS

Current structure of SIMTech Group Ltd.



SIMTech Group remains as the manufacturing and supply chain partner to u-blox post transaction

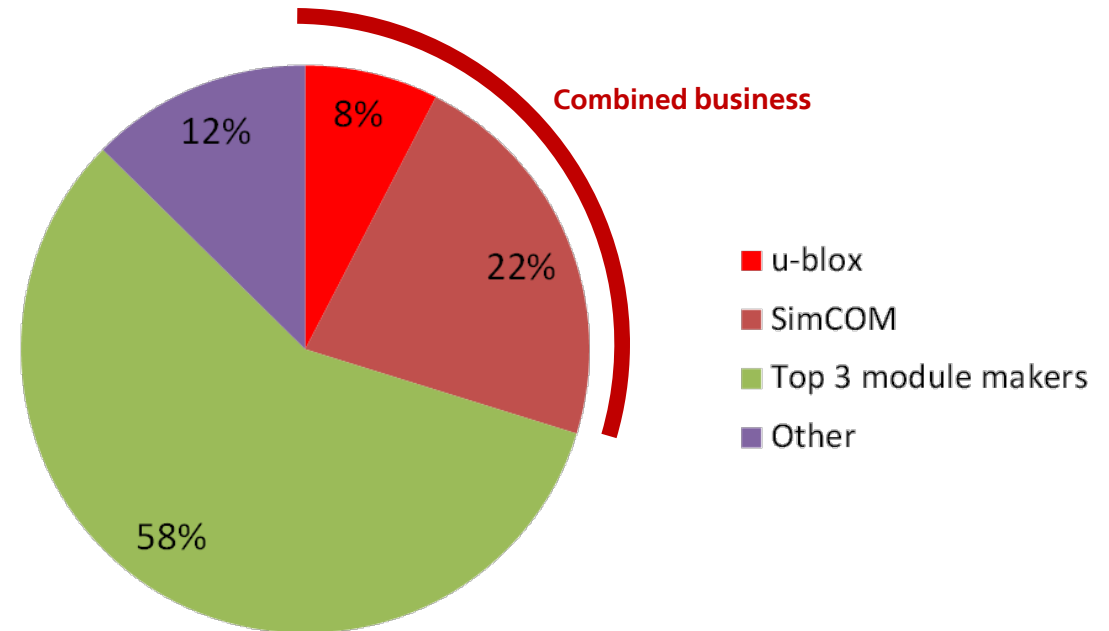


Becoming a leading supplier of cellular modules

The combined business will be the dominant supplier of cellular modules world-wide

Shipment Market Share

2015 Cellular M2M Market Share by Units (%)



Source: ABI 2016





SIMCom has globally-approved products



at&t



Products & Technologies

2G	3G	Low LTE	High LTE
 GPRS	 WCDMA	 Cat 1	 Cat 3
SIM8xx Series	SIM52xx Series	SIM75xx Series	SIM71xx Series
	SIM53xx Series		Cat 4
	CDMA		SIM76xx Series
	SIM2000C		
	SIM6320C		

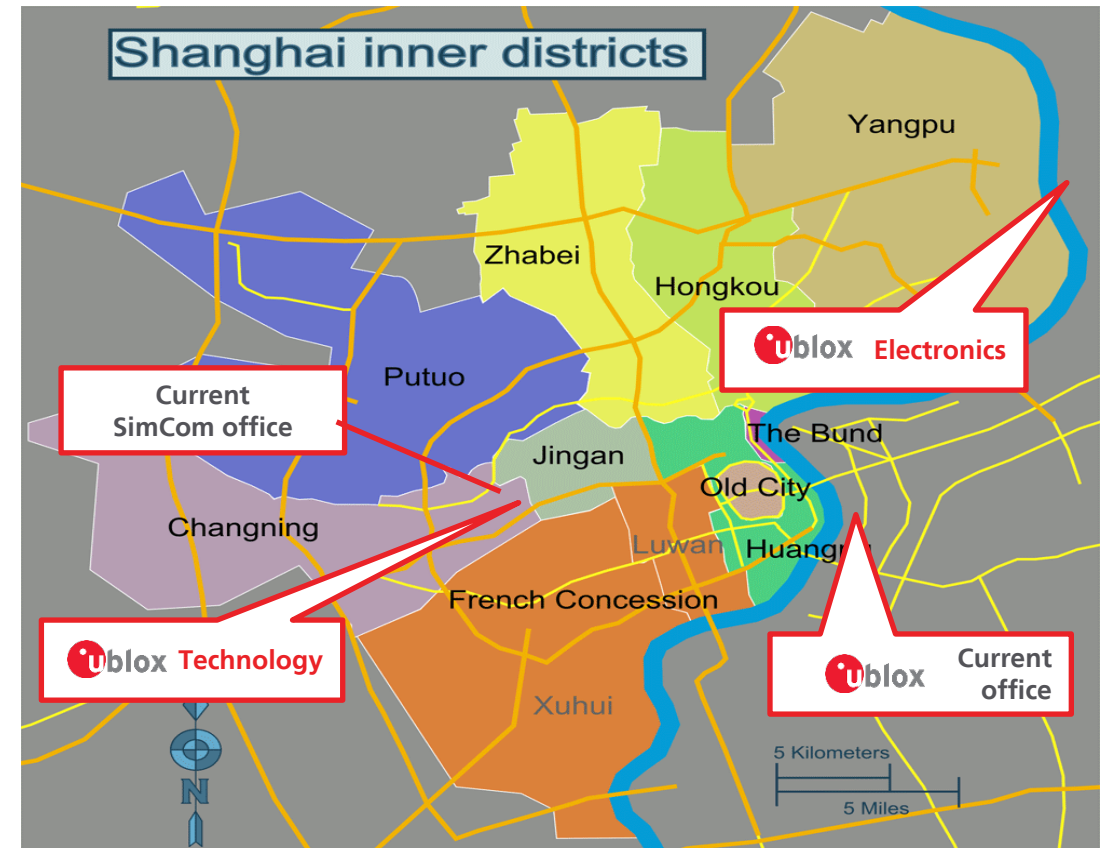
Brings a strong Shanghai presence

**u-blox Wireless Technology
Shanghai**
R&D

165 people

**u-blox Electronics
Shanghai**
Product Sales

35 people



Financial performance prediction 2016 and updated guidance 2017

- Continued business growth in 2017
- Impact by product mix on relative gross margin
- Natural hedging protects relative gross margin against foreign exchange variations
- Integration of SIMCom assets

	Actual FY 2015	Actual H1.2016	Prediction 2016	Previous Guidance 2017^{*)}	Updated Guidance 2017^{*)}
Revenue	338.3m	179.7m	360m	410m...425m	485 ... 515m
EBIT	51.3m	27.8m	56m...58m	60m... 65m	60 ... 65 m ^{**)}
	CHF	CHF	CHF	CHF	CHF

Exchange rate assumptions for 2017:

EUR/CHF: 1.07 USD/CHF: 1.02 GBP/CHF: 1.23

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

^{**)} EBIT offset by integration cost in 2017

FX-sensitivity against CHF on Guidance 2017

+10% of	USD	EUR	GBP
Revenue	+ 8.6%	+ 1.3%	0%
EBIT	+ 21.1%	+ 1.0%	- 2.0%

Thank you!



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