

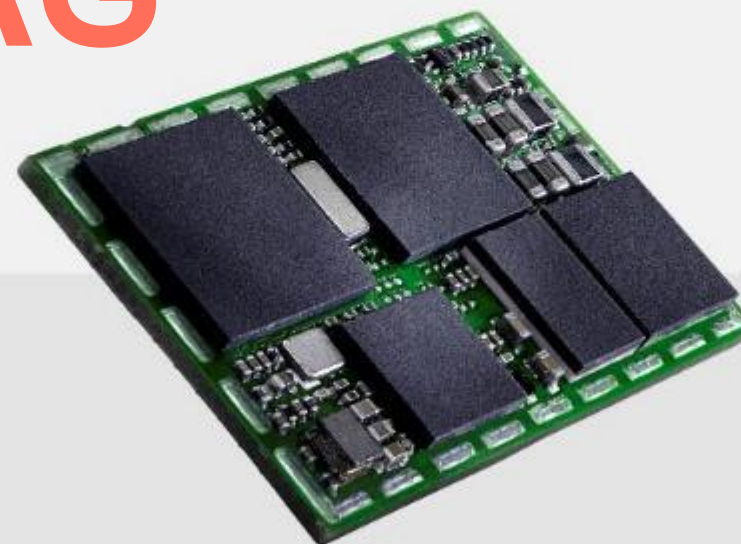
2021 Results

u-blox Holding AG

11 March, 2022

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Full year 2021: Summary financial results

Business highlights

Financial highlights

Business review

Strategy

Outlook

Q&A

An aerial photograph of a white wind turbine in a field. The turbine is positioned in the upper left quadrant, with its three blades extending outwards. The ground is a mix of dark brown soil and lighter, textured earth, possibly from a construction site or a specific agricultural field. The turbine's shadow is cast long and dark across the ground towards the right. The overall scene is captured from a high angle, looking down at the turbine and the surrounding terrain.

Full year 2021: Summary financial results

Full year 2021: Summary financial results



	2021		2020	Change 2021 to 2020
	IFRS reported	adjusted ¹	adjusted ¹	
(CHF millions, except EPS and margins)				
Revenue (at constant exchange rates)	414.1m	414.1m	333.5m	24.2% (26.9%)
Gross Profit	193.6m	193.9m	150.9m	28.5%
Gross margin (%)	46.7%	46.8%	45.3%	
EBITDA	65.9m	72.1m	42.2m	71.0%
EBITDA margin (%)	15.9%	17.4%	12.6%	
Operating Profit (EBIT)	25.9m	35.1m	18.0m	95.2%
EBIT margin (%)	6.3%	8.5%	5.4%	
Net Profit	15.4m	22.9m	2.9m	685.0%
Cash Flow from operating activities	97.7m	97.7m	39.5m	147.2%
Free Cash Flow	56.0m	56.0m	-16.5m	439.7%
EPS in CHF, fully diluted	2.21	3.30	0.42	

¹⁾ Excl. Share-based payments, impacts based on IAS-19, amortization of intangible assets acquired, impairments and non-recurring expenses, see slide 16.

Business highlights

- Strong financial results driven by solid revenue growth across all regions and sectors
- Steady expansion of production capacity – growth rate limited by availability of components
- Bookings accelerated throughout 2021 with bookings greatly exceeding FY 2021 revenue; current orderbook 8x the amount at the end of 2020
- Well-filled R&D pipeline as we launched 12 new core product
- Suite of location services complemented with the acquisition of Sapcorda, in addition to an expanded service offering for communication and security

Financial highlights

Financial results reflect strong business growth

- Total revenues of CHF 414.1m, an increase of 24.2% (26.9% at constant exchange rates), above the expected range of 15%...20%
- Adjusted gross profit margins increased to 46.8% (45.3% in 2020)
- EBITDA (adjusted) was CHF 72.1m, compared to CHF 42.2m last year
- Adjusted net profit of CHF 22.9m vs 2.9m in 2020
- Cash flow from operating activities of CHF 97.7m in 2021, compared to CHF 39.5m last year
- Free cash flow of CHF 56.0m (before acquisitions CHF 54.9m; 2020: CHF -16.5m)
- Equity ratio further increased to 59.9% (54.6% in 2020)
- Board of Directors proposes to the AGM to pay dividends of CHF 1.30 in form of a par value reduction from CHF 14.80 to CHF 13.50, which is tax favorable for shareholders

Historical revenue and EBITDA development

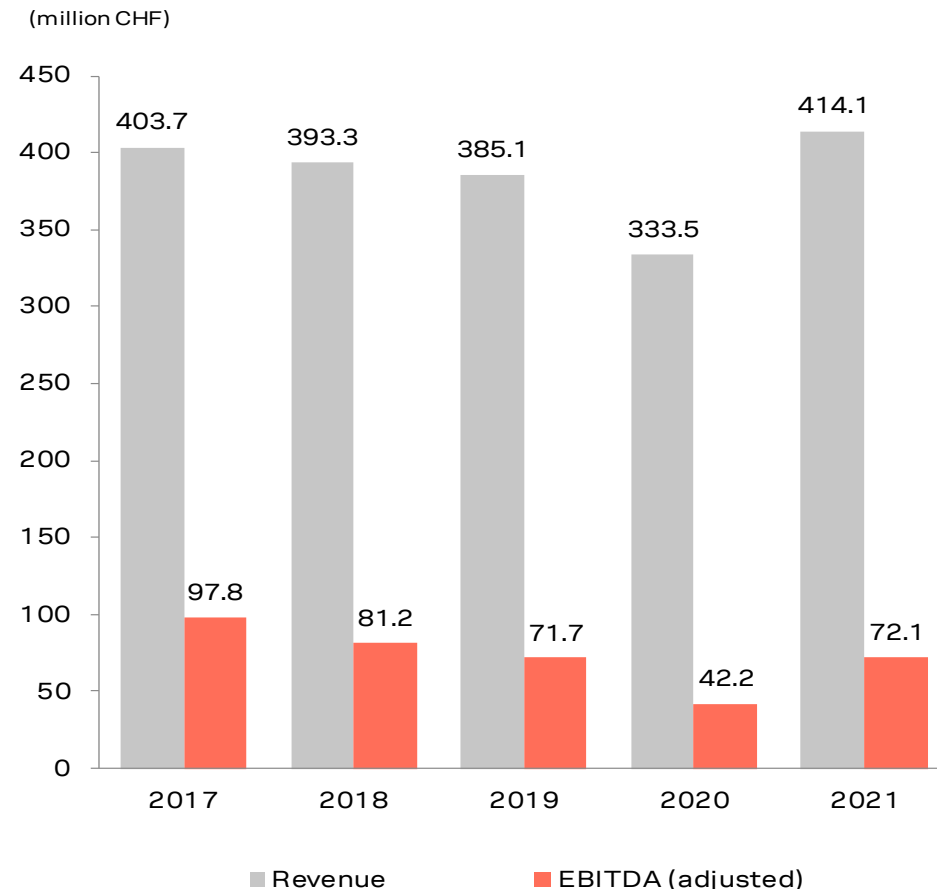


Comments

- Strong growth of 2021 revenues (24.2% compared to 2020) to new record level
 - Strong rebound since August 2020
 - Accelerated trend for connected devices
 - Expanded production output
- The USD/CHF rate impacted revenue negatively, growth at 2020 rates: 26.9%
- EBITDA (adjusted¹) margin of 17.4%

¹) Excl. Share-based payments, impacts based on IAS-19, amortization of intangible assets acquired, impairments and non-recurring expenses, see slide 16.

Revenue and EBITDA (adjusted)

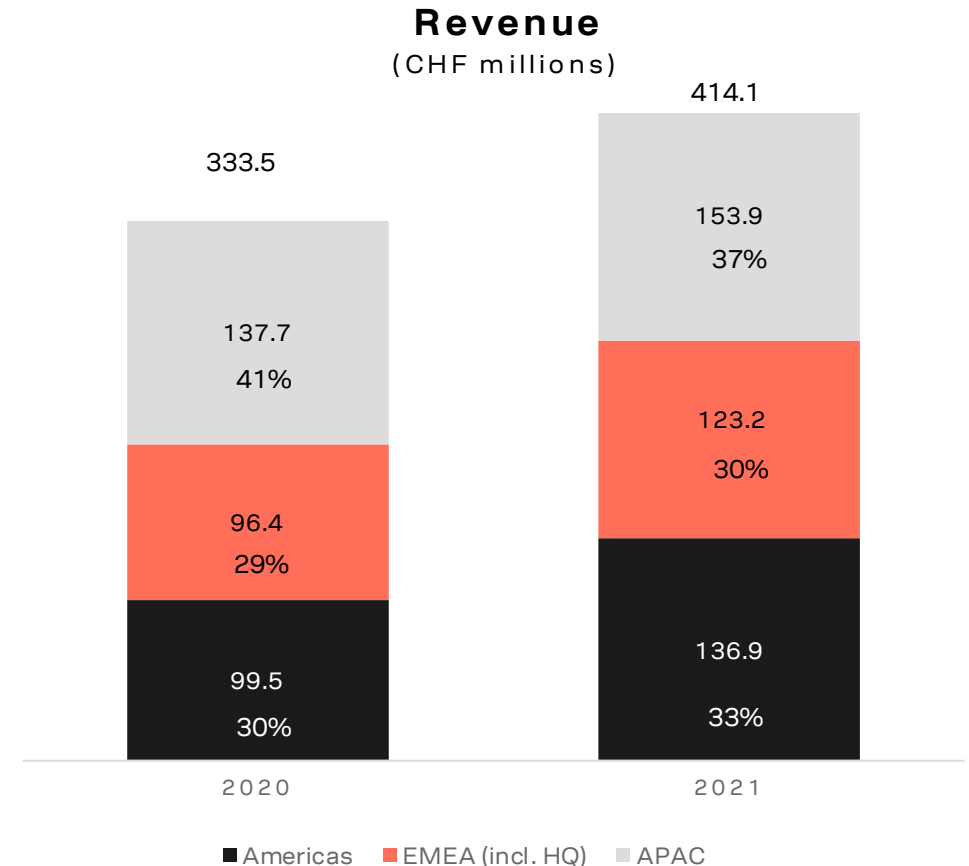


Revenues by geography



Comments

- Americas revenue increased by 37.6%
 - Higher demand in industrial automation, navigation and infotainment
- EMEA revenue increased by 30.1%
 - Increased demand in industrial automation solutions and consumer telematics
 - Strong rebound in automotive sector
- APAC revenue increase by 11.8%
 - Strong growth in Japan and Korea for industrial automation, navigation, infotainment, and automated driving
 - Flat business in China due to supply constraints and COVID impacts



Note: based on reporting area

Revenue by market

Comments

Industrial markets growth of 24%

- Micro mobility
- Medical applications
- Industrial automation
- Data networks

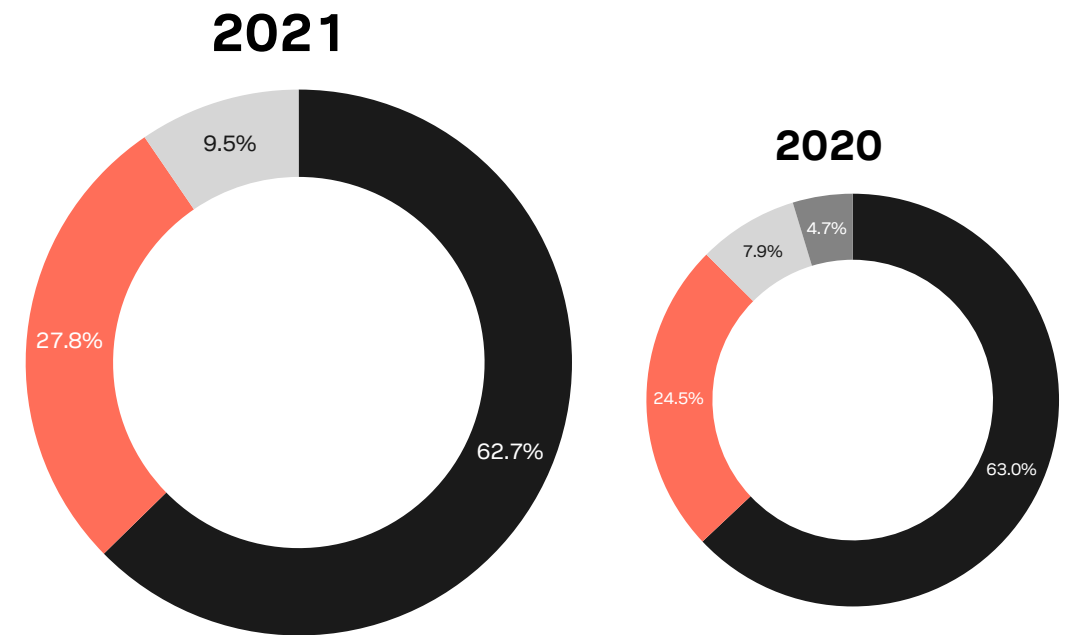
Automotive market strong growth of 41%

- Rebound in demand after decline in 2020
- Higher demand in navigation and infotainment (especially electric vehicles)

Consumer markets growth of 51%

- Consumer telematics
- Wearables

Revenue split per market



■ Industrial ■ Automotive ■ Consumer ■ Not assigned

Note: Estimate

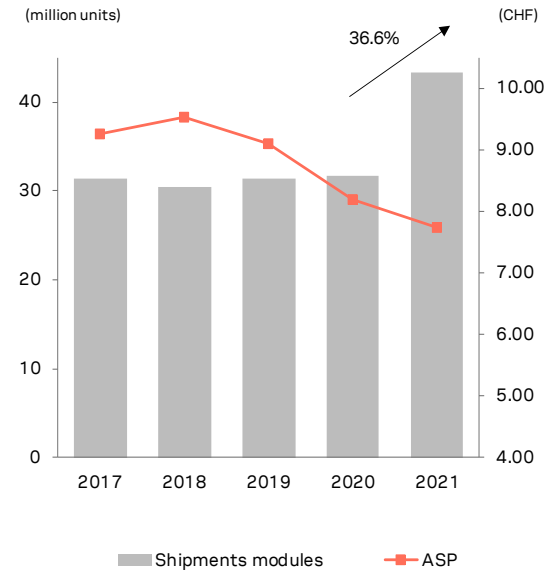
Shipments and ASP development



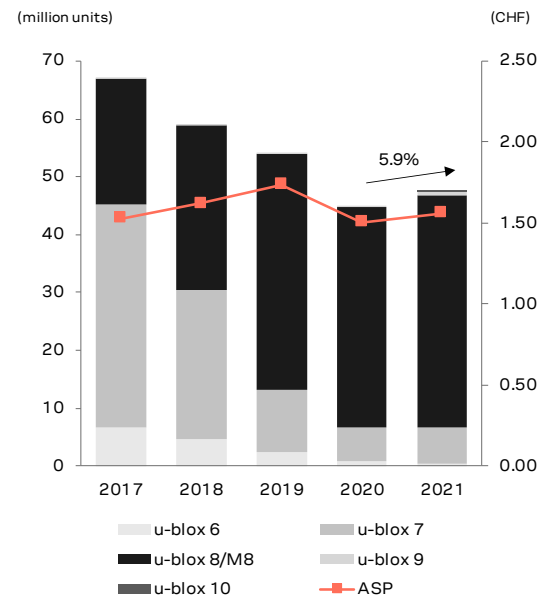
Comments

- Module business with strong growth, ASP decline due to product mix
- Chipset driven by u-blox 8 series
- Rebound of overall chipset volume
- Trend for shift from chipsets towards modules continued
- Increasing ASPs in H2.2021 due to sales price increase

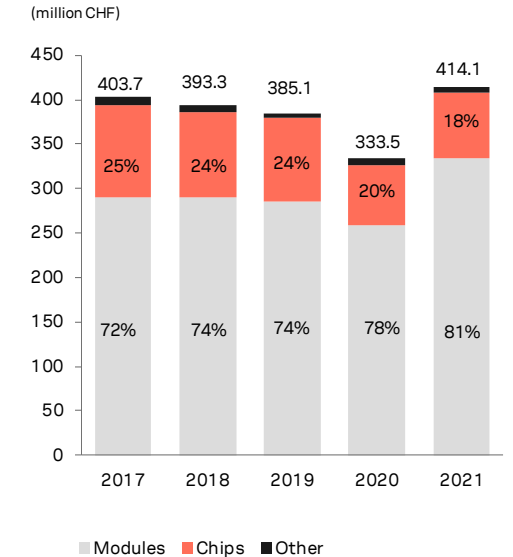
Modules



GNSS chips



Revenue

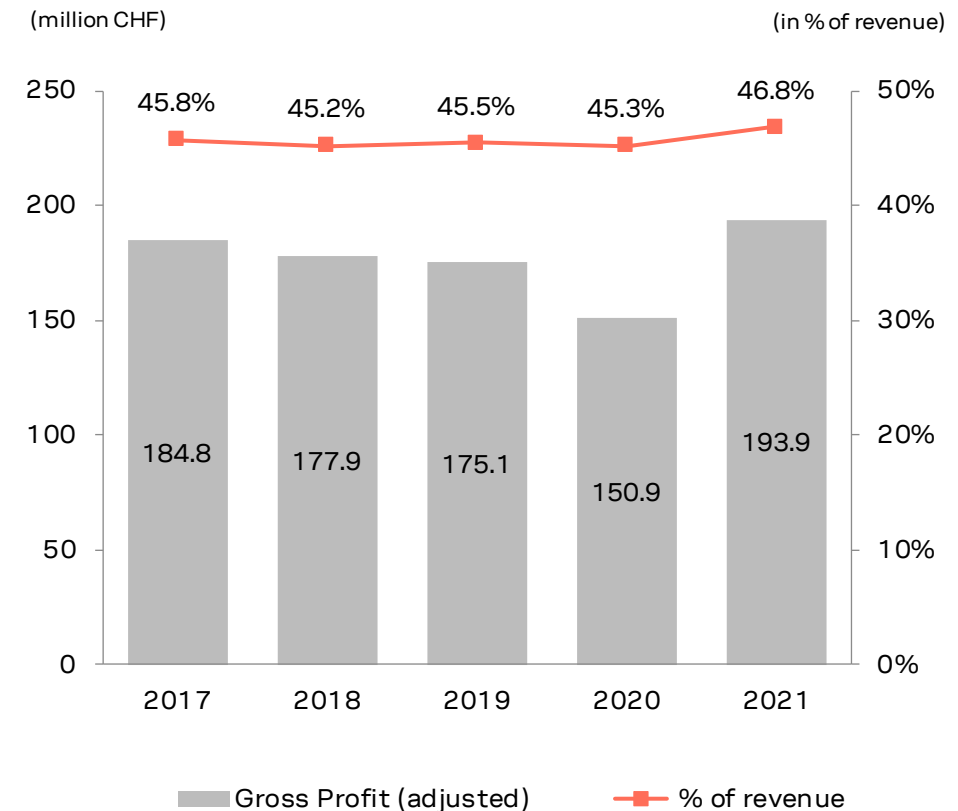


Gross profit

Comments

- Gross profit (adjusted) of CHF 193.9m
- Gross profit margin (adjusted) substantially increased from 45.3% to 46.8% due to favorable product mix and sales price increases

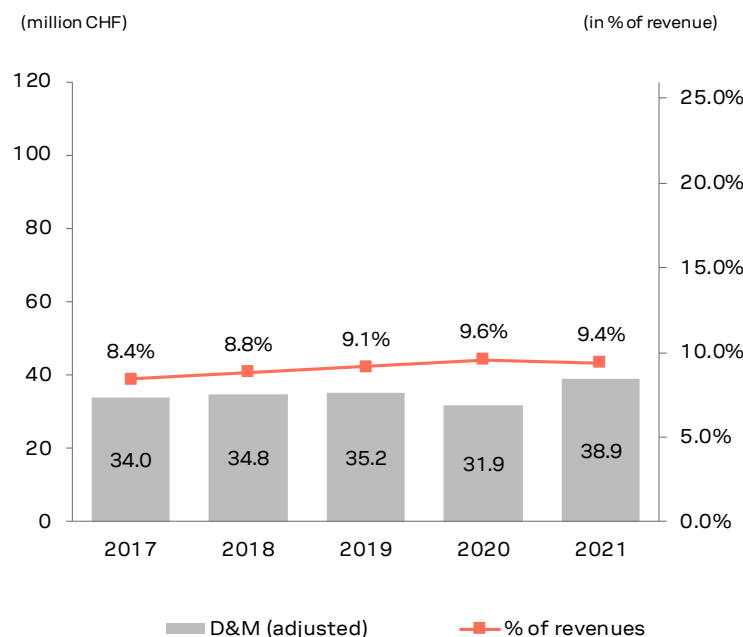
Gross profit (adjusted) Gross profit margin (adjusted)



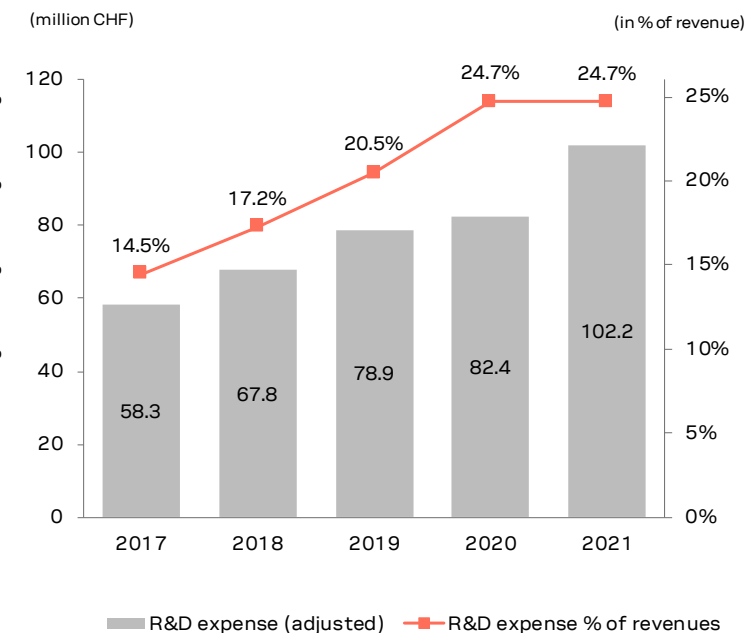
Comments

- D&M expenses (adjusted) increased in absolute amount due to higher bonuses based on strong revenue growth
- In % of revenue D&M expenses remained constant
- R&D expenses (adjusted) ratio remains stable with 24.7%
- R&D expenses increased due to acquisition of Sapcorda, and due to investments into design changes to cope with supply shortages, which were not capitalized

D&M expenses (adjusted)



R&D expenses (adjusted)



Income statement

Adjusted and IFRS numbers



(in CHF 000s)	Jan - Dec 2021		Adjustments ²⁾	Jan - Dec 2021		Jan - Dec 2020	
	(IFRS)	% revenue		(adjusted)	% revenue	(adjusted)	% revenue
Revenue	414'057	100.0%		414'057	100.0%	333'513	100.0%
Cost of sales	-220'496	-53.3%	370	-220'126	-53.2%	-182'564	-54.7%
Gross Profit	193'561	46.7%	370	193'931	46.8%	150'949	45.3%
Distribution and marketing expenses	-40'381	-9.8%	1'494	-38'887	-9.4%	-31'890	-9.6%
Research and development expenses	-106'238	-25.7%	4'004	-102'234	-24.7%	-82'370	-24.7%
General and administrative expenses	-26'198	-6.3%	3'344	-22'854	-5.5%	-20'378	-6.1%
Other income	5'139	1.2%		5'139	1.2%	1'665	0.5%
Operating Profit (EBIT)	25'883	6.3%	9'212	35'095	8.5%	17'976	5.4%
Finance income	3'947	1.0%		3'947	1.0%	226	0.1%
Finance costs	-6'936	-1.7%		-6'936	-1.7%	-10'299	-3.1%
Share of profit of equity-accounted investees, net of taxes	-1'819	-0.4%		-1'819	-0.4%	-4'164	-1.2%
Profit before income tax (EBT)	21'075	5.1%	9'212	30'287	7.3%	3'739	1.1%
Income tax expense	-5'725	-1.4%	-1'670	-7'395	-1.8%	-823	-0.2%
Net Profit	15'350	3.7%	7'542	22'892	5.5%	2'916	0.9%
Minority interests	21	0.0%		21	0.0%	-238	
Net Profit, attributable to equity holders of the parent	15'329	3.7%	7'542	22'871	5.5%	3'154	0.9%
Earnings per share in CHF	2.21			3.30		0.42	
Diluted earnings per share in CHF	2.21			3.30		0.42	
Operating Profit (EBIT)	25'883	6.3%	9'212	35'095	8.5%	17'976	5.4%
Depreciation and amortization	40'012	9.7%	-3'036	36'976	8.9%	24'175	7.2%
EBITDA ¹⁾	65'895	15.9%	6'176	72'071	17.4%	42'151	12.6%

¹⁾ 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.

²⁾ Adjustments are impacts of share based payments, Pension calculation according to IAS-19, Non-recurring expenses, impairments and amortization of intangible assets acquired

Comments

- Adjustments are share-based payments of CHF 3.3m, pension impact of IAS-19 of CHF 1.3m, amortization of intangible assets acquired (incl. impairments) of CHF 3.0m and non-recurring expenses of CHF 1.5m
- Financial results consist primarily of foreign exchange gains, the interest for the bond, the result of equity-accounted investees and the impact of takeover of Sapcorda
- For group adjustments a corporate tax rate of 18.1% applied

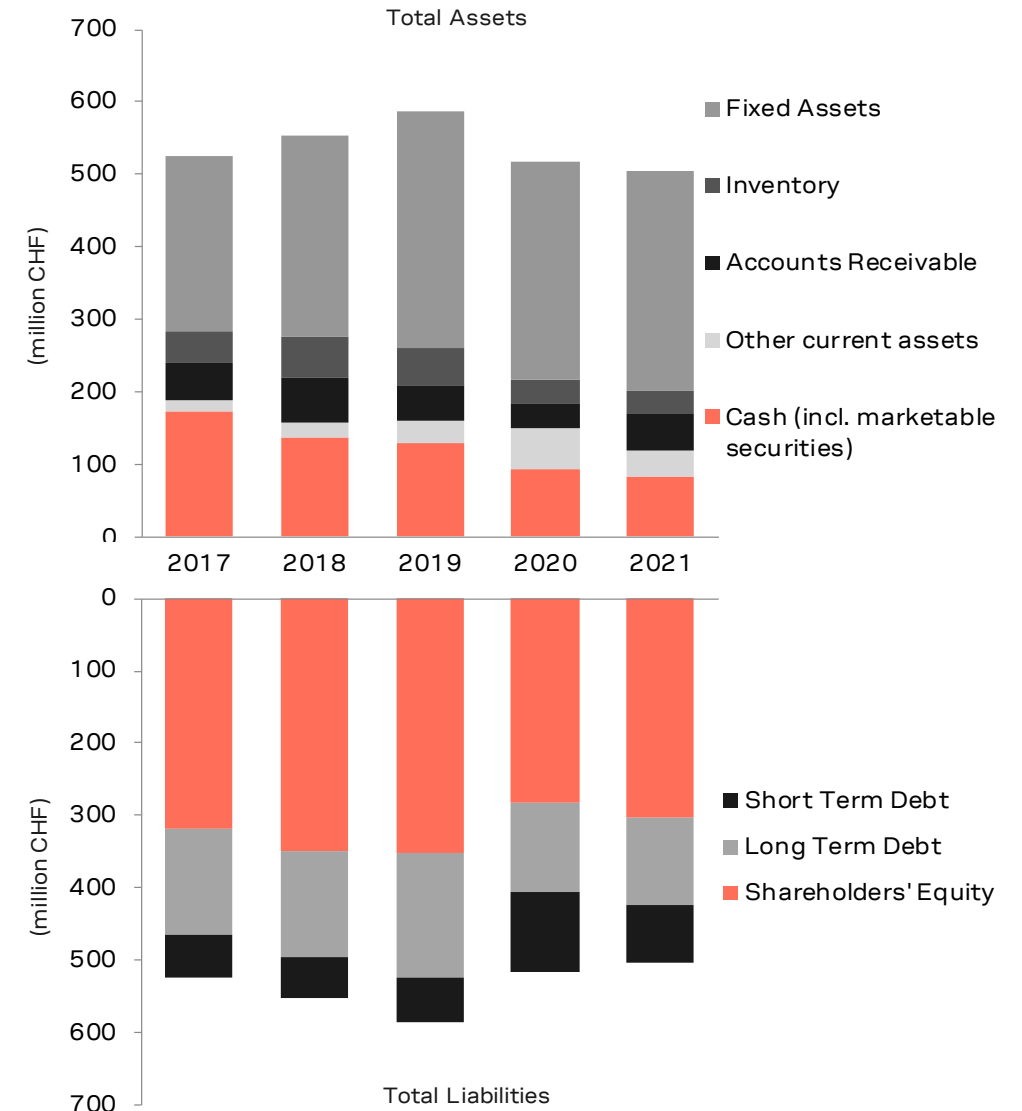
³⁾ Impairment was caused by market conditions at outbreak of COVID crisis, mainly in automotive, changes in business plan expectations and refocusing of various programs. The company's existing lines of product offerings remain unaffected.

Statement of financial position



Comments

- Solid financial position with liquidity (incl. marketable securities) of CHF 83.7m (2020: CHF 94.4m)
- Inventory CHF 31.4m (2020: CHF 33.6m), mainly raw material and work in progress
- Trade receivables CHF 51.1m (2020: CHF 34.0m)
- Other current assets CHF 35.2m (2020: CHF 56.1m)
- Capitalized R&D now CHF 175.4m (2020: CHF 162.5m)
- Right of use assets amounted to CHF 32.0m (2020: CHF 32.5m) and corresponding leasing liabilities (short- and long-term) were CHF 32.8m (2020: CHF 33.0m)
- Current liabilities contain trade payables of CHF 25.0m (2020: CHF 17.8m)
- Non-current liabilities contain bond of CHF 59.8m, deferred tax liabilities CHF 1.5 m, employee benefits (IAS-19) CHF 21.3m, provisions CHF 7.7m

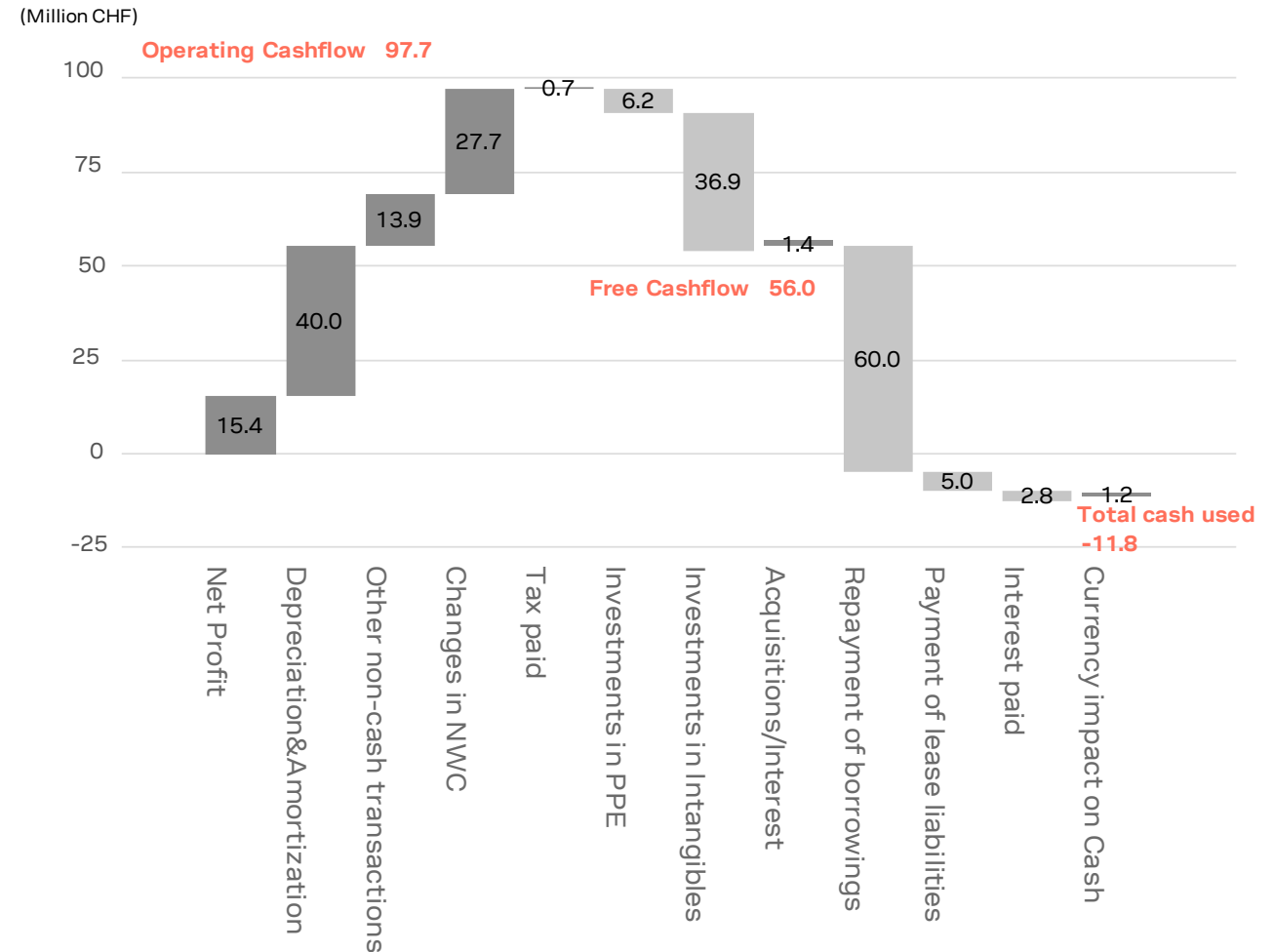


Consolidated statement of cash flows



Comments

- Cash flow from operating activities of CHF 97.7m (2020: CHF 39.5m), positively impacted by increased business and reduced net working capital
- Maintained investment activities
- Bond repaid (CHF-60.0m)
- Free cash flow (before acquisitions and participations in capital increase) CHF 54.9m (2020: CHF -3.0m)
- Acquisition of full ownership in JV Sapcorda and sale of Tashang



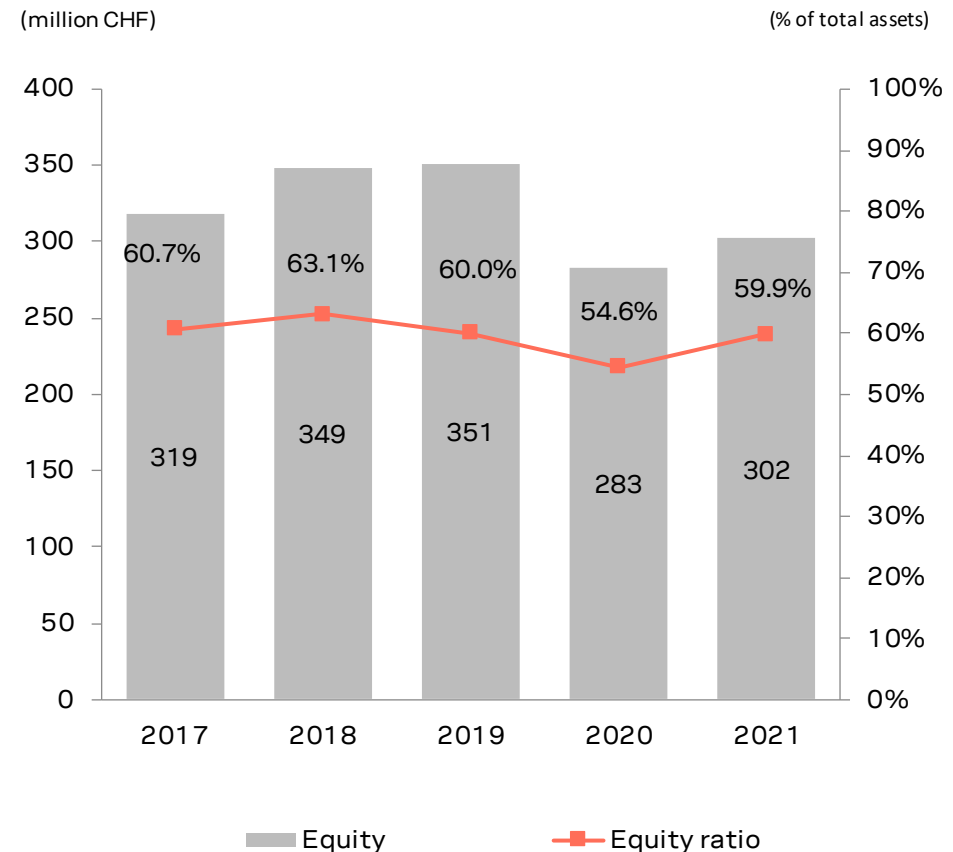
Statement of financial position



Comments

- Solid equity base maintained
- Increase equity ratio of 59.9% (2020: 54.6 %)
- Treasury shares for option program CHF 31.9m (2020: CHF 31.9m)
- Equity ratio without treasury shares: 62.3% (2020: 57.2%)
- No minority interests anymore after divestment of Tashang (2020: CHF 0.1m)

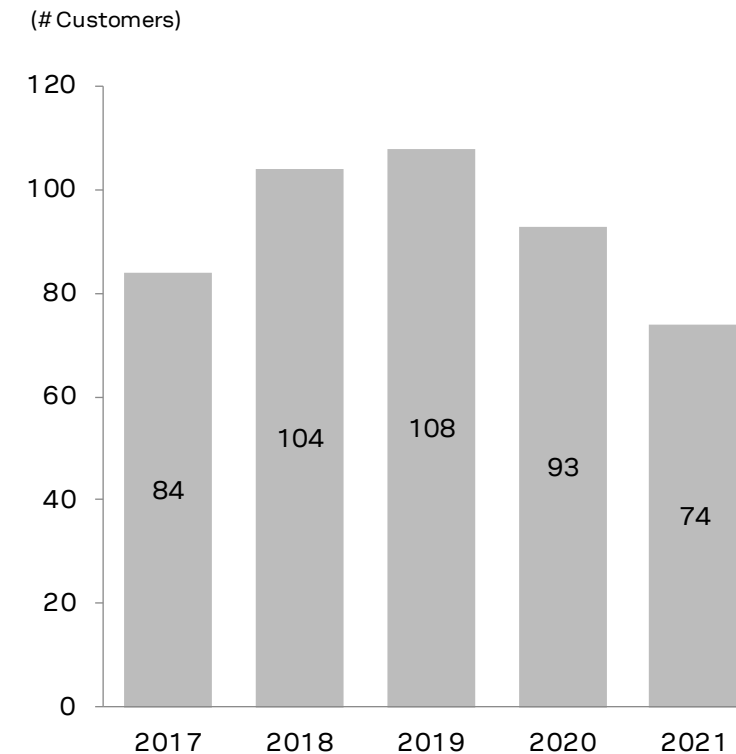
Total equity and equity ratio



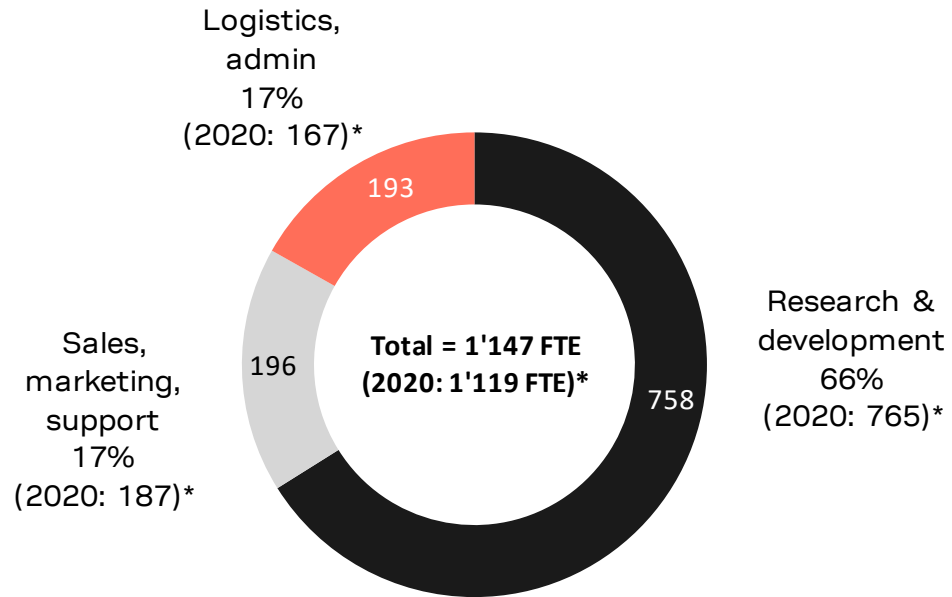
Comments

- Widespread across different applications and geographical regions
- Strong and growing customer base, serving 12,200 customers worldwide in 2021 (2020: 9,000 customers)
- Low customer dependency
 - 74 customers total 80% of revenue
 - Largest customer accounts for 4.6% of total revenue in 2021
- Top 10 largest customers account for 31.0% of total revenue in 2021

Number of customers totaling 80% of revenue



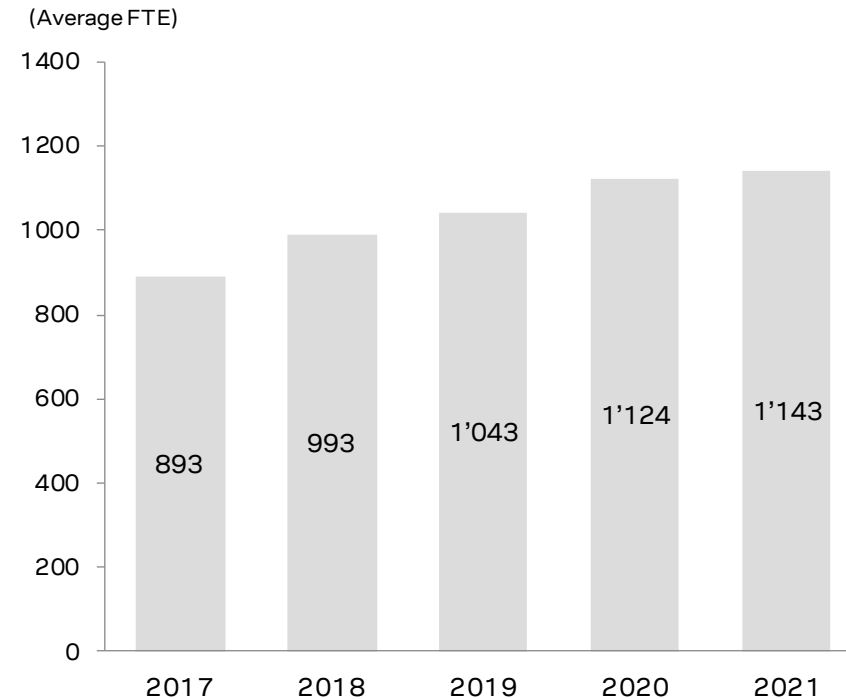
Employee breakdown (End of December 2021, FTE based)



* figures without Tashang

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

Average number of employees (FTE based)



Note: FTE = full time equivalent

Segment information

IFRS numbers



	Positioning and wireless products		Wireless services		Total segments		Non-allocated/ eliminations		Group	
	Jan - Dec		Jan - Dec		Jan - Dec		Jan - Dec		Jan - Dec	
(in CHF 000s)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue third parties	413'463	333'158	594	355	414'057	333'513			414'057	333'513
Revenue intragroup			35'216	31'099	35'216	31'099	-35'216	-31'099	0	0
Total revenue	413'463	333'158	35'810	31'454	449'273	364'612	-35'216	-31'099	414'057	333'513
EBITDA ¹⁾	63'861	33'898	2'034	1'539	65'895	35'437	0	0	65'895	35'437
Depreciation	-8'446	-9'309	-3'004	-2'919	-11'450	-12'228	0	0	-11'450	-12'228
Amortization	-25'393	-12'758	-3'102	-1'144	-28'495	-13'902	0	0	-28'495	-13'902
Impairment	-67	-74'120			-67	-74'120	0	0	-67	-74'120
Operating profit/loss (EBIT)	29'955	-62'289	-4'072	-2'524	25'883	-64'813	0	0	25'883	-64'813
Finance income									3'947	226
Finance costs									-6'936	-10'299
Share of profit of equity-accounted investees, net of taxes									-1'819	-4'164
EBT									21'075	-79'050

¹⁾ 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 continued
 - Bookings recovered substantially in all regions, and the growth pace of the orderbook exceeded by far the current revenue growth rate.
 - Automotive segment recovered due to a surge in demand for automotive applications, especially for electric vehicles, across all regions.
 - Our industrial segment compares to a relatively strong FY 2020 and generated stable growth due to strong demand for making devices smart and connected.
- The global supply chain situation
 - Global supply-chain disruptions continued to affect our ability to source components, but we were able to manage supply resulting in strong growth of production output.
 - We quickly changed our operating model from an inventory-based system to an availability-driven system.
 - We introduced many new products, re-designed and re-modeled other products to work around specific shortages.

Demand outlook: regional markets

Strong and sustained growth across all regions



- APAC
 - Strong growth in Japan and Korea for applications in industrial automation, navigation, infotainment and automated driving
 - Flat results in China due to supply constraints
 - Continued COVID impacts in some countries
 - EMEA
 - Increased demand in industrial automation and consumer telematics
 - Strong rebound in automotive
 - Americas
 - Particularly higher demand for industrial automation
 - Strong recovery with automotive navigation and infotainment applications
- Orderbook reached record levels, 8x higher than end of 2020

Update: Automotive

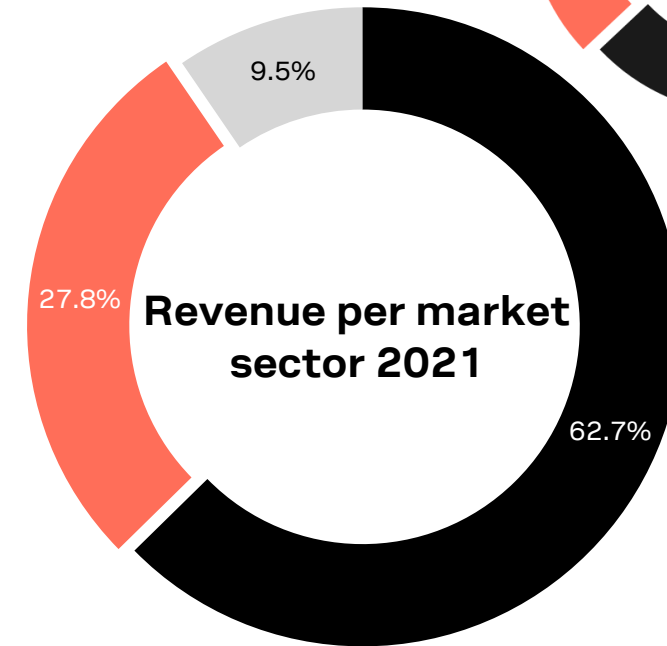
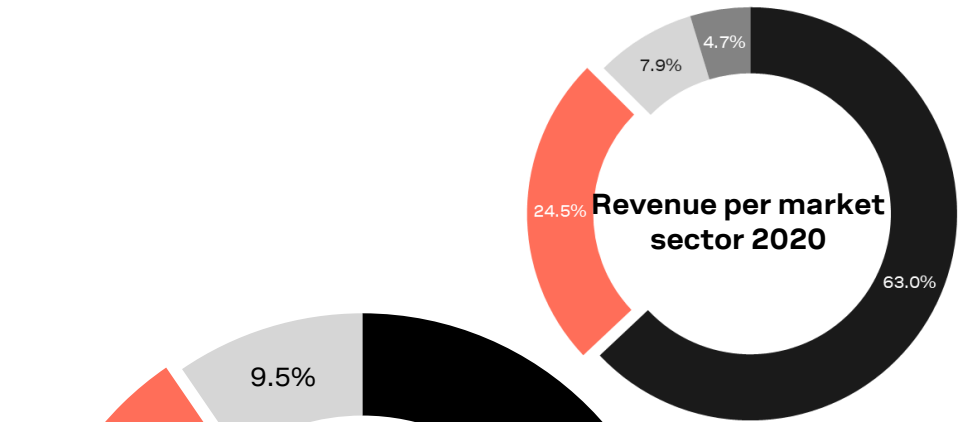
Strong upswing from 2020: + 41%

Fast recovery

- In 2021, revenue increased to CHF 115m from CHF 81m in 2020 (+41%)
- Rebound occurred in all regions

Expectations

- Continued strong demand and acceleration of ramp-ups
- EV a strong driver in EMEA and APAC
- Autonomous driving remains in focus by OEMs
- Electronics content increasing due to a more complex system architecture in cars



■ Industrial ■ Automotive ■ Consumer ■ Not assigned

Outlook: Automotive

Automotive industry is poised for continued expansion



- Autonomous driving application expanding
- u-blox is on track to deliver high precision positioning with functional safety, thanks to continued investment and leadership
- Electric vehicle (EV) growing their market share strongly, in EMEA and China



Update: Industrial

Continued strong growth: +24% across many application sectors



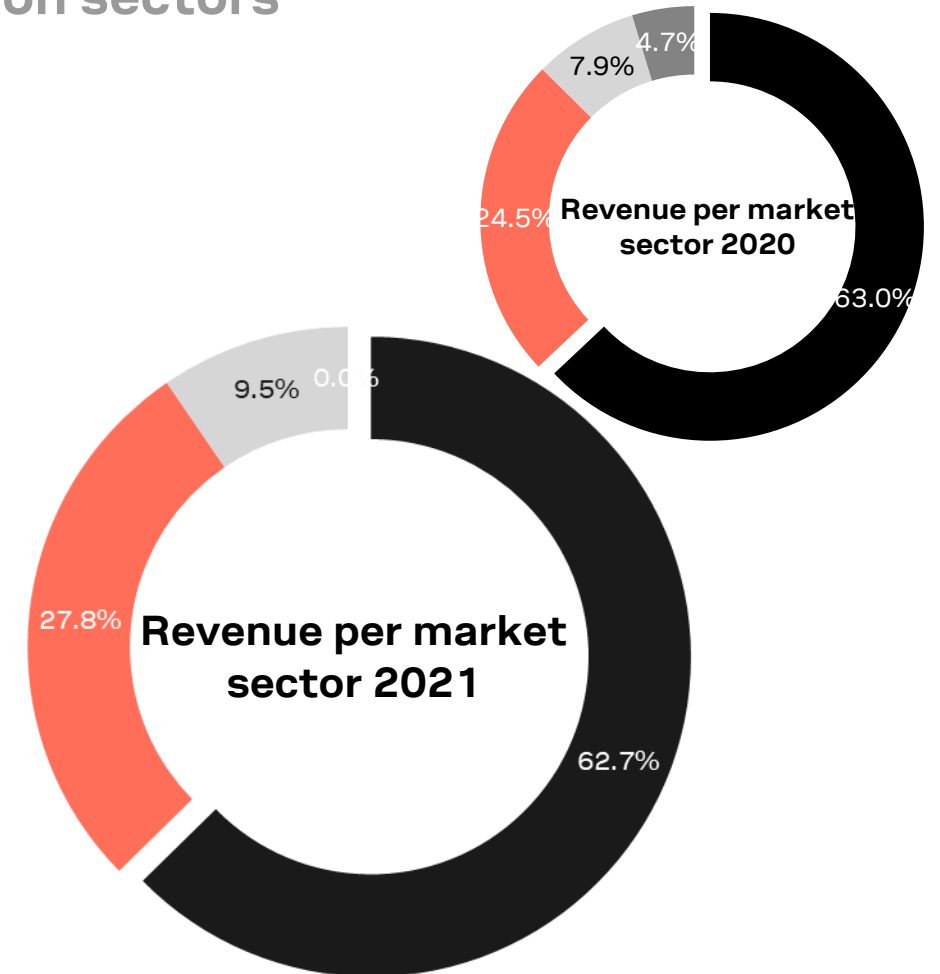
Strong growth across all industries

- Revenue in 2021 grew to CHF 260m from CHF 210m in 2020 (+24%)
- Most application sectors growing, except for macro cells

• UAV	✓ ✓
• Infrastructure, surveillance, security	✓ ✓
• Automation, monitoring, sensor	✓ ✓
• Tracking, telematics	✓ ✓
• Medical, healthcare	✓ ✓
• Metering	✓ / -
• Macro, small & femto cell	-

Expectations

- Accelerated trend for making devices connected
- Growing number of new accounts



■ Industrial ■ Automotive ■ Consumer ■ Not assigned

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 introducing advanced telematic systems.
- In production, it is driving automation, boosting resilience, and increasing productivity.
- In homes, buildings, and cities, it is increasing convenience, efficiency, and safety.



Update: Consumer

Very strong reverse of to the trend: +51%

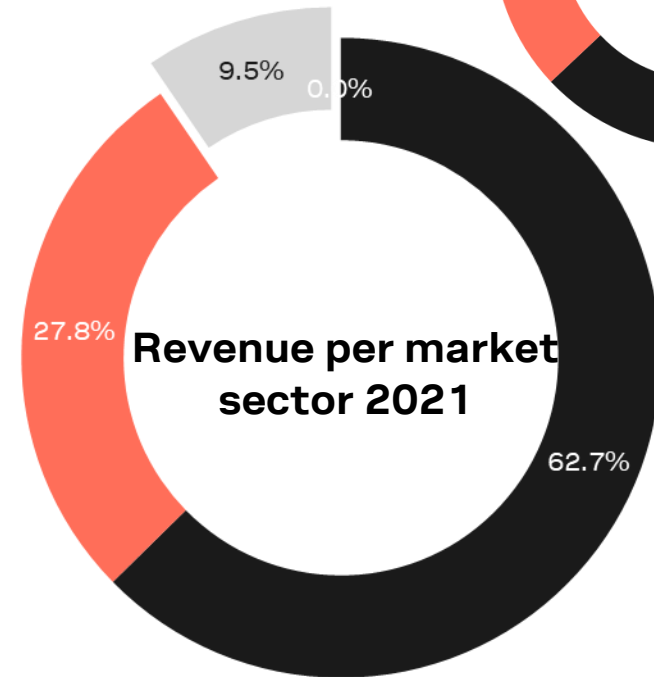
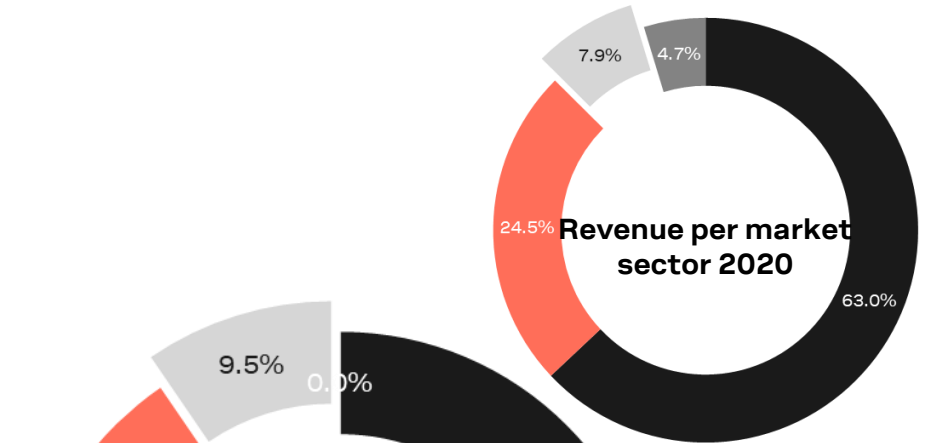


Buoyant demand

- 2021 revenue was CHF 40m vs. CHF 26 (+51%)
- Wearables and tracking devices are in strong demand

Expectations

- Continued increased demand in wearables
- Low-power solutions enable more use cases
- Consumer applications represent relatively small part of our total revenue (10%)



■ Industrial ■ Automotive ■ Consumer ■ Not assigned

Product launches 2021



Broad expansion of solution capabilities will drive business growth

C Cellular communication

ALEX-R5

A unique miniature Cat M cellular module integrating low power wide area (LPWA) connectivity and GNSS technology into an ultra-small system-in-package (SiP) form.

LARA-R6 and LENA-R8

Product design kickstarted the creation and launch of these LTE Cat 1 cellular modules.



S Short range radio communication

MAYA-W1

Tailored to a wide range of fast-growing, future-oriented professional applications, such as power management, electric vehicle charging, professional appliances, tracking, telematics, and fleet management.

Bluetooth/Mesh networking

u-blox NINA-B4 modules use all mesh networking for large-scale network deployments.



P Positioning

NEO-M9V

u-blox's first positioning receiver to offer both untethered dead reckoning (UDR) and automotive dead reckoning (ADR).

NEO-D9S and NEO-D9C

Offer customers unprecedented flexibility in providing high precision solutions thanks to correction data received from communication satellites.



U Services

PointPerfect GNSS correction service

Brings centimeter-level positioning correction data to the mass market. This service is based on IP acquired with Sapcorda.

CloudLocate

A service that offloads the position calculation from IoT devices into the cloud, now available through the u-blox Thingstream IoT service delivery platform.

Customers: Douglas Lighting

Bluetooth Mesh for building automation



- Douglas Lighting designs new mesh platform around the NINA-B406 Bluetooth low energy module for its superior RF performance, small form factor, and competitive price.
- The platform will serve building automation use cases, including smart lighting, access control, and energy management.



Presence sensor for lighting

By working with u-blox, one of the leading module manufacturers, we believe that the Bluetooth Mesh 5.0 standard allows us to bring hardware to the market that meets the user's need and allows for interoperability opportunities.

John Cavacuiti, VP of engineering at Douglas Lighting.

Customers: Exsurgo



Empowering chronic pain sufferers to reclaim their lives with technology

- Exsurgo's Axon headset for chronic pain treatment runs on a u-blox ANNA-B112 Bluetooth 5 system-in-package (SIP) also used for wireless communication.
- By working with the ultra-compact ANNA-B112 Bluetooth 5 SIP, Exsurgo was able to reduce the overall size of the electronics and design a product patients would feel comfortable using.



Headset for chronic pain treatment

u-blox added value throughout the development process of the Axon headset, not only as a hardware supplier, but also as a design partner. The small size of the ultra-low-power ANNA-B112, its powerful microprocessor, along with detailed reference schematics for seamless integration into our electronics project were instrumental in designing a quality medical device.

Faisal Almesfer, Chief Technology Officer at Exsurgo.

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



Micro mobility: e-bike user management

Customers: greenTEG



Leverages u-blox connectivity to protect health and safety amid the COVID-19 pandemic

- CORE is a wearable device for continuous and accurate core body temperature monitoring.
- CORE communicates wirelessly using the u-blox NINA-B306 stand-alone Bluetooth 5 low energy module.
- It can be used to track the 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

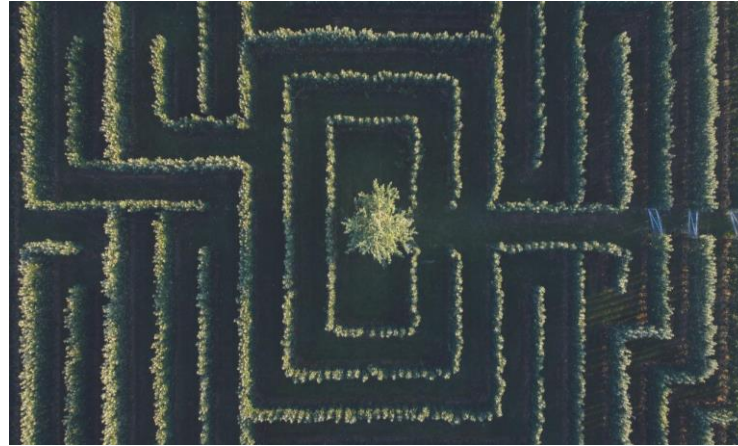
Strategy

Priorities for shareholder value



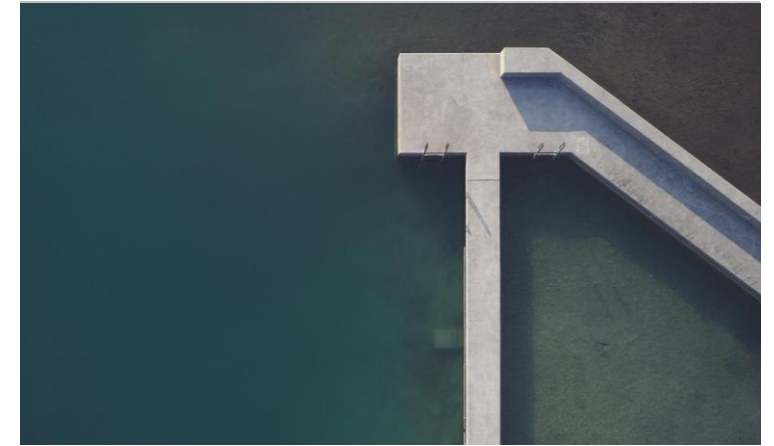
Organic growth

- Investing in R&D with a long-term perspective
- Expanding sales channels
- Widening solution capabilities



M&A

- Continually seeking opportunities for inorganic growth
- Bolt-on acquisition preferred
 - Strategic fit
 - Cultural fit
 - Financially accretive



Shareholder value returns

- Consistent dividend policy (since IPO)
- Dividend policy to resume

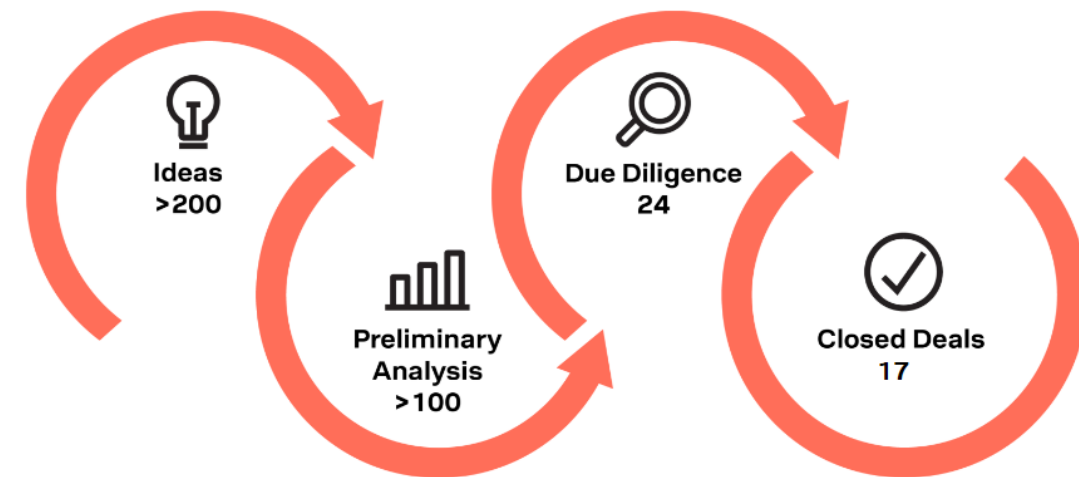
Acquisition criteria

Our M&A strategy



- M&A has always been a part of our long-term strategy; successfully closed 17 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
- Only willing to do acquisitions at reasonable valuation
- Business model, management and culture an ideal fit for u-blox
- Specific areas where we would find a complementary fit:
 - Technology acquisition
 - Gain economies of scale
 - Expanding customer footprint and cross selling
 - Recurring revenue models
- We maintain continually a pipeline of some 5...7 investment targets

We maintain a continual stream of acquisition opportunities



The background of the slide is an aerial photograph of a wind turbine in a field. The turbine is white with three blades, and its shadow is cast long and dark across the field. The field has distinct, wavy, concentric patterns, likely from agricultural or construction work. The sky is a pale, overcast grey.

Outlook

Guidance 2022



Very strong order book – revenues continually expanding

- Continued expansion of demand
 - Content extension in automotive
 - Expansion of industrial IoT
 - Healthy ramp-up with new products
- No direct impact from Ukraine crisis - however turbulence across global markets could impact our business
- Supply constraints for electronic components gradually to ease
- Record high orderbook

CHF	FY 2021 (adjusted)	Guidance 2022 (adjusted)
Revenue growth	+26.9%	21...32%
EBITDA margin	17.4%	16...18%
EBIT margin	8.5%	8...10%

- Exchange rate assumptions for 2022: Average rates of 2021 (USD: 0.914, EUR: 1.081, GBP: 1.257)

- FX-sensitivity against CHF:

+10% of	USD	EUR	GBP
Revenue	+ 9%	+ 1%	0%
EBITDA	+ 16%	0%	-2%
EBIT	+ 22%	- 1%	- 3%

Q&A

Upcoming events



- Annual general meeting 20 April, 2022 (virtual)
- 2022 half year results 19 August, 2022
- Analyst day 22 November, 2022

Thank you for your attention