IFBC

Fairness Opinion u-blox

Assessment of the financial fairness of the public takeover offer by ZI Zenith S.à r.l. for the outstanding shares of u-blox Holding AG

Zurich, 26 August 2025

IFBC

Content

1 Introduction

1 Introduction

1.1 Background

u-blox is a global technology group listed on the SIX Swiss Exchange and offering positioning and wireless connectivity solutions

u-blox Holding AG (hereinafter also referred to as "u-blox", the "group", the "company" or the "target company") is a European technology leader and fabless developer of high-quality semiconductor chips and modules. The company supplies positioning chips, software, modules and correction services, as well as short-range connectivity modules to the industrial, automotive and consumer industry, providing components that enable people, vehicles and machines to determine their location and connect wirelessly through corresponding network technologies. With innovation and quality, the group is engaged in advancing the embedding of location and connectivity solutions in physical objects to enable the physical world to be digitally monitored and controlled.

The group is headquartered in Thalwil, Zurich (Switzerland) and employs over 800 employees across 28 locations around the world. About 79% of them are located in Europe, 15% in the Asia Pacific region and the remaining 6% in the Americas. In the financial year ("FY") 2024, the group reported revenue of CHF 262.9 million and reported unadjusted earnings before interest, depreciation and amortization ("EBITDA") of CHF -38.4 million.[1]

u-blox's shares have been listed on the SIX Swiss Exchange ("SIX") since October 2007. As of 15 August 2025, u-blox had a market capitalization of CHF 1 billion. u-blox's share capital consists of 7'630'020 registered shares with a nominal value of CHF 10.50 each.[2]

ZI Zenith submits a voluntary public takeover offer

On 17 August 2025, u-blox and ZI Zenith S.à r.l. (the "offeror" or "ZI Zenith"), an indirect subsidiary of Advent International L.P., entered into a transaction agreement pursuant to which ZI Zenith agreed to submit a voluntary public takeover offer (the "offer") for all publicly held registered shares of u-blox. The offer was pre-announced by u-blox on 17 August 2025 following the signing of the transaction agreement. The offer price is CHF 135.0 per u-blox share, which is to be settled in cash.

1 u-blox prepares its consolidated financial statements in line with the International Financial Reporting Standards ("IFRS").

2 Sources: SIX Swiss Exchange and u-blox management.

1.2 Our mandate

The present Fairness Opinion provides an independent valuation analysis of u-blox

On 8 July 2025, the board of directors ("BoD") of u-blox mandated IFBC AG ("IFBC") to prepare a Fairness Opinion to independently assess the financial fairness of the offer price. This report was prepared exclusively for the purpose of assisting the BoD of u-blox in the financial assessment of the offer. The Fairness Opinion may only be used for the financial assessment of the offer by the BoD of u-blox. The use for any other purposes other than assessing the financial fairness of the offer price is not permitted. In particular, the Fairness Opinion does not constitute a recommendation to the public shareholders to accept or reject the offer.

IFBC is an independent corporate finance advisor and does not receive any compensation depending on the valuation results or the success of the transaction

IFBC issues this Fairness Opinion as an independent corporate finance advisor and receives a common market fee for its services. IFBC does not receive any compensation that depends on the statements in this valuation report nor is IFBC entitled to receive a success fee if the proposed transaction is successfully completed. IFBC confirms that they are particularly qualified to issue Fairness Opinions within the meaning of Article 30(6) of the Ordinance of the Takeover Board on Public Takeover Offers and that it is independent of the offeror, the target company as well as the persons acting in concert with them.

When preparing the Fairness Opinion, IFBC relied on the accuracy and completeness of the information received by the management of u-blox. It is further assumed that the information received has been prepared reasonably, reflecting the best and most current available estimates and good faith judgements of u-blox's management. IFBC's responsibility is restricted to the careful and professional assessment and verification of the plausibility of the information and calculations received. In providing this opinion, IFBC has conducted neither an audit nor a due diligence.

The valuation date is 15 August 2025, the last trading day prior to the pre-announcement

The results of our independent valuation analyses, conducted as per 15 August 2025, the last trading day prior to the pre-announcement, were submitted to the u-blox BoD on 17 August 2025 prior to the signing of the transaction agreement and the pre-announcement of the offer made by ZI Zenith. The valuation is based on the interim financial statements as of 30 June 2025, the current business plan, which was approved by the BoD of u-blox on 10 July 2025, as well as additional information provided, and assumptions made by the management. The management of u-blox also confirms that there have been no significant events or transactions preceding the publication of this valuation report that are not included in the above-stated information base.

1.3 Our approach

The assessment of the financial fairness of the offer by ZI Zenith to the shareholders of u-blox is based on independent valuation considerations of IFBC. These rely on the following analyses which are described in detail within this report:

- Analyses of the company's business model and of the current market environment
- Analysis of historical financials
- Assessment of the interim financial statement for the first half of FY 2025 as of 30 June 2025 and the business plan for FY 2025 to FY 2029 approved by the BoD of u-blox
- Company valuation and determination of the value per share based on the following valuation methods:
    - Discounted cash flow method
    - Valuation based on trading multiples
    - Valuation based on transaction multiples
- Analysis of share price and current target share prices published by analysts

No consideration has been given to tax, legal or other issues at the level of the individual shareholders in the assessment of the financial fairness of the offer made by ZI Zenith to the shareholders of u-blox. Accordingly, only general statements on the financial fairness of the offer from the perspective of public shareholders are possible in the context of this Fairness Opinion.

1.4 Sources

IFBC's assessment is based, among others, on the analysis of the following information:

- Audited annual reports of u-blox (consolidated) for FY 2022 to FY 2024
- u-blox's latest interim financial statements (consolidated) as of 30 June 2025 (unaudited)
- Business plan for FY 2025 to FY 2029 approved by the BoD of u-blox on 10 July 2025
- Current information and assumptions derived from discussions with the management of u-blox
- Capital market and financial data of selected peer companies[3]
- Data from selected transactions based on publicly available information[4]
- Other publicly available information

[3] Source: LSEG Data & Analytics.

[4] Source: ION Analytics Mergermarket.

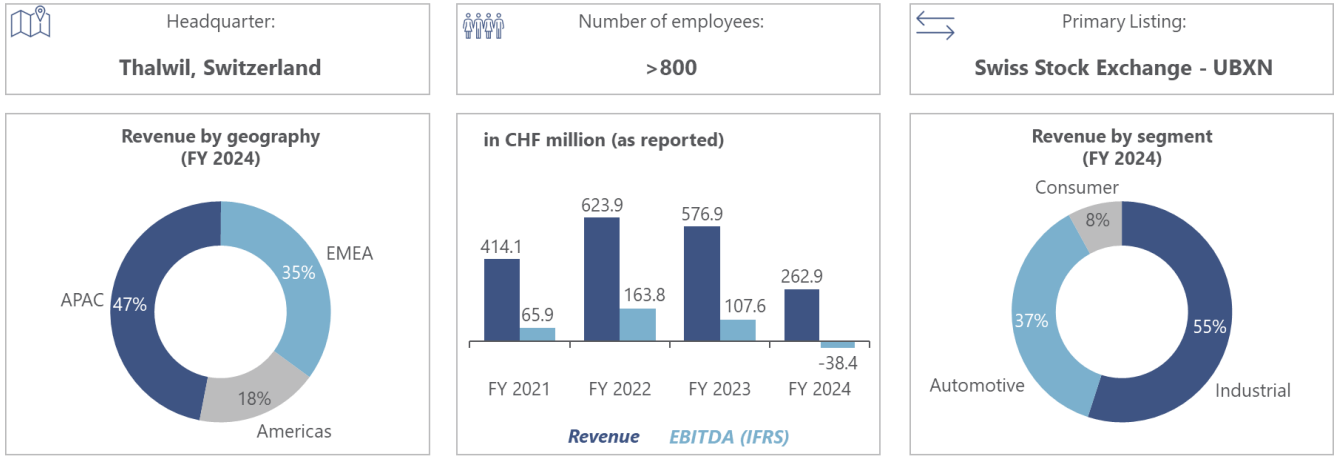
2 Company description and market analysis

2 Company description and market analysis

2.1 Overview of u-blox

u-blox is a specialized company for embedded positioning and wireless connectivity solutions

u-blox, headquartered in Thalwil, Zurich (Switzerland), is a specialized company for embedded positioning and wireless connectivity solutions. The group currently employs over 800 people across 28 locations around the globe. The group offers a wide range of high-quality, high accuracy positioning chips, software, modules and correction services, as well as short-range connectivity modules. These components enable people, vehicles and machines to determine their location and to communicate wirelessly.



u-blox's solutions are tailored for the use in the industrial, automotive and consumer end markets. The company is a market leader in providing innovative industrial and automotive positioning. During FY 2024, 55% (67% in FY 2023) of the group's revenue was generated in the industrial and 37% (29% in FY 2023) in the automotive end markets. Consumer products account for the remaining share of around 8% (4% in FY 2023). The majority of revenues are generated with customers located in the Asia Pacific ("APAC") region (47%) followed by Europe & Middle East (35%) and the Americas (18%).[5]

[5] Indicated splits are based on reported historical figures.

Major shareholder of u-blox

u-blox has no majority shareholder. The group's largest shareholders as of 15 August 2025, the last trading day prior to the pre-announcement of the public tender offer, were SEO Management AG (9.0%), Janus Henderson Group Plc (5.1%), EQMC Europe Development Capital (5.1%), LLB Swiss Investment AG (5.0%), Alantra EQMC Asset Management (5.0%), UBS Fund Management (Switzerland) AG (5.0%) and Swisscanto Fondsleitung AG (3.0%).[6]

[6] Sources: SIX Swiss Exchange and u-blox Ad hoc announcement pursuant to article 53 LR, August 2025.

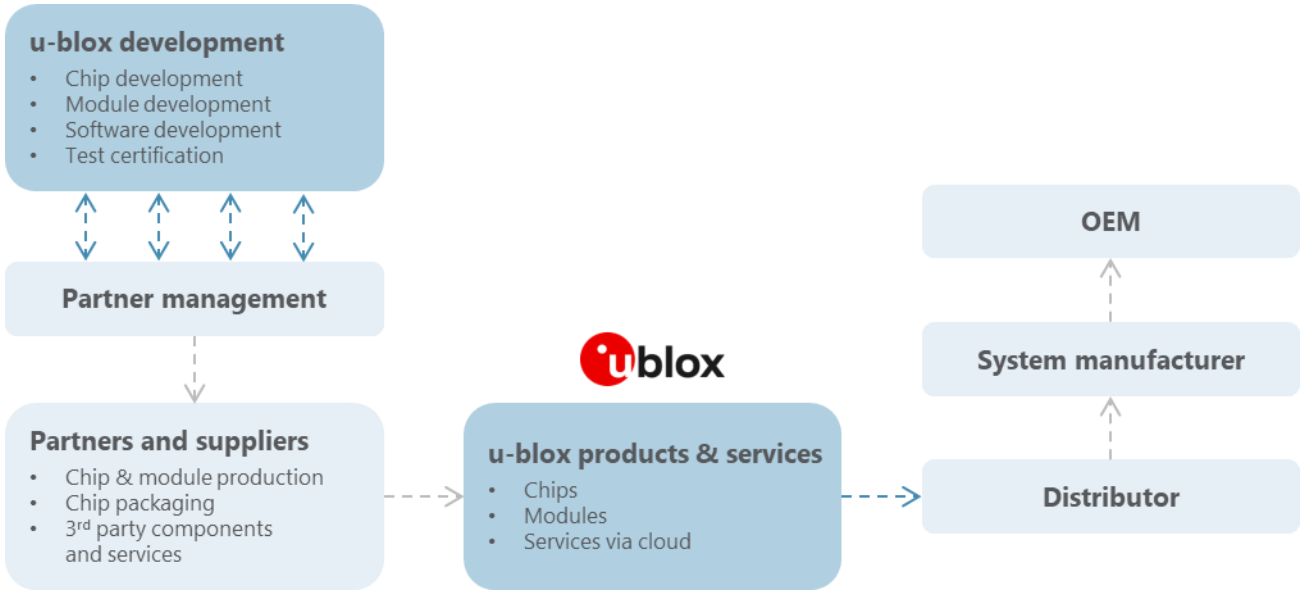
2.2 u-blox's business model

2.2.1 Overview of u-blox's business model

u-blox focuses on innovation, R&D and design while production is outsourced

u-blox provides positioning and wireless communication technology components, including positioning integrated circuits, chips and modules[7], short-range radio modules and the corresponding software. While most competitors provide either chips or modules, u-blox is uniquely positioned by providing both. However, the group does not produce its own semi-conductor products directly. Operating as an asset-light organization, u-blox focuses on core capabilities such as chip and module development, software design, and test certification, while relying on strategic partners for production and packaging of chips and modules.

u-blox focuses on innovation, R&D and design while production is outsourced[8]



7 A module is a subsystem consisting of several chips with integrated software.

8 Sources: IFBC; u-blox Investor Handbook, May 2025.

This agile model allows u-blox to serve leading original equipment manufacturers ("OEM") and system integrators, as well as support mid-sized businesses and startups through a strong distribution network. With its own products including chips, modules, and cloud-based services and a robust partner ecosystem, u-blox helps customers accelerate time-to-market and drive continuous innovation. This fabless approach allows u-blox to focus on innovation, research & development ("R&D") and design while leveraging the expertise and capacity of semiconductor fabrication companies for production.

As a leader in promoting the Internet of Things[9] ("IoT"), the group is engaged in advancing the embedding of location and connectivity solutions in physical objects to enable the physical world to be digitally monitored and controlled. u-blox offers a broad portfolio of chips, modules and software solutions that cater to the industrial, automotive and consumer electronics industry. The company's activities can be mainly categorized in the following two segments:

Positioning products

u-blox provides highly accurate and reliable positioning, navigation and timing solutions through its Global Navigation Satellite System ("GNSS") chips, modules and smart antennas. u-blox's positioning solutions include standard precision systems for basic tracking and high-precision systems that offer centimeter-level accuracy required for critical tasks like autonomous driving.

Standard precision GNSS	High precision GNSS	Dead reckoning	Timing	Antennas

In early 2025, u-blox announced a strategic decision to increase focus on its positioning business, phasing out its cellular ("CEL") segment to strengthen its leadership in GNSS-based solutions. This focused approach enhances u-blox's ability to innovate, leverage proprietary technologies, and address growing global demand for high-performance positioning, including applications in autonomous vehicles, industrial IoT, and asset tracking.

u-blox's solutions incorporate advanced features such as dead reckoning for continued accuracy during GNSS signal loss (e.g., in tunnels or dense urban areas), as well as anti-spoofing and anti-jamming algorithms to protect signal integrity.

[9] The Internet of Things refers to the network of physical objects embedded with sensors, software, and other technologies that connect and exchange data with other devices and systems, enabling automation and real-time monitoring.

Sensor fusion technologies further improve robustness and accuracy, while support for signals from up to 100 satellites ensure optimal signal strength and fast signal transmission. These capabilities, combined with low power consumption and compact form factors, make u-blox's solutions ideal for a wide range of demanding end markets.

The Group is constantly striving to drive innovation, improve existing technologies and develop new ones.
Recent examples include the launch of the ZED-F20P module, which enhances centimeter-level positioning accuracy and reliability for robotics and industrial applications. In parallel, u-blox introduced PointPerfect Global, completing its GNSS correction service portfolio with worldwide coverage. These innovations demonstrate u-blox's commitment to enabling advanced applications such as autonomous vehicles, drones, and smart farming with reliable and scalable positioning solutions.

Short-range wireless solutions

u-blox provides robust wireless communication modules that facilitate fast, secure and efficient connectivity for short-distance communication needs. These solutions, which mainly include Bluetooth and Wi-Fi modules, are widely used in applications ranging from wearables and smart homes to industrial automation and healthcare devices.

Bluetooth	Wi-Fi	Multiradio

With a strong focus on security, power efficiency, and scalability, u-blox's short-range wireless products are optimized for IoT applications that require reliable, low-latency connections. The ease of integration, backed by comprehensive development tools and global certification, enables faster deployment across a wide range of markets.

Building on a base of over 45 million deployed short-range devices, u-blox continues to strengthen its market position. As a reliable supplier, u-blox is well-positioned to address future demand through a diversified portfolio and continued innovation in connectivity solutions, including edge computing and integrated location services.

The u-blox network

u-blox has established a strong global presence, with representative offices and 15 R&D centers spread across key regions in Europe, the Americas and APAC. This global footprint enables the company to effectively serve diverse markets and industries worldwide. u-blox collaborates with an extensive network of partners, including distributors, technology providers and contract manufacturers, to deliver comprehensive solutions across the industrial, automotive and consumer sectors. Strategic partnerships with companies in positioning, short-range communication industries enhance u-blox's ability to provide state-of-the-art positioning and connectivity solutions, while local support ensures seamless integration and customer satisfaction worldwide.

u-blox's target applications and segments

u-blox's target applications

With an extensive focus on innovation, u-blox's products are pivotal in driving the next generation of connected devices, smart infrastructure and autonomous systems. u-blox is the market leader of GNSS chips and modules in automotive and industrial tracking applications.

u-blox develops products for a broad range of applications, with the industrial sector as its largest target market segment. Its reliable and low-power solutions enable use-cases such as precision agriculture and construction machines, mobile robotics, drones, asset tracking as well as factory automation, among others.

The automotive sector is another major growth driver for u-blox, shaped by trends in autonomy and connectivity. Its GNSS solutions provide the high-precision positioning required for advanced driver assistance systems ("ADAS") as well as safety solution, while its connectivity technologies support vehicle telematics and in-car infotainment. These solutions contribute to safety, efficiency, and a more seamless driving experience across modern vehicle platforms.

In the consumer market segment, u-blox focuses on compact, efficient modules for wearables and smart devices. Its technologies enable accurate positioning, among others, in trackers and personal safety devices, balancing performance with size and power demands.

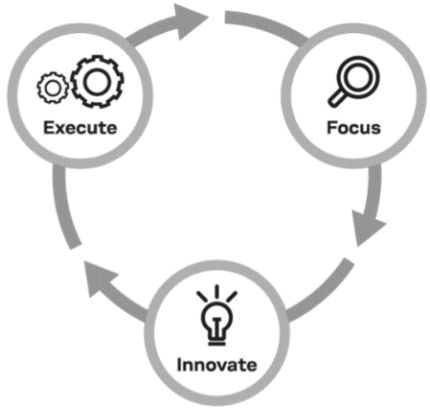
While u-blox's products are used in a broad range of applications, from drones to pet tracking devices, the group has identified segments which offer strong demand and align closely with u-blox's technological strengths in positioning and short-range communication. By concentrating its efforts on these strategic areas, u-blox seeks to deliver greater value to its customers while also focusing on market-growth-outperforming segments. These segments include precision agriculture and construction machines, mobile robotics, drones, asset tracking as well as factory automation, among others.

Automated driving	The group expects that approximately 45% of vehicles will use GNSS for automated driving solutions by 2030, promising high growth opportunities of the addressable market, within a segment where u-blox already is market leader and collaborates with most top car makers. With partnerships across traditional OEMs and emerging disruptors globally, u-blox is very well positioned to expand its presence as demand for ADAS accelerates. Its scalable offering supports all ADAS levels with high-precision GNSS modules, advanced dead reckoning, real-time kinematics, and cloud-based correction services. Certified solutions like the u-safe platform enable functional safety integration for autonomous driving, making u-blox a trusted technology partner for safe, reliable, and cost-effective deployment of ADAS systems across vehicle platforms.
Precision agriculture and construction	Agriculture and construction machines face two critical challenges. On the one hand, the shortage of skilled labor, and on the other hand, the degree of precision required for certain tasks to be performed. For example, knowing the exact location of a planted seed allows fertilizer to be applied with pinpoint accuracy, reducing costs while also benefiting the environment. The market for precision agriculture and construction equipment is substantial and projected to exceed four million units by 2030. To address these needs, u-blox has introduced the X20 product family, delivering centimeter-level accuracy at an affordable cost. This innovation paves the way for large-scale adoption of advanced precision technologies across the relevant industries.
Mobile robotics	Mobile robots are becoming increasingly prevalent, particularly when drones are taken into account. A rapidly expanding application in this domain is boundary-wire-free robotic lawn mowers. Rather than relying on the costly, labor-intensive, and error-prone installation of boundary wires, these mowers determine their position via satellite signals. u-blox GNSS solutions and correction services deliver the centimeter-level accuracy required for such systems, while maintaining cost efficiency that enables large-scale deployment. Beyond lawn care, other sectors, including delivery robots and unmanned aerial vehicles, represent additional high-growth markets for these technologies.

2.2.2 Strategy

u-blox's strategy

u-blox's strategy focuses on delivering innovative, end-to-end connectivity and positioning solutions for key end markets, driven by cutting-edge research, operational excellence and a commitment to sustainability:



- **Focus on key end markets and products**: u-blox constantly optimizes its strategy to ensure focus on the most promising and high-value end markets. This focus on selected high growing markets allows u-blox to potentially outperform the general semiconductor industry growth. Further, u-blox increases its focus on the core positioning business with the recent divestment of its cellular business. By further focusing on positioning solutions, u-blox will be better positioned to drive innovation, leverage its unique technology assets, and address expanding opportunities within its core competencies.
- **Innovation and R&D:** Innovation is central to u-blox's strategy. The company invests heavily in research and development to remain a leader in wireless positioning and communication technologies. Alongside tapping into new fields of application, their innovations always target new and better ways to design, manufacture, distribute and maintain products, ensuring to stay ahead in developing new technologies.
- **Extraordinary quality:** u-blox strives to understand its customers' evolving design and quality requirements, while continuously improving product features, quality and cost efficiency through cutting-edge innovation and the acquisition of expertise.
- **Operational excellence:** u-blox emphasizes operational optimization, leveraging a fabless manufacturing model. By working closely with certified suppliers, u-blox ensures product quality and environmental responsibility while maintaining an agile and scalable supply chain. The company stands out as the provider of both GNSS chips and modules, unlike competitors who mostly supply either one or the other.

Go-to-market

u-blox follows a customer-centric go-to-market strategy that combines direct engagement with key accounts and broad market coverage through distribution partners. The company prioritizes strong relationships with its top 200 customers, which account for half of its revenue, focusing on accounts with high growth potential. At the same time, u-blox leverages its distribution network to serve over 10'000 existing customers and reach up to 100'000 potential new ones, aiming to balance targeted sales efforts with scalable market access.

2.3 Historical financials of u-blox

Key events in the recent past

u-blox's growth strategy was characterized by focusing on innovation, high reliability, and strategic acquisitions, enabling the group to expand its market share despite of global challenges.

- **Product innovation:** u-blox consistently introduced new products to cater to growing demand across its core markets among industrial, automotive and consumer applications. The innovations in positioning and connectivity solutions characterize the group's main growth drivers. The company maintained its long-term focus on research and development. By 2022, u-blox had invested over CHF 1 billion in research and development, which is one of the factors that give the company a competitive advantage over its competitors.
- **Strategic acquisitions:** Between 2009 and 2022, u-blox made 16 strategic acquisitions to bolster its technology capabilities. In March 2022, u-blox acquired the remaining 57% ownership in Sapcorda. Sapcorda, a former joint venture with Bosch, Geo++, and Mitsubishi Electric, is a leading provider of advanced GNSS augmentation services serving the high precision GNSS mass market. Later in 2022, Naventik was acquired. Naventik has extensive experience in research and development on localization of vehicles using GNSS in sensor data fusion systems. As a development hub for u-blox, Naventik provides high performance vehicle localization technology for mass market applications. Additionally, partnerships with market leaders played a key role in extending the group's product and service offerings.
- **Record years during supply shortage:** 2022 and 2023, the two record years for u-blox benefited from the global semiconductor shortages as u-blox could position itself as a reliable supplier. In addition, inventory build-up at customers and pricing power led to the two best revenue years of the company.
- **Overstocking:** Coming into 2024, u-blox faced a weak economic environment, among others due to overstocking and therefore significantly decreased demand on customer side. According to the group, client inventory levels are predicted to normalize slowly throughout 2025. Facing these challenges, u-blox reacted with the implementation of a cost optimization program.

- **Divestment of cellular activities:** Lately, the group successfully closed the divestment of its CEL business in June 2025. The cellular business, which comprised of a portfolio of cellular modules and chips that offer connectivity for IoT devices, industrial applications and automotive systems, has been sold to Trasna Solutions and Trident IoT. The divestment underlines u-blox's efforts to ensure operational efficiency and allows the company to focus on its core competencies in its positioning as well as short-range business, improving its position to drive innovation and address expanding opportunities within these segments.

Historical key performance indicators of u-blox

Historical key performance indicators of u-blox (IFRS)[10]

in CHF million (excl. CEL business, if not stated otherwise)	FY 2022	FY 2023	FY 2024	FY 2025 H1
Revenue	**418.2**	**367.9**	**211.6**	**123.4**
Revenue growth p.a. in %	*39.6%*	*-12.0%*	*-42.5%*	*n/a*
EBITDA (IFRS)	**157.4**	**104.0**	**-18.7**	**7.9**
EBITDA margin (IFRS)	*37.6%*	*28.3%*	*-8.8%*	*6.4%*
IFBC-adjusted EBITDA*	**128.6**	**70.1**	**-41.4**	**4.2**
IFBC-adjusted EBITDA margin	*30.8%*	*19.0%*	*-19.6%*	*3.4%*
CAPEX	**30.7**	**34.7**	**22.9**	**1.0**
CAPEX in % of revenue	*7.3%*	*9.4%*	*10.8%*	*0.8%*
IFBC-adjusted CAPEX**	**6.3**	**5.8**	**4.3**	**0.0**
IFBC-adjusted CAPEX in % of revenue	*1.5%*	*1.6%*	*2.0%*	*0.0%*
Net cash position (CEL-unadjusted)	**77.8**	**86.2**	**90.9**	**100.7**
Book value of equity (CEL-unadjusted)	**412.0**	**401.9**	**321.0**	**289.5**

** According to alternative performance measure definition of u-blox, reduced by capitalized lease payments (IFRS 16-related effects) and capitalized R&D expenses reversed.*

*** Excluding capitalized R&D expenses.*

Due to u-blox's recent divestment of its cellular business, the business plan serving as the relevant basis for our valuation considerations does not contain any revenues or cost items related to these activities. Accordingly, and to ensure a historical like-for-like basis, performance indicators with respect to FY 2022 to FY 2025 H1 have been adjusted.

[10] Sources: Annual reports of u-blox; u-blox Management.

Historical development of revenue (excl. CEL business)

Starting with the impact of the global pandemic in 2020, the entire semiconductor industry entered into an unprecedented supply shortage lasting throughout 2021 and 2022. Through impeccable supply chain management, u-blox delivered products when competitors failed, leading to record results in FY 2022. u-blox achieved record revenue of CHF 418.2 million (excl. CEL business) in FY 2022, marking a significant 39.6% increase compared to FY 2021. Growth was primarily attributed to a robust demand in the industrial and automotive markets, with particularly continuing strong growth in the APAC region. From the outstanding result in FY 2022 revenue decreased by 12.0% to CHF 367.9 million in FY 2023. The group reported strong results in the first half of the year, while in the second half, revenue declined due to reduced production as well as high inventory levels on customer end. While the business in APAC was still growing, sales in the American region fell significantly. In FY 2024, u-blox achieved revenue of CHF 211.6 million, a sharp 42.5% decline compared to FY 2023. The significant decrease found its roots in all three major end markets. The company focused on managing cost efficiency and operational resilience to navigate this temporary market downturn. With markets only normalizing slowly, u-blox was still facing economic challenges during the first half of FY 2025. u-blox achieved revenues of CHF 123.4 million during this period.

Historical development of the EBITDA margin (excl. CEL business)

u-blox improved EBITDA margin to 37.6% (IFRS) or 30.8% (IFBC-adjusted) in FY 2022, benefiting from optimized operational efficiency and higher demand across key markets such as industrial and automotive, alongside with successful product launches. Effective cost management and favorable pricing adjustments further contributed to the strong margin increase. However, in FY 2023, the EBITDA margin declined to 28.3% (IFRS) or 19.0% (IFBC-adjusted), caused by shrinking demand due to high inventory levels on customer side and constant operational costs. The overstocking impacted u-blox's FY 2024 results significantly. In FY 2024, u-blox recorded a negative EBITDA margin of -8.8% (IFRS) or -19.6% (IFBC-adjusted), also reflecting the ongoing cost optimization program. The group was able to recover operational profitability during the first half of FY 2025 with an EBITDA margin of 6.4% (IFRS) or 3.4% (IFBC-adjusted).

Historical development of CAPEX

Investments (CAPEX), excluding capitalization of research and development costs, ranged from 1.5% to 2.0% of revenue between FY 2022 and FY 2024, emphasizing the asset lightness of the company driven by its fabless business model.

Historical development of net liquidity and book value of equity

Unadjusted net liquidity (total cash minus interest-bearing financial liabilities) increased by CHF 23.0 million between FY 2022 and 30 June 2025. As of 30 June 2025, u-blox reported no interest-bearing liabilities resulting in a net liquidity position of CHF 100.7 million.

The unadjusted book value of equity decreased by CHF 122.5 million to CHF 289.5 million from FY 2022 until 30 June 2025. This decrease is driven by the development of FY 2022 being a record year to a loss-making FY 2024 as well as the divestment of the CEL business. u-blox maintains a strong balance sheet, with an equity ratio of 73.4% as of 30 June 2025.

2.4 Market analysis

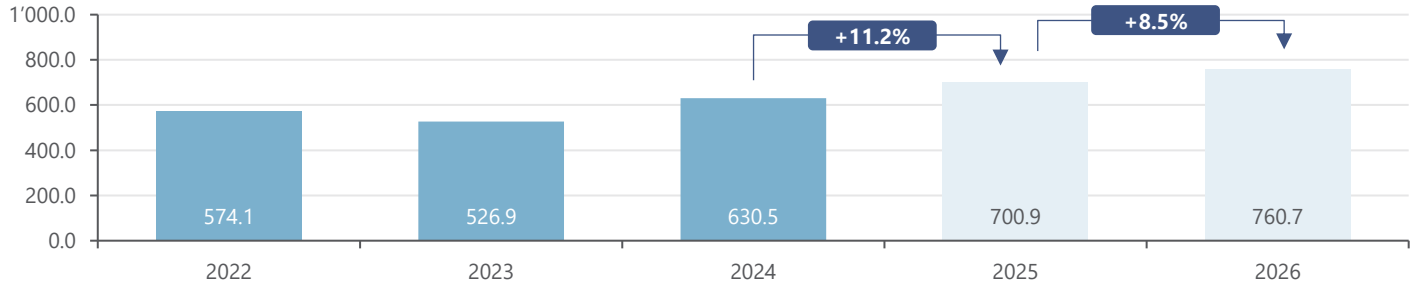
u-blox supplies its chips and modules mainly to the industrial, automotive and consumer industries. The following market analysis focuses on the latest developments in the semiconductor industry, with an emphasis on u-blox's key end markets.

The semiconductor market is set to grow again

Starting with the impact of COVID 19 in 2020, the semiconductor industry entered an unprecedented supply shortage lasting until the end of 2022. While u-blox managed this crisis outstandingly, the company became affected much more by the reduced demand due to high inventories on customer side starting end of 2023 and continuing throughout 2024. The group notes that normalization of inventory levels is underway and expects a gradual recovery across key markets in 2025.

According to the forecast published by the World Semiconductor Trade Statistics, the total sales within the semiconductor market grew by about 19.0% in 2024 and are expected to continue to grow with 11.2% in 2025 and 8.5% in 2026, indicating promising growth opportunities.[11]

Global semiconductor market size (in USD billions)



[11] Source: World Semiconductor Trade Statistics, Global Semiconductor Forecast, June 2025.

Positioning chip market volume and growth prospects

The global GNSS chip market was valued at approximately USD 5.24 billion in 2024 and is projected to expand to USD 9.17 billion by 2031, corresponding to a compound annual growth rate ("CAGR") of approximately 8.3%. Key applications include navigation and location-based services, mapping and telematics. By device type, smartphones dominate usage as of 2024, resulting in consumer electronics leading industry verticals.[12]
Rapid adoption of GNSS in autonomous vehicles, along with growing demand for low-power chips in consumer devices, is fueling this expansion. Another significant driver is the enhanced speed and reduced latency of 5G networks enable GNSS chips to deliver more precise and real-time positioning data, improving accuracy and reliability. These capabilities are contributing to the rising demand for location-based services, especially also accelerating adoption of industrial positioning applications.

Overall, the GNSS chip industry is experiencing robust growth fueled by technological advancements, rising integration into IoT, autonomous applications and overall automation. This presents opportunities for well-positioned players in the development of positioning chips and modules.

Short range wireless communication market volume and growth prospects

The market for short-range, i.e., Wi-Fi and Bluetooth modules within the broader IoT ecosystem is expanding rapidly, driven by the growing number of connected devices and the need for efficient, low-power wireless communication. The demand for these modules in current trends for digitalization increases steadily, as they are essential for enabling seamless data exchange in applications such as smart homes, wearables, industrial automation, and connected vehicles. With advancements in wireless technologies, the market is projected to grow at a CAGR of c. 12-15% within the upcoming years.[13]

Key growth factors include requirements for improved reliability, integration with technologies like IoT, edge computing and Artificial Intelligence, and rising demand across sectors like healthcare, automotive, and agriculture. As IoT adoption accelerates, Wi-Fi and Bluetooth modules remain central to delivering scalable, real-time connectivity solutions.

u-blox's high growth segments

u-blox builds its strategy around targeting high growth segments to significantly outperform the overall GNSS and short-range markets. The group expects approximately 60% of revenue growth within its positioning business to root from three specific segments. These segments include automated driving, which is considered one of the key drivers for growth in positioning and short-range chips, agriculture and construction, as well as mobile robotics.

---

12 Source: The Insight Partners, GNSS Chip Market Outlook and Strategic Insights by 2030, March 2025.

13 Sources: Mordor Intelligence, Wireless Connectivity Market Size & Share Analysis - Growth Trends & Forecasts (2025 - 2030), June 2025; Verified Market Research, IoT Wi-Fi and Bluetooth Modules Market, February 2025.

The market for automated driving is expected to deliver the highest growth within the next years, with an expected CAGR of approximately 32.3%, followed by mobile robotics, which is expected to grow with a CAGR of 28.5% and agricultural robots, which is expected to grow 24.6%.[14]

Expected market growth (CAGR) up to 2029

The increasing development of automated driving solutions fuels demand for ADAS systems which highly rely on GNSS as an essential input, for ensuring centimeter-level accuracy and increasing safety.[15] The market for agriculture and construction requires high precision positioning solutions but currently relies on expensive products. With increasing adoption of positioning and short-range solutions within these segments, the demand for more affordable, low-energy and high accuracy products surges. The segment of mobile robotics experiences increasing demand in industrial as well as in consumer applications, as automation develops across all industries. E.g., within the growing market for robotic lawn mowers, the group expects a CAGR of approximately 18% in the next years.[16]

[14] Sources: Fortune Business Insights, Autonomous Vehicle Market, July 2025; Mordor Intell., Agricult. Robots Market, July 2025; Mordor Intell., Mobile Robots Market; July 2025.

[15] Source: The Insight Partners, GNSS Chip Market Outlook and Strategic Insights by 2030, March 2025.

[16] Source: u-blox, Investor Handbook, May 2025.

3 Valuation

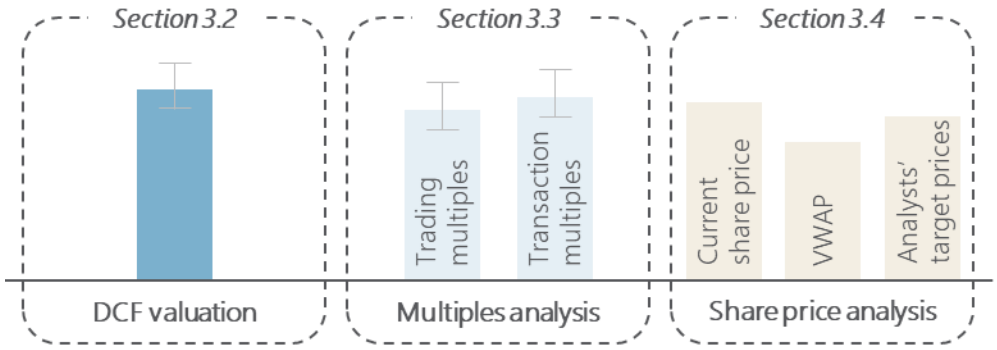
3 Valuation

3.1 Valuation approach

According to best practice, we primarily rely on the DCF method to value u-blox. In addition, we apply trading and transaction multiples and consider the results of the share price analysis

We, IFBC, value u-blox on a stand-alone basis and apply different valuation approaches to assess the fairness of the offer made by ZI Zenith from a financial point of view. In accordance with the pre-announcement of the public takeover offer dated 17 August 2025, u-blox's value per share is calculated as of the relevant valuation date being 15 August 2025.

Valuation approach



Within our valuation framework, the discounted cash flow method ("DCF method") holds the greatest significance. The valuation considerations are supplemented using market-based methods derived from the valuations of listed peer companies (trading multiples) and prices paid in comparable transactions (transaction multiples). The value per share resulting from the DCF method as well as the trading and transaction multiples valuation is also compared with u-blox's current share price, the volume weighted average price ("VWAP") of the last 60 trading days and the target prices published by analysts.

3.2 Discounted cash flow method

3.2.1 Introduction to the valuation methodology and to the cost of capital

The applied DCF method is in line with corporate finance theory as well as the current best practice in company valuation. In general, the value of a company is derived by discounting the expected future free cash flows ("FCF") with the weighted average cost of capital ("WACC") at the defined valuation date.[17]

Based on the described valuation approach, the market value of u-blox's equity, excluding non-controlling interests ("NCI"), as of 15 August 2025 can be derived as follows:

Derivation of equity value

1. In a first step, the predicted future FCF is calculated using the business plan approved by the BoD and the related management information, with a corresponding detailed planning period from July 2025 to the end of FY 2029. The portion of value attributable to the period after FY 2029 is expressed as terminal value ("TV").

2. The expected FCFs of the business plan and the calculated terminal value are then discounted to 30 June 2025 by applying the specific WACC for u-blox. The operating enterprise value as of 30 June 2025 is then derived from the present values of the future expected FCFs and the TV.

3. Based on u-blox's interim financial statements as of 30 June 2025, the non-operating assets are added to the operating enterprise value and the interest-bearing debt, debt-like items and non-controlling interests[18] are deducted. This results in the market value of equity as of 30 June 2025.

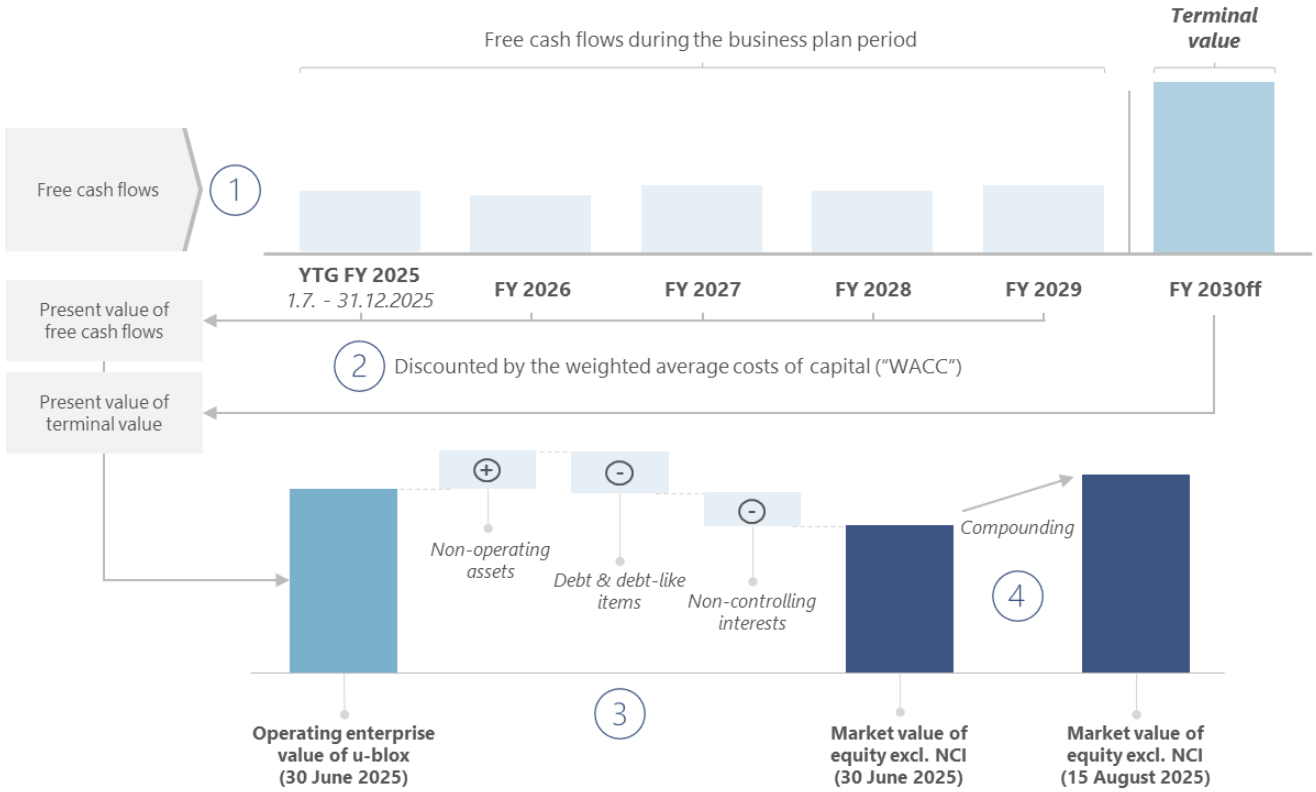
[17] The DCF valuation is performed without considering lease payment capitalization in the free cash flow and net debt derivation (pre-IFRS 16 perspective).

[18] As of 30 June 2025, u-blox reported no non-controlling interests to be subtracted from the operating enterprise value.

4 The calculated equity value is compounded to the valuation date as of 15 August 2025 and then divided by the number of shares outstanding to determine the value per share as of 15 August 2025.

Valuation approach for determining the market value of u-blox's equity value

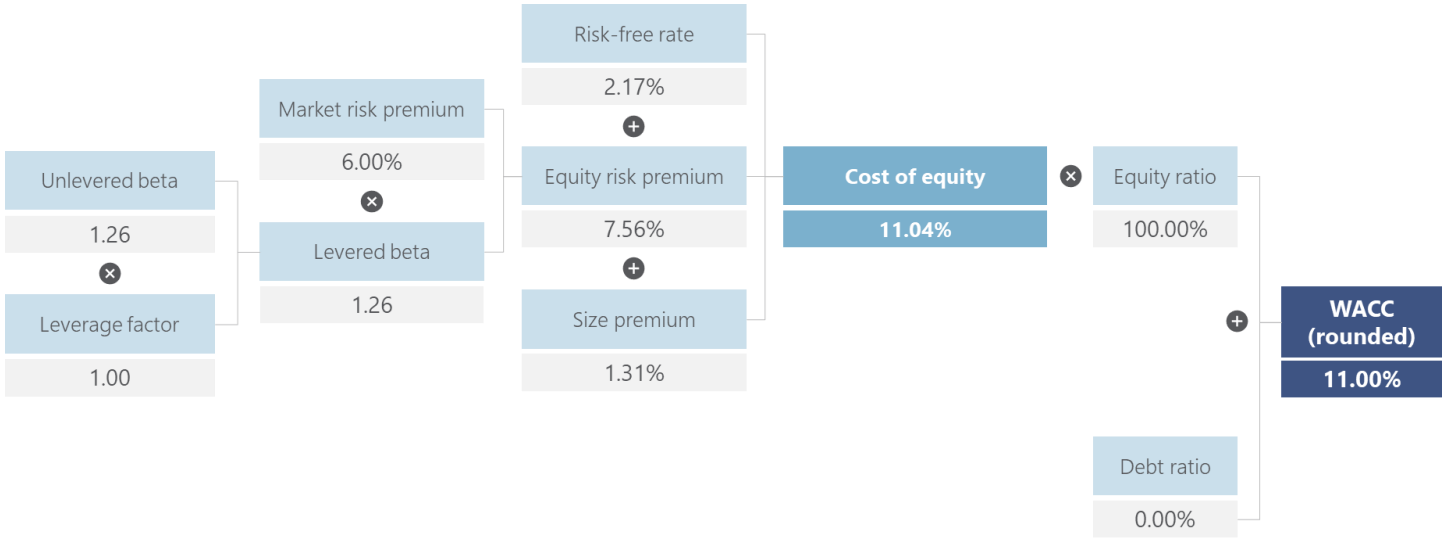
The following illustration summarizes the determination of u-blox's equity market value as of 15 August 2025:



IFBC

Determination of the WACC for u-blox

The following illustration summarizes the determination of the WACC for u-blox:[19]



[19] For further details, see section 5.1 in the appendix.

3.2.2 Business plan

The estimated future free cash flows are based on the business plan for FY 2025 to FY 2029 as well as additional information provided, and assumptions made by the management

u-blox's projected FCFs for FY 2025 to 2029 are based on the business plan for the corresponding period, which was approved by the BoD on 10 July 2025, as well as additional information provided, and assumption made by the management. To convert the business plan into a sustainable view, the terminal value was modelled based on assumptions confirmed by the management. The resulting average values (if not stated otherwise) of the main value drivers and assumptions for the DCF-valuation are summarized in the table below.

As confirmed by u-blox management, the business plan and corresponding revenues and cost structures projected as of the second six months of FY 2025 reflect a perspective excl. CEL business.[20] To ensure a corresponding like-for-like basis between actual and planning figures, historical values for FY 2022 to FY 06/2025 year-to-date ("YTD") have been adjusted for the CEL business impact as well as associated one-off effects.

Overview of key assumptions in the business plan period and terminal value compared to actual values of the last three financial years on a like-for-like basis excluding the disposed CEL business[21]

Average values (excl. CEL business) *if not stated otherwise*	**Act 2022 - 2024**	**Plan 2025 - 2029**	**Terminal value**
Revenue growth p.a. (CAGR)	-10.9%	17.4%	2.2%
EBITDA margin (IFRS)	19.0%	19.7%	28.2%
IFBC-adj. EBITDA margin*	10.1%	17.9%	27.3%
CAPEX in % of revenue	9.2%	1.0%	0.6%
IFBC-adj. CAPEX in % of revenue**	1.7%	0.9%	0.6%
Net working capital in % of revenue (CEL-unadjusted)	22.3%	12.3%	11.9%

** Reduced by capitalized lease payments (IFRS 16-related effects) and the reversal of capitalized R&D expenses. The key performance indicator, as defined herein, is also used for benchmarking purposes within this section to ensure consistent comparability between analyzed peer companies and u-blox.*

*** Excluding R&D-related CAPEX. The key performance indicator, as defined herein, is also used for benchmarking purposes within this section to ensure consistent comparability between analyzed peer companies and u-blox.*

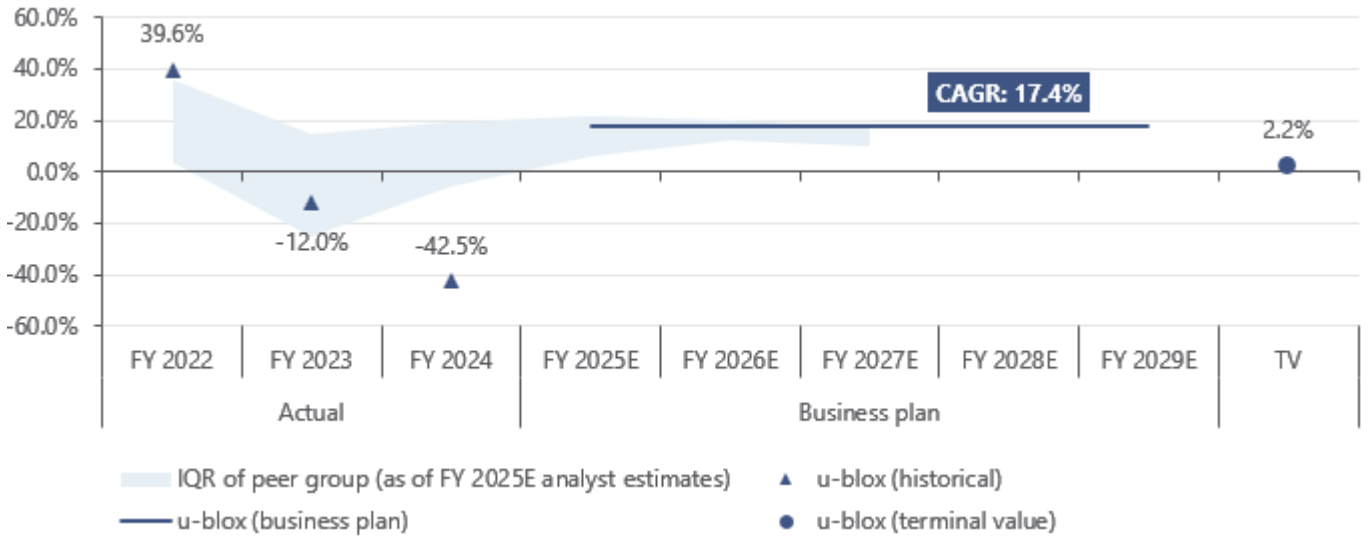
[20] The divestment of the CEL business to Trident IoT and Trasna was closed on 7 April 2025 and 6 June 2025 respectively.

[21] Sources: Annual reports, planning data and information provided by the management of u-blox.

We have assessed the information and assumptions provided by the management of u-blox from an independent point of view and evaluated their plausibility. For this purpose, the key assumptions in the business plan were compared with the analysts' estimates for the identified peer companies. For the purposes of this analysis, a peer group[22] with comparable fabless companies in the semiconductor industry and a focus on similar solutions and application areas was defined for u-blox. The key observations and results are described in the following.

Assumptions regarding the development of revenue

Comparison of historical and forecasted revenue growth rates of u-blox and those of the peer companies[23] [24]



[22] An overview of the peer companies can be found in section 5.3 in the appendix.

[23] Historical revenue contribution associated with u-blox's disposed CEL business was excluded in historical revenue growth rate calculation.

[24] Sources: LSEG Data & Analytics; business plan and information provided by u-blox management.

With FY 2022 being a record year for u-blox, the realized revenue growth rate of 39.6% was above the interquartile range of the peer companies (25% to 75% quartile, "IQR"). The outperformance was primarily attributed to a robust demand in the industrial and automotive markets, with particularly strong growth in the APAC region, as well as the company's impeccable supply chain management during the global supply chain crisis which enabled u-blox to deliver products when competitors struggled. What followed was a normalization of revenue levels in FY 2023, with revenue decreasing by 12.0% within the IQR, and a challenging FY 2024, with a further revenue decrease by 42.5%, significantly below the IQR, and mainly driven by lower demand caused by high customer inventory levels.

For FY 2025 to 2029, management expects a compound annual growth rate of 17.4% p. a, a projected average annual increase in revenue at the upper end of the IQR of analysts' forecasts for peer companies. The top-line growth assumptions are particularly supported by a generally positive industry outlook as well as u-blox's specific focus on high growing end markets.[25]

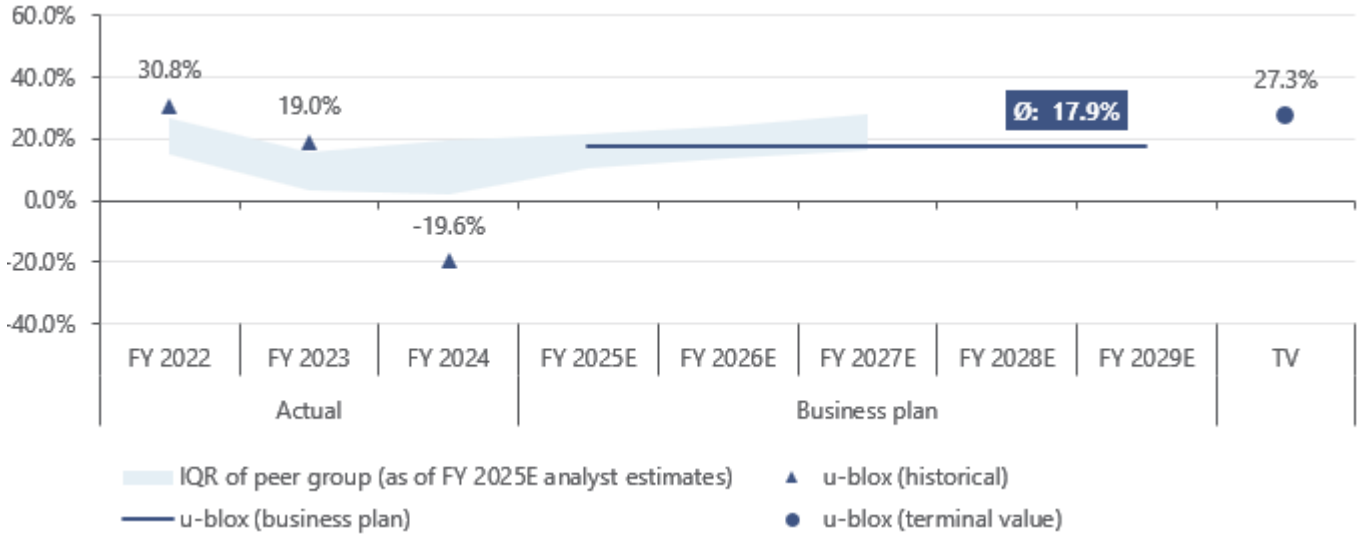
For the terminal value, a sustainable growth rate of 2.2% in line with the weighted long-term inflation expectations is considered.[26]

[25] Source: u-blox Investor Handbook, May 2025, p. 15 - 19.

[26] Source: IMF, World Economic Outlook, April 2025.

IFBC-adjusted EBITDA margin assumptions excluding effects from rent as well as R&D expenses capitalization

Comparison of historical and projected IFBC-adjusted EBITDA margins of u-blox and the peer companies[27] [28]



u-blox's IFBC-adjusted EBITDA margin excluding effects from rental and R&D expenses capitalization decreased significantly over the last three financial years since the group's record year in FY 2022. This, and in parallel, having the development of revenue in mind, emphasizes the company's ability to unlock significant operating leverage alongside an increase in absolute revenue levels.[29] While u-blox's IFBC-adjusted EBITDA margin in FY 2022 and 2023 was slightly above the IQR of the peer group, the weak customer demand in FY 2024 affected the group significantly. With the year-over-year decrease in revenue of -42.5%, the relative profitability level collapsed to -19.6% substantially below the interquartile range of the peer companies.

[27] IFRS 16 and ASC 842-related effects as well as capitalization of R&D expenses (IAS 38) have been eliminated in the historical and future EBITDAs of u-blox and the peer companies to ensure consistent comparability between the analyzed companies. Further, historical EBITDA contribution associated with u-blox's disposed CEL business has been excluded in historical EBITDA margin calculation.

[28] Sources: LSEG Data & Analytics; business plan and information provided by u-blox's management.

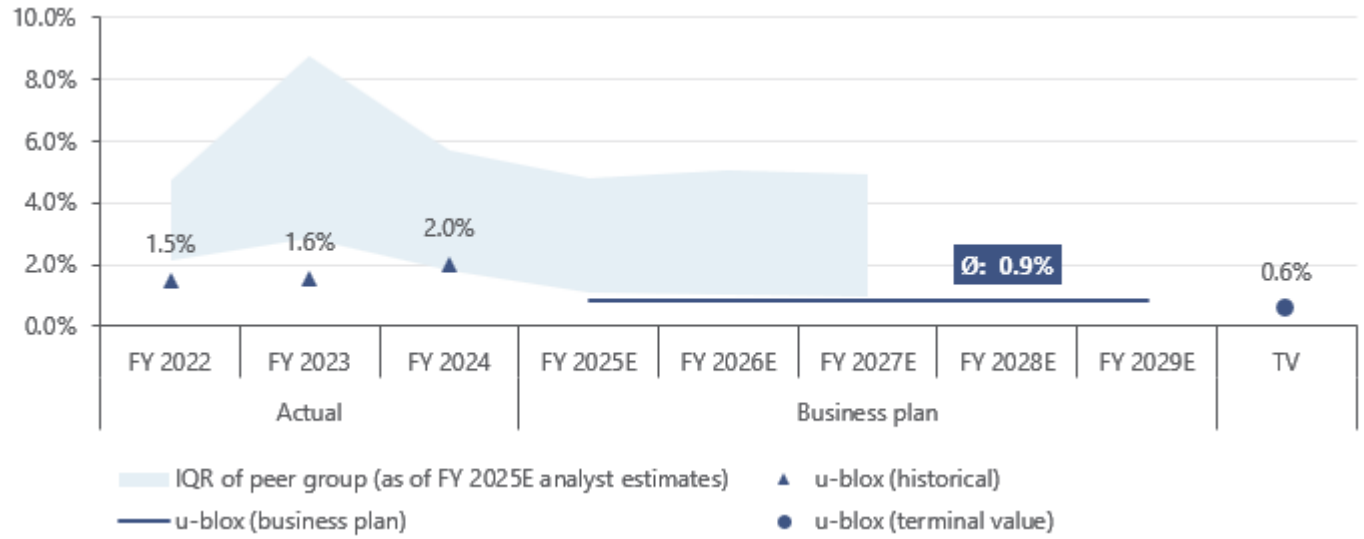
[29] For comparison, see also u-blox Investor Handbook, May 2025, p. 12.

The IQR of the forecasted IFBC-adjusted EBITDA margins of the peer companies (analyst consensus) ranges between 10.6% and 28.1% between FY 2025 and FY 2027. The IFBC-adjusted EBITDA margins projected by u-blox management with an average of 17.9% for FY 2025 to FY 2029 steadily improve with the expected gradual normalization of the market environment in FY 2025 and beyond, growing top-line volume and increased margin drop-throughs. The expected average IFBC-adjusted EBITDA margin for the business plan period is within the IQR of the estimates for the peer companies.

u-blox's management considers an IFBC-adjusted EBITDA margin of 27.3% to be sustainable in the long term. The assumed sustainable operating profitability level of u-blox is in line with the analyst consensus for the peer companies as per end of FY 2027. It is further supported by u-blox's strong operating leverage potential, i.e., growing revenue levels allow the company to achieve higher operating margins through economies of scale.

Assumptions regarding the CAPEX (excl. R&D capitalization and M&A)

Comparison of historical and projected CAPEX in % of revenue of u-blox and the peer companies[30] [31]



[30] R&D-related CAPEX have been eliminated in the historical and future CAPEX of u-blox and the peer companies to ensure like-for-like comparability.

[31] Sources: LSEG Data & Analytics; business plan and information provided by u-blox's management.

Following recent investor communication, u-blox will significantly reduce R&D expense capitalization in the future. The business plan of u-blox has been prepared accordingly by the management limiting future CAPEX to property, plant and equipment.[32] Therefore, to ensure a like-for-like comparison, both u-blox's historical CAPEX as well as CAPEX for the peer group companies have been adjusted accordingly.

In FY 2022 to FY 2024, u-blox invested between CHF 4.3 million and CHF 6.3 million per year in property, plant and equipment as well as other intangible assets. This corresponds to a fairly stable CAPEX in percentage of revenue between 1.5% and 2.0%. Correspondingly, u-blox ranks below or at the very low end of the IQR of the peer companies, emphasizing u-blox's asset-light, fully fabless business model going hand in hand with the complete hardware production process outsourcing to contract manufacturers.

For FY 2025 to 2029, u-blox's management expects an average CAPEX in percentage of revenue of 0.9%. The decreasing relative level is arising from projected relatively stable CAPEX levels alongside increasing top-line volume. The management confirms no direct positive correlation between CAPEX and revenue level exists, since the required in-house asset base is almost exclusively limited to tools and testing infrastructure. In the long term, u-blox's management expects a level of CAPEX in % of revenue of 0.6% to be sustainable and correspondingly serves as reference for the terminal value calculation.

Net working capital (NWC)

u-blox's net working capital ("NWC") is, to a major extent, driven by inventory dynamics across the different segments. Historically, NWC averaged 22.3% of revenue between FY 2022 to 2024. For the planning period from FY 2025 to FY 2029, u-blox's management expects the NWC to decrease to an average level of 12.3% of revenue as a consequence of net working capital management improvement and, in particular, a reduction in days inventory outstanding instantaneously initiated by the disposal of the CEL business. The terminal value is calculated considering a sustainable ratio of 11.9%, which is equivalent to the FY 2029 estimate.

Taxes

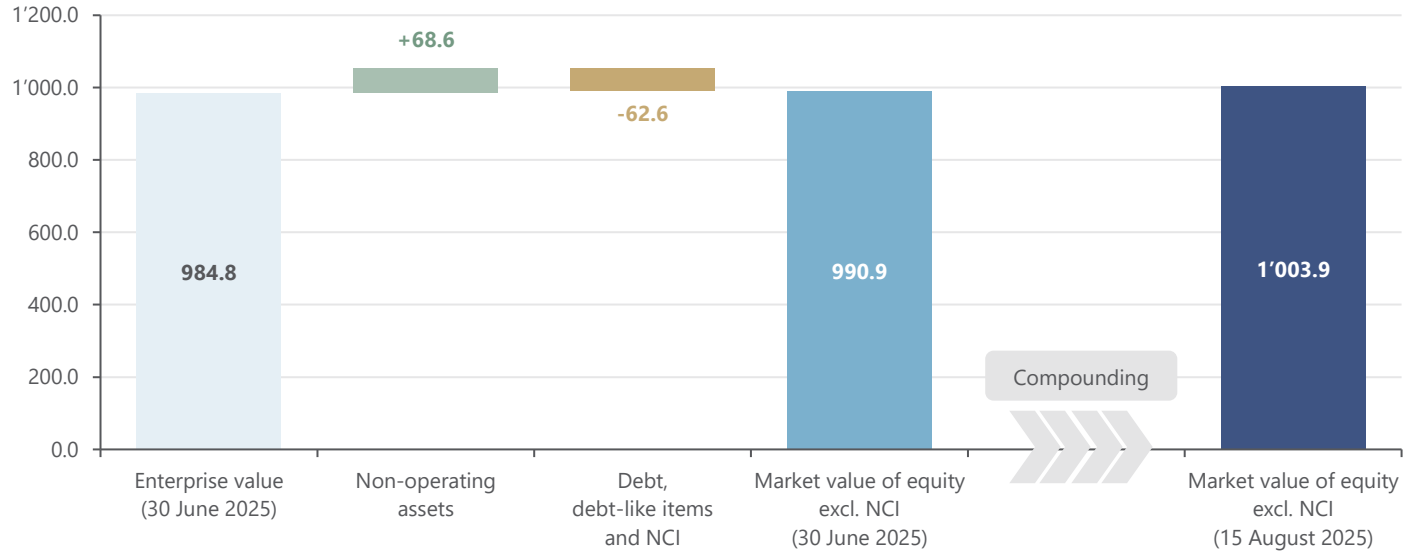
Based on the estimates of u-blox's management, a long-term tax rate of 18.10% is assumed for FY 2025 to FY 2029 as well as in the TV. The tax rate considered is not affected by any temporarily tax-reducing factors, i.e., the consumption of accumulated tax-loss carry forwards ("TLCF"). The future tax expense reducing effects associated with TLCF recognized on the balance sheet as per 30 June 2025 in the amount of CHF 26.9 million have been considered in the derivation of FCFs, accordingly.

[32] Source: u-blox FY 2024 Results and Strategy Update, February 2025, p. 18.

3.2.3 DCF valuation results

Calculation of the equity value

Determination of u-blox's equity value as of 15 August 2025 (in CHF million)[33]



Discounting the expected free cash flows of the planning period as well as the terminal value with the WACC of 11.00%[34] yields an operating enterprise value of CHF 984.8 million as of 30 June 2025.

Non-operating assets as of 30 June 2025 totaling CHF 68.6 million are added to the operating enterprise value. Non-operating assets almost exclusively consist of calculated excess cash of CHF 66.5 million. This results from management's consideration regarding the amount of liquidity required for ordinary business operations, which was validated by IFBC.

[33] Source: IFBC analysis.

[34] For further details, see section 5.1 in the appendix.

As per 30 June 2025, u-blox did not record any interest-bearing liabilities on its balance sheet. Since free cash flows are determined on a pre-IFRS 16 basis, associated lease liabilities are not considered. Accordingly, no financial debt is deducted from the enterprise value. As a further deduction position, debt like items in a total amount of CHF 62.6 million, mainly comprising of pension and share-based payment liabilities, are considered when determining the equity value of u-blox. As of 30 June 2025, no NCI were recognized on u-blox's balance sheet.

The equity value resulting for u-blox as of 30 June 2025 in the amount of CHF 990.9 million is ultimately compounded to the valuation date. This results in an equity value as of 15 August 2025 of CHF 1'003.9 million.

Value per share in CHF

As of 15 August 2025, a total number of 7'630'020 shares have been issued. Considering the amount of treasury shares held by the company as per this date of 9'609 results in a total number of 7'620'411 shares outstanding. Dividing the equity value of CHF 1'003.9 million as of 15 August 2025 by the number of shares outstanding results in a value per share of CHF 131.7.

Sensitivity analysis with respect to the value per share considering changes in the determined WACC, the sustainable IFBC-adjusted EBITDA margin and the assumed NWC level during the course of the business plan and in the TV

Sensitivity analyses with respect to the value per share of u-blox as of 15 August 2025 (in CHF)

WACC	Sustainable IFBC-adj. EBITDA margin				
	25.30%	**26.30%**	**27.30%**	**28.30%**	**29.30%**
10.50%	131.5	135.8	140.1	144.4	148.8
10.75%	127.5	131.7	135.8	140.0	144.1
11.00%	123.7	127.7	**131.7**	135.7	139.7
11.25%	120.2	124.0	127.9	131.7	135.6
11.50%	116.8	120.5	124.2	128.0	131.7

WACC	Shift in NWC in % of revenue (in bps)				
	+5.00%	**+2.50%**	**-**	**-2.50%**	**-5.00%**
10.50%	136.8	138.5	140.1	141.8	143.5
10.75%	132.5	134.2	135.8	137.5	139.1
11.00%	128.5	130.1	**131.7**	133.4	135.0
11.25%	124.6	126.3	127.9	129.5	131.1
11.50%	121.0	122.6	124.2	125.8	127.5

The figures above show the sensitivity analyses regarding the value per share of u-blox in CHF as of 15 August 2025. A change in the calculated WACC of 11.00% by ± 50 basis points and the sustainable IFBC-adjusted EBITDA margin assumed in the terminal value by ± 200 basis points results in a value range of CHF 116.8 to CHF 148.8 per share. The fluctuation range ± 200 basis points respect to the sustainable IFBC-adjusted EBITDA margin was defined as such to align with u-blox's target financial model and the corresponding operating margin level expectations with revenue reaching and exceeding the to date record volume achieved in FY 2022.[35] Thus, the sensitivity of the value per share with respect to the magnitude of the margin expansion alongside top-line growth is emphasized, accordingly.

[35] Source: u-blox Investor Handbook, May 2025, p. 12.

	An identical change in the WACC combined with a simultaneous parallel shift in NWC in % of revenue by ± 500 basis points during the course of the business plan period and the TV results in a range for the value per share ranging between CHF 121.0 to CHF 143.5.
Summary	• Applying the DCF method to determine the enterprise value is recognized as best practice. The result of the DCF valuation is given the highest importance in this Fairness Opinion as the DCF method is in line with recognized corporate finance theory and current best practice and allows to accurately reflect company-specific circumstances in the valuation • The assumptions regarding the free cash flows are based on the business plan for FY 2025 to FY 2029, which was approved by the BoD of u-blox on 10 July 2025, the interim financial statements as of 30 June 2025 as well as additional information provided, and assumptions made by the management. • To determine the market value of the equity, a WACC of 11.00% was applied. • The resulting value per share as of 15 August 2025 amounts to CHF 131.7. • The sensitivity analyses result in a value range per share from CHF 116.8 to CHF 148.8.

3.3 Multiples valuation

The valuations based on trading and transaction multiples are used to cross-check the value per share resulting from the DCF analysis.

Valuation based on trading multiples

For the trading multiples valuation, a peer group consisting of comparable companies was formed for u-blox.[36] For each selected peer company, the IFBC-adjusted EBITDA[37] multiple is calculated by dividing the total enterprise value as of 31 July 2025 (last month-end prior to the pre-announcement of the public takeover offer)[38] by the respective IFBC-adjusted EBITDA. This includes last twelve months ("LTM") IFBC-adjusted EBITDA as of 31 July 2025, as well as the expected ("E") IFBC-adjusted EBITDA per FY 2025E, FY 2026E and FY 2027E. Due to the non-representative IFBC-adjusted EBITDA level of u-blox for FY 2024 and FY 2025E, only trading multiples related to FY 2026E and FY 2027E were considered.

Deviations in market capitalization between u-blox and those of the peer group companies are accounted for accordingly in the trading multiples valuation by considering the resulting implicit size-premiums/discounts.

The resulting median values with respect to the derived peer group multiples are applied to u-blox's correspondingly estimated IFBC-adjusted EBITDAs. This results in the operating enterprise value. The non-operating assets are added to the operating enterprise value and the interest-bearing liabilities, debt-like items, and NCI as of 30 June 2025 are deducted. The resulting equity value is compounded as of the valuation date, 15 August 2025, and divided by the number of shares outstanding to calculate the respective value per share. This results in an average range for the value per share between CHF 83.4 and CHF 144.7. The average median value per share amounts to CHF 107.3.

The resulting value bandwidth applying trading multiples supports the result of the DCF valuation. However, it must be noted that the resulting median multiples of the peer companies do not entirely reflect the expected performance improvement of u-blox, driven, among others, by its expected strong operating leverage.

---

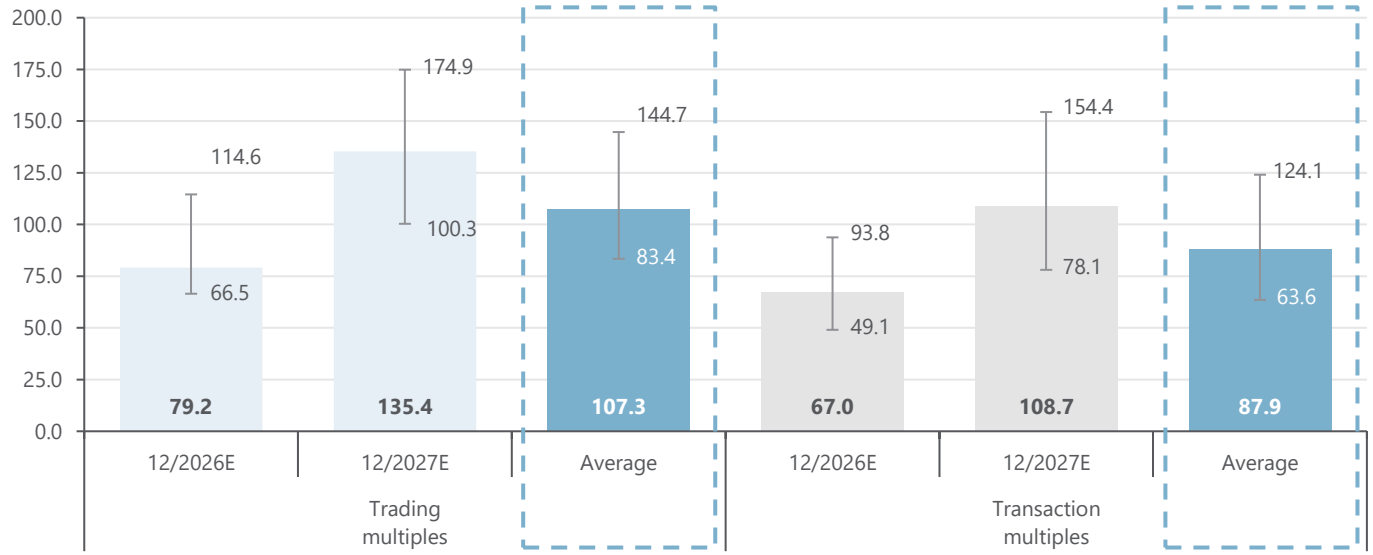
36 For further information about the selected peer companies in the trading multiples analysis, see section 5.3 in the appendix.

37 IFRS 16 and ASC 842-related as well as R&D expenses capitalization effects (IAS 38) have been eliminated in the relevant EBITDAs of u-blox and the peer companies to ensure consistent comparability between the analyzed companies.

38 Market value of equity plus net debt as per last month-end prior to the pre-announcement of the public takeover offer.

Trading and transaction multiple valuation result overview on a value per share basis

u-blox's value per share as of 15 August 2025 based on the multiples valuations (in CHF)[39]



Valuation based on transaction multiples

As part of the analysis of transaction multiples, the enterprise value is determined based on observable transactions with comparable companies. The analysis covered corporate transactions between January 2015 and August 2025 in which a controlling interest was acquired, or the acquisition led to a controlling interest. The enterprise values of the target companies are calculated on the basis of the purchase price paid in the individual transactions (100%) plus net debt and are compared with the reported LTM-EBITDA prior to the transaction.[40] Corresponding to the approach within the trading multiples analysis, the deviation between the size of the individual comparable transactions and the market capitalization of u-blox is accounted for accordingly by considering the implied, size premiums/discounts.

[39] Sources: LSEG Data & Analytics, ION Analytics Mergermarket, IFBC analysis.

[40] For further information on the selected comparable transactions in the transaction multiples analysis, see section 5.4 in the appendix.

This analysis is of limited value due to the limited number of comparable transactions and, in all cases, the large time discrepancy from the valuation date. From 2015 to 2025, eight transactions were identified where the target company had a business model comparable to u-blox and the necessary financial information was publicly available. When the number of comparable transactions is small, transaction-specific effects can also have a strong impact.

To determine the enterprise value of u-blox, the resulting transaction multiples are multiplied by the expected IFBC-adjusted EBITDA of u-blox as of FY 2026E and 2027E. Analogous to the procedure for trading multiples, LTM 07/2025 and 2025E IFBC-adjusted EBITDAs were omitted due to the non-representative absolute levels.

Since historical transaction multiples are applied to future IFBC-adjusted EBITDAs of u-blox, the implied future values are discounted to the relevant valuation date. The value per share is calculated in the same way as set out above for the trading multiples analysis. The valuation based on transaction multiples results in a median value per share of CHF 87.9 with a value range between CHF 63.6 and CHF 124.1.

Summary

- Valuations based on trading and transaction multiples are performed to cross-check the DCF value.
- The valuation based on trading multiples results in an average value per share from CHF 83.4 and CHF 144.7 (average median value CHF 107.3). The resulting bandwidth supports the results from the DCF valuation.
- However, the resulting mid-point value per share for u-blox using trading multiples is lower than the mid-point value resulting from the DCF valuation. In particular, this can be attributed to the fact that the median trading multiples do not fully reflect u-blox's projected performance improvement in the business plan, driven, among others, by its expected strong operating leverage. In general, it should be noted that both the business models and the specific situation of the peer companies may differ from those of u-blox.
- The valuation based on transaction multiples results in a value per share of CHF 87.9, with values ranging from CHF 63.6 to CHF 124.1. The transaction multiple valuation is less meaningful due to the small number of comparable transactions and the time difference.
- IFBC considers the significance of the multiple valuation, particularly based on comparable transactions, to be limited. Due to the large time difference and any company and transaction-specific aspects, the transactions are of little use given the small number of transactions available.

3.4 Share analysis and analyst target prices

Development of the share price

Over the past 12 months, the price of the u-blox share has increased by 75.0%. During that time-period, the price fluctuated between CHF 64.5 (24 October 2024) and CHF 138.6 (15 August 2025).

On 15 August 2025, the last trading day prior to the pre-announcement of the transaction, the u-blox share traded at a closing price of CHF 138.6, corresponding to a day-to-day increase of 24.4% (CHF 111.4 on 14 August 2025), after takeover rumors were spread by the media.

The volume-weighted average price (VWAP) of the last 60 trading days was CHF 105.8 as of 15 August 2025 and CHF 102.0 as of 14 August 2025, respectively.

Development of u-blox's share price over the last twelve months (in CHF)[41]

Premiums resulting from the offer price on the share price and VWAP

The offer price is CHF 135.0 per u-blox share. Due to the sharp increase of the share price on the last trading day prior to the pre-announcement caused by takeover rumors spread by the media, the offer price represents a discount of -2.6% compared to the closing price as of 15 August 2025. Compared to the previous trading day closing share price (14 August 2025), the

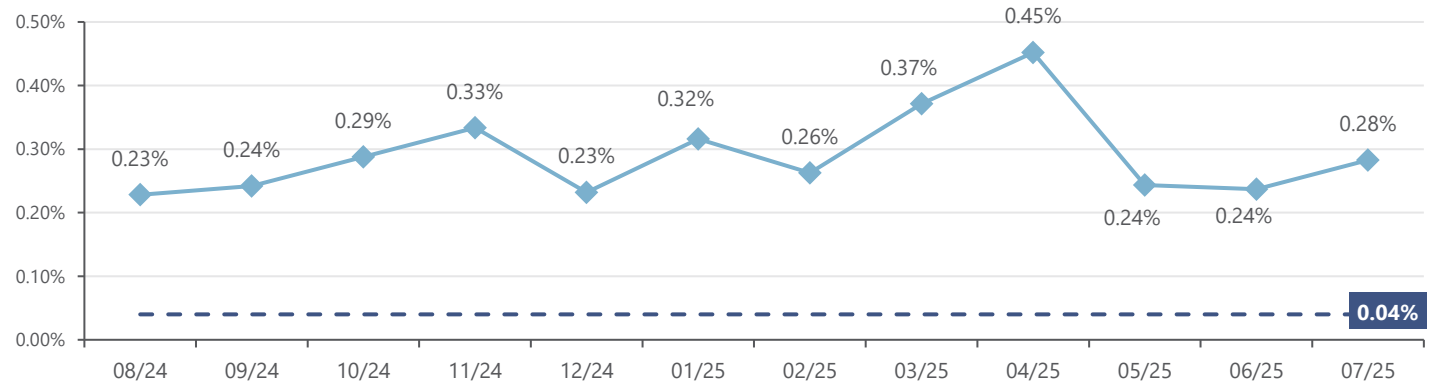
[41] Sources: LSEG Data & Analytics, SIX Swiss Exchange.

offer constitutes a premium of 21.2%. The offer further represents a premium of 27.6% compared to the VWAP (60 trading days) as of 15 August 2025 and 32.4% compared to the VWAP as of 14 August 2025. The premium on the offer considering the 60-day VWAP prevailing the pre-announcement of the transaction is significantly above the historical median of the premiums paid in voluntary public takeover offers in Switzerland since 2011 (22.9%).[42]

Liquidity analysis

Under current takeover law, shares of companies included in the Swiss Leader Index ("SLI") are classified as liquid. Furthermore, securities that are not part of the SLI are considered as liquid "provided that the monthly median of the daily volume of a security relative to the free float has been at least 0.04% in 10 of the 12 months prior to the publication of the offer or the pre-announcement."[43] Since u-blox's shares are not part of the SLI, the liquidity of the share is checked on the basis of the trading volume analysis.

Monthly median values of the number of u-blox shares traded as a percentage of the free float[44]



As shown in the graph above, the median trading volume of u-blox's shares during the 12-month period prior to the publication of the offer is significantly higher than the applicable threshold of 0.04% in all 12 months. Consequently, the u-blox shares can be considered liquid under Swiss takeover law. Therefore, u-blox's share price (current market price and VWAP) is a valid reference point to assess the offer made by ZI Zenith.

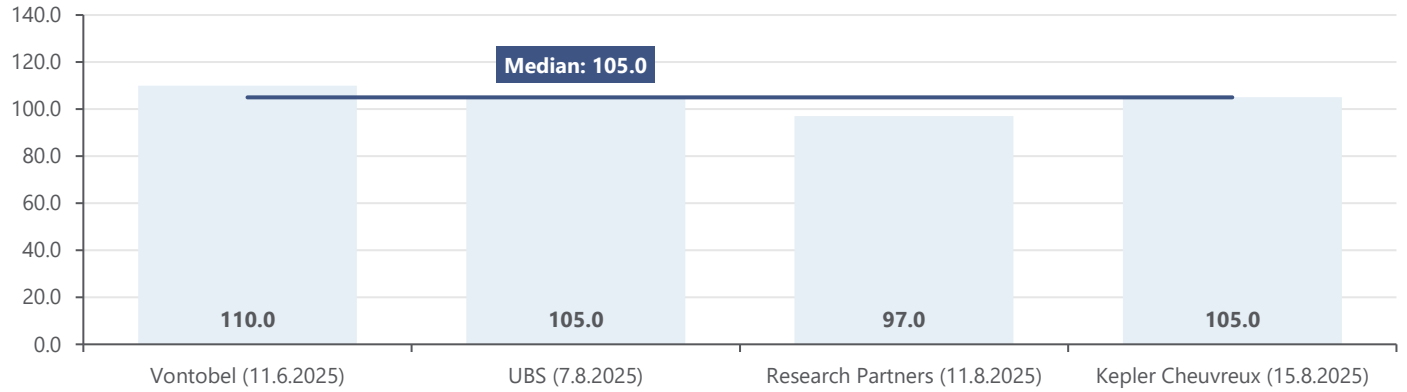
42 For further information on the premiums paid in public takeover bids in Switzerland since 2011, see section 5.5 in the appendix.

43 cf. Swiss Takeover Board: TOB Circular No. 2 on liquidity in the context of takeover law, 26 February 2010.

44 Sources: LSEG Data & Analytics, IFBC analysis.

Analysts' target prices

Current analysts' target prices of u-blox (in CHF)[45]



Four analysts actively publish reports with target prices for u-blox. The target prices were updated between 11 June 2025 and 15 August 2025 and range between CHF 97.0 and CHF 110.0. The median target price is CHF 105.0.

The offer by ZI Zenith is 28.6% higher compared to the median value of the analysts' target prices. Compared to u-blox's business plan, the analysts likely assume lower growth and lower EBITDA margin improvements, which is why the resulting target prices are significantly lower than the value per share according to the DCF valuation.

[45] Sources: Vontobel (11.6.2025); UBS (7.8.2025); Research Partners (11.8.2025); Kepler Chevreux (15.8.2025).

Summary	• u-blox's shares are liquid within the meaning of the applicable Swiss takeover law. For that reason, both the share price and the VWAP of the last 60 trading days can be used as reference point when assessing the financial fairness of the offer made by ZI Zenith. • On the last trading day prior to the pre-announcement of the public takeover offer (15 August 2025), u-blox's share price closed at CHF 138.6, after takeover rumors were spread by the media. As a consequence, the offer price of CHF 135.0 constitutes a discount of -2.6%. Compared to the previous trading day closing share price (14 August 2025), the offer represents a premium of 21.2%. The 60-day VWAP was CHF 105.8 on 15 August 2025 and CHF 102.0 on 14 August 2025. Compared to the VWAP, the implied premium is at 27.6% and 32.4%, respectively. • The premium on the offer made by ZI Zenith compared to the VWAP is thus significantly above the historical median of the premiums paid in voluntary public takeover offers in Switzerland since 2011. • The analysts' target prices (dated March to July 2025) range from CHF 97.0 to CHF 110.0, with a median of CHF 105.0. The analysts' lower valuation compared to the DCF valuation is likely to be caused by lower growth expectations and lower expectations regarding EBITDA margin improvements. In addition, there are only few analysts' estimates available. In this context, the published target prices are only of secondary importance in the financial assessment of the offer.

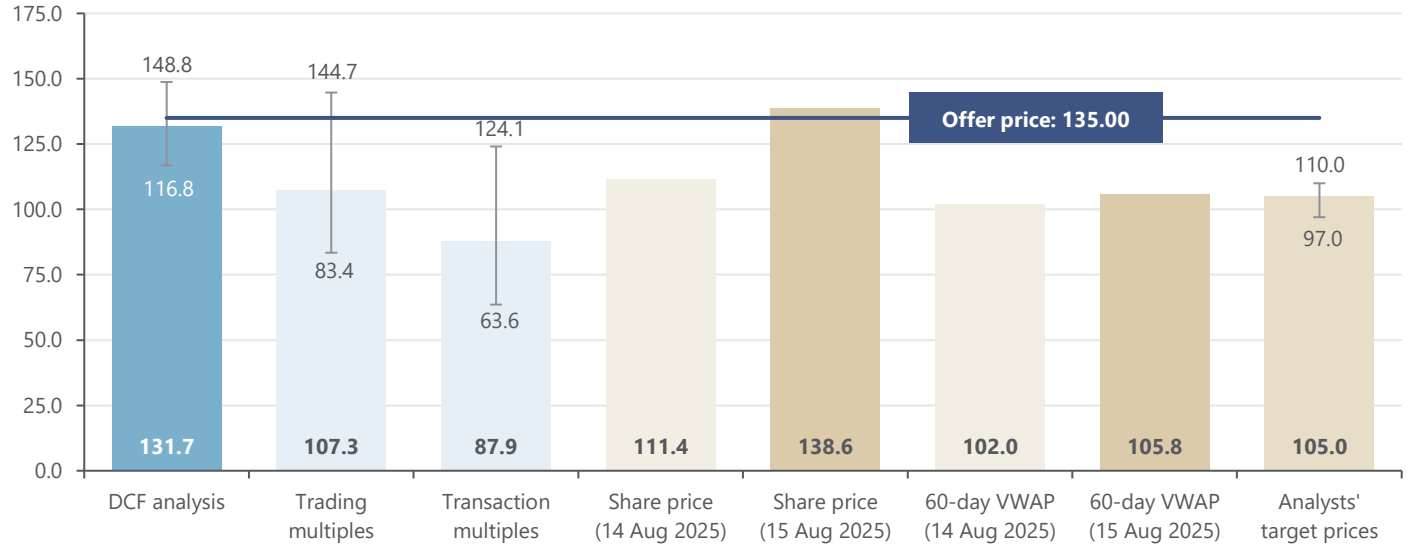
4 Conclusion

4 Conclusion

Based on the analyses described in the previous sections and based on the assessment and evaluation of all the information provided, IFBC has come to the following conclusion with regard to the financial fairness of ZI Zenith's public takeover offer for the outstanding shares of u-blox:

Overview of the valuation results

Overview of the valuation results for u-blox as of 15 August 2025 (value per share in CHF)[46]



[46] Source: IFBC analysis.

According to best practice, we applied a set of valuation methodologies to determine the value per share of u-blox. The DCF method results in a value per share of CHF 131.7 with a value range from CHF 116.8 to CHF 148.8 as of 15 August 2025. The valuation result is mainly sensitive to the IFBC-adjusted EBITDA margin estimated as sustainable, the assumed NWC in % of revenue during the course of the business plan period and the TV, and to the cost of capital. In the context of this Fairness Opinion, the result of the DCF valuation is given the highest importance since this approach follows recognized corporate finance theory and current best practice and best accounts for the company-specific circumstances of u-blox.

Applying trading multiples results in a value range from CHF 83.4 to CHF 144.7 per share as of 15 August 2025 (average median value of CHF 107.3). Applying transaction multiples results in a value range from CHF 63.6 to CHF 124.1 per share (median of CHF 87.9). The resulting value per share bandwidth supports the results from the DCF valuation. However, company-specific circumstances and the expected financial development and corresponding performance improvement of u-blox are not fully reflected in the underlying multiples of the peer companies. As part of the transaction multiple analysis, only a small number of broadly comparable transactions could be identified. In combination with the significant time difference, the significance of the transaction multiple valuation is assessed to be limited in the present context.

The shares of u-blox are considered to be liquid under Swiss takeover law, as the traded volume exceeds the threshold in every of the twelve months preceding the last trading day prior to the pre-announcement of the public takeover offer (15 August 2025). Therefore, both the share price and the VWAP of the last 60 trading days are a valid reference point when assessing the financial fairness of ZI Zenith's offer. On the last trading day prior to the pre-announcement of the public takeover offer (15 August 2025), u-blox's share price closed at CHF 138.6, after takeover rumors were spread by the media. Correspondingly, the offer price of CHF 135.0 constitutes a discount of -2.6%. Compared to the previous trading day closing share price (14 August 2025), the offer represents a premium of 21.2%. The 60-day VWAP was CHF 105.8 on 15 August 2025 and CHF 102.0 on 14 August 2025. Compared to the VWAP, the implied premium is at 27.6% and 32.4%, respectively.

IFBC

Final assessment of the offer

Based on our analyses, valuation considerations and the results presented, IFBC considers the offer price of CHF 135.0 per u-blox share to be fair from a financial point of view. This conclusion is based on the following considerations:

- The offer is within the value range resulting from the DCF valuation.
- The offer price is within the value range resulting from the use of trading multiples. Furthermore, the offer price is slightly above the transaction multiples valuation range.
- Finally, the offer price is significantly higher than the pre-rumor closing price and 60-day VWAP as per 14 August 2025 and further also exceeds all current target prices of the analysts.

Zurich, 26 August 2025

Dr. Thomas Vettiger
Managing Partner

Jan Hunziker
Manager

5 Appendix

5 Appendix

5.1 Weighted average cost of capital (WACC)

Parameter	Value	Description
Currency-weighted risk-free rate	2.17%	• Higher value of the defined minimum rate (floor of real interest rate plus long-term expected inflation) and the rolling average yield (1 month) of the 10-year Swiss government zero bond. • Consideration of the long-term inflation difference between Switzerland and the relevant foreign countries in accordance with the sustainable currency split. Based on the estimate provided by u-blox management, a sustainable currency split of 85.00% USD and 15.00% EUR is applied. • Source: LSEG Data & Analytics, IMF World Economic Outlook (April 2025), management of u-blox.
Market risk premium	6.00%	• The market risk premium reflects the long-term difference between the return of a market portfolio and the risk-free rate. It reflects the additional premium an investor expects of an investment in stocks compared to a risk-free investment. In accordance with best practice, a sustainable implied market risk premium of 6.00% is applied. • Source: IFBC.
Unlevered beta	1.26	• The unlevered beta captures the systematic, non-diversifiable risk of a company that is entirely financed by equity. • To increase the statistical significance of the beta analysis, we do not only consider the beta of u-blox, but also statistically significant betas of peer group companies when determining the unlevered beta. For this purpose, fabless semiconductor companies which offer comparable products and services for applications in the same end markets as u-blox are considered. • The calculation is based on weekly returns over a 2-year period. • As of 31 July 2025, the median of the peer group's unlevered beta for u-blox is 1.26. • Sources: LSEG Data & Analytics, information provided by the management of u-blox.
Leverage factor	1.00	• The leverage factor is calculated considering u-blox's target capital structure as well as its relevant tax rate (the Hamada approach). Since u-blox's target capital structure is 100%, the leverage factor is 1.00.
Levered beta	1.26	• The levered beta measures the systematic risk and reflects both the operating as well as the financial risk of a company.
Risk premium	**7.56%**	

Parameter	Value	Description
Size premium	1.31%	• Empirical and practical evidence shows that smaller companies have significantly higher cost of equity than companies with high market capitalization. • For this reason, a size premium is taken into account in the CAPM. The size premium is derived using statistical methods based on the company's market capitalization. • Taking into account u-blox's market capitalization and our valuation considerations, a size premium of 1.31% (average of the 8th and 9th decile of the size premium according to Kroll) is applied. • Sources: LSEG Data & Analytics and Kroll (December 2024).
Cost of equity	**11.04%**	
Share of equity	100.00%	• Definition of target capital structure for u-blox based on the peer group median. • Since the median equity ratio of the peer group is 100.00% as per 31 July 2025, a target equity ratio of 100.00% is applied for u-blox. • Therefore, the WACC of u-blox corresponds to the cost of equity.
Share of net debt	0.00%	
WACC (rounded)	**11.00%**	

IFBC

5.2 Beta analysis as of 31 July 2025

Company	Country	Leverage* 07/2025	Adj. Levered Beta** 07/2025	Adj. Unlevered Beta 07/2025
U Blox Holding AG	Switzerland	0.00	1.09	1.09
Airoha Technology Corp	Taiwan	0.00	n/a	n/a
Broadcom Inc	United States of America	0.05	1.91	1.82
Impinj Inc	United States of America	0.03	1.88	1.83
Nordic Semiconductor ASA	Norway	0.00	1.02	1.02
Semtech Corp	United States of America	0.33	1.70	1.27
Silicon Laboratories Inc	United States of America	0.00	1.45	1.45
Synaptics Inc	United States of America	0.05	1.67	1.59
Melexis NV	Belgium	0.05	1.20	1.15
RichWave Technology Corp	Taiwan	0.00	1.24	1.24
Elmos Semiconductor SE	Germany	0.03	1.19	1.16
AzureWave Technologies Inc	Taiwan	0.00	1.13	1.13
AMPAK Technology Inc	Taiwan	0.00	1.36	1.36
Median		**0.00**	**1.30**	**1.26**

** Leverage: 2-year average (net debt x (1-tax rate) / equity).*

*** Adj. weekly beta (2 years) as of 31 July 2025.*

Source: LSEG Data & Analytics.

5.3 Trading multiples as of 31 July 2025

Company	Country	Adjusted EBITDA multiples*			
		07/25 LTM	12/25 E	12/26 E	12/27 E
U Blox Holding AG	Switzerland	-35.5x	34.4x	14.8x	10.6x
Airoha Technology Corp	Taiwan	19.3x	18.1x	15.5x	n/a
Broadcom Inc	United States of America	33.4x	29.0x	24.2x	20.9x
Impinj Inc	United States of America	107.6x	68.7x	48.3x	39.5x
Nordic Semiconductor ASA	Norway	1048.8x	78.1x	29.9x	19.1x
Semtech Corp	United States of America	27.9x	21.2x	18.3x	16.1x
Silicon Laboratories Inc	United States of America	-187.1x	71.5x	27.4x	18.7x
Synaptics Inc	United States of America	13.6x	13.0x	11.1x	n/a
Melexis NV	Belgium	12.9x	15.3x	11.8x	9.8x
RichWave Technology Corp	Taiwan	26.5x	20.3x	14.6x	12.5x
Elmos Semiconductor SE	Germany	9.9x	10.2x	8.5x	7.5x
AzureWave Technologies Inc	Taiwan	n/a	n/a	n/a	n/a
AMPAK Technology Inc	Taiwan	15.9x	12.2x	n/a	n/a
3rd quartile		**26.8x**	**21.2x**	**22.7x**	**18.8x**
Median		**17.6x**	**18.1x**	**15.2x**	**14.3x**
1st quartile		**13.4x**	**13.0x**	**12.5x**	**10.4x**

Relevant for trading multiples valuation

** For comparison reasons, effects on EBITDA due to capitalization of R&D expenses as well as IFRS 16/ASC 842 related effects were eliminated. Differences between the market capitalization of u-blox and those of the peer group companies and the resulting implicit size-dependent premiums/discounts were considered by means of a size-adjustment when determining the EBITDA multiples.*

Source: LSEG Data & Analytics.

5.4 Transaction multiples as of 31 July 2025

Date	Target	Buyer / Investor	Implied equity value (in USD million)	Adjusted EBITDA multiples*
03.10.2019	Telit Communications plc	Trieste Acquisitions Holding Ltd	437	14.2x
13.02.2018	AMPAK Technology Inc	Gemtek Technology Co Ltd	50	9.9x
27.02.2017	Airoha Technology Corp	MediaTek Inc	215	25.6x
01.06.2016	Ili Technology Corporation	MediaTek Inc	113	10.2x
30.03.2016	Hivron Inc.	iA Inc	29	9.0x
01.02.2016	Broadcom Corporation	Avago Technologies Ltd	36'100	21.4x
07.10.2015	Richtek Technology Corp	MediaTek Inc	884	15.0x
05.01.2015	SkyWave Mobile Communications Inc	Orbcomm Inc	130	21.1x
3rd quartile				**21.2x**
Median				**14.6x**
1st quartile				**10.1x**

** Differences between the market capitalization of u-blox and the size of the peer group companies and the resulting implicit size-dependent premiums/discounts were taken into account by means of a size-adjustment when determining the EBITDA multiples.*

Sources: ION Analytics Mergermarket, LSEG Data & Analytics.

5.5 Premium analysis of public tender offers in Switzerland since 2011[47]

Year	Target company	Buyer / Investor	Offer price (in CHF)	60-day VWAP (in CHF)	Premium	Success rate
2011	Newave Energy Holding SA	ABB Schweiz AG	56.00	41.20	35.9%	95.3%
2011	Escor Casinos & Entertainment AG	Highlight Communications AG	17.50	17.43	0.4%	39.2%
2011	Feintool International Holding AG	Artemis Beteiligungen II AG	350.00	326.90	7.1%	72.2%
2011	Edipresse SA	Lamunière S.A., Epalinges, Suisse; bearer shares	450.00	324.70	38.6%	37.6%
2011	EGL AG	Axpo Holding AG	850.00	703.73	20.8%	98.0%
2013	Acino Holding AG	Pharma Strategy Partners GmBH	115.00	75.27	52.8%	93.6%
2013	Fortimo Group AG	Forty Plus AG, Fortimo Group	136.00	114.30	19.0%	98.6%
2013	Tornos Holding AG	Walter Fust	4.70	4.53	3.8%	14.3%
2014	Swisslog Holding	KUKA Aktiengesellschaft	1.35	1.18	14.4%	92.2%
2014	Advanced Digital Broadcast Holding SA	4T S.A	15.50	12.89	20.2%	73.4%
2014	Nobel Biocare Holding AG	Danaher Corporation	17.10	13.85	23.5%	77.2%
2015	Micronas Semiconductor Holding AG	TDK Corporation	7.50	4.40	70.5%	90.5%
2016	Kuoni Reisen Holding AG	Kiwi Holding IV Sarl (EQT)	370.00	275.86	34.1%	87.2%
2016	Syngenta AG	CNAC Saturn (NL) B.V. (ChemChina)*	490.34	374.02	31.1%	94.7%
2016	gategroup Holding AG	HNA Aviation Air Catering Holding Co.	53.00	38.69	37.0%	96.1%
2016	Charles Vögele AG	Sempione Retail AG (OVS)	6.38	6.38	0.0%	94.1%
2017	Actelion Ltd	Janssen Holding GmbH (Johnson & Johnson)	280.00	191.20	46.4%	92.5%
2018	Goldbach Medien	Tamedia	35.50	34.22	3.7%	96.9%
2018	Hügli Holding AG	Bell Food Group AG	915.00	800.00	14.4%	97.6%
2018	Bank Cler AG	Basler Kantonalbank	52.00	42.30	22.9%	93.3%
2019	CEVA	CMA CGM S.A	30.00	20.24	48.2%	95.7%
2019	Edmond de Rothschild (Suisse) S.A.	Edmond de Rothschild Holding SA	17'945.00	15'169.1	18.3%	93.3%
2019	Alpiq Holding AG	Schweizer Kraftwerksbeteiligungs AG	70.00	72.50	-3.4%	13.1%
2020	Sunrise	Liberty Global plc	110.00	83.17	32.3%	96.6%
2021	Vifor Pharma AG	CSL Behring AG	167.42	118.25	41.6%	93.9%
2022	Spice Private Equity AG	GP Swiss AG	15.56	14.47	7.6%	81.8%
2022	Bobst Group SA	JBF Finance SA	78.00	69.70	11.9%	66.2%
2022	Valora Holding AG	Impulsora de Marcas e Intangibles, S.A.	260.00	165.30	57.3%	96.6%
2023	Datacolor AG	Werner Dubach	760.00	660.50	15.1%	93.5%
2023	Von Roll Holding AG	Elantas GmbH	0.86	0.84	2.4%	67.4%
2023	Schaffner Holdng AG	Tyco Electronics (Schweiz) Holding II GmbH	505.00	289.33	74.5%	98.7%
2023	Crealogix Holding AG	Vencora UK Limited	60.00	49.45	21.3%	76.0%
2024	Aluflexpack AG	Constantia Flexibles GmbH	14.45	8.43	71.5%	92.1%
2024	Lalique Group AG	Silvio Denz	40.00	31.30	27.8%	94.4%
2024	Orascom Development Holding AG	LPSO Holding Ltd.	5.60	4.05	38.3%	88.0%
Median					**22.9%**	**93.3%**

** Including special dividend paid prior to the transaction.*

[47] The overview includes voluntary tender offers in cash. Tender offers for investment and real estate companies have been excluded.

5.6 List of abbreviations

ADAS	Advanced Driver Assistance Systems
APAC	Asia pacific region
BoD	Board of Directors
CAGR	Compound Annual Growth Rate
CEL	Cellular business
DCF method	Discounted Cash Flow Method
E	Expected
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
FCF	Free Cash Flows
FY	Financial Year
FY 2025E	Estimate of FY 2025
GNSS	Global Navigation Satellite System
IFBC	IFBC AG
IFRS	International Financial Reporting Standards
IoT	Internet of things
IQR	Interquartile range of the peer companies (25% to 75% quartile)

NCI	Non-controlling Interests
NWC	Net Working Capital
OEM	Original Equipment Manufacturer
R&D	Research & Development
Offer	ZI Zenith 's voluntary public takeover offer for all publicly held registered shares of u-blox
SIX	SIX Swiss Exchange
SLI	Swiss Leader Index
TLCF	Tax-Loss Carry Forward
TV	Terminal Value
u-blox, the group, the company, the target company	u-blox Holding AG
VWAP	Volume-Weighted Average Price (60-day)
WACC	Weighted Average Cost of Capital
YTD	Year-to-Date
ZI Zenith, the offeror	ZI Zenith S.à r.l

IFBC AG · Riedtlistrasse 19 · 8006 Zürich · Tel. +41.43.255 14 55 · info@ifbc.ch · www.ifbc.ch