

Forward-looking statements

- Some statements made in this material relating to future circumstances or status, including, without limitation, future performance of the company, expectations regarding market growth, trend projections as well as any statements preceded by the words “expect”, “believe”, “foresee” or similar expressions are forward-looking statements.
- By their nature, forward-looking statements involve risk and uncertainty and actual results may, therefore, differ materially from the results that are expressed or implied by these forward-looking statements.
- Elektrobit Corporation disclaims all obligations to update such forward-looking statements except as required by mandatory law.

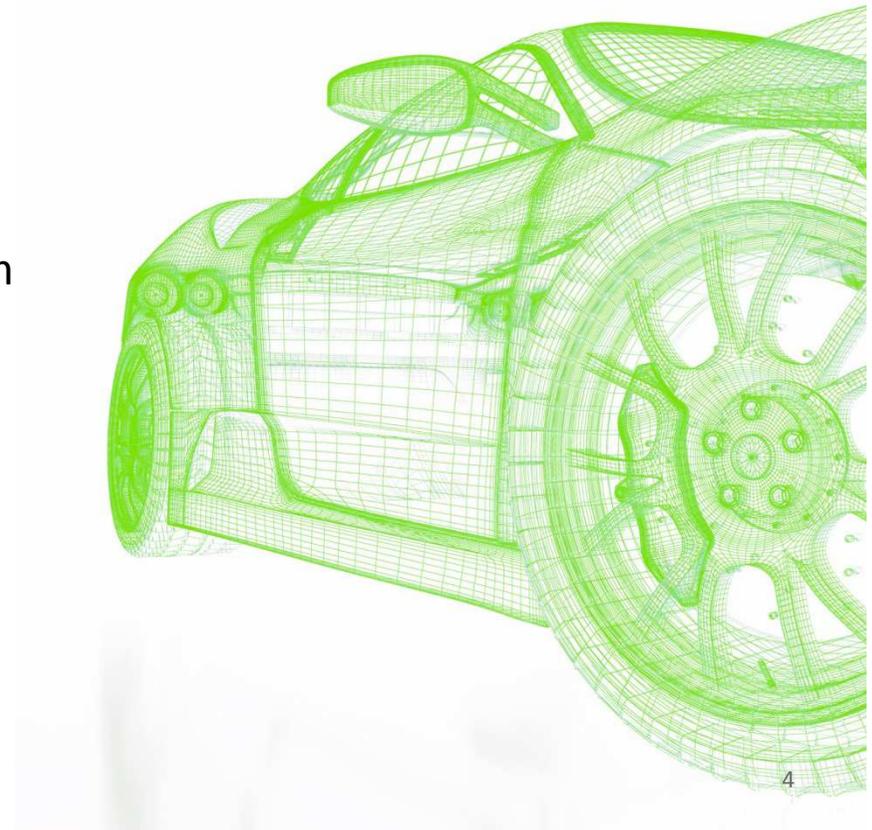
Contents

- Financial results in 2Q and 1H 2014
- Business Segments in 2Q 2014
- Outlook for 2014

The main events in 2Q 2014

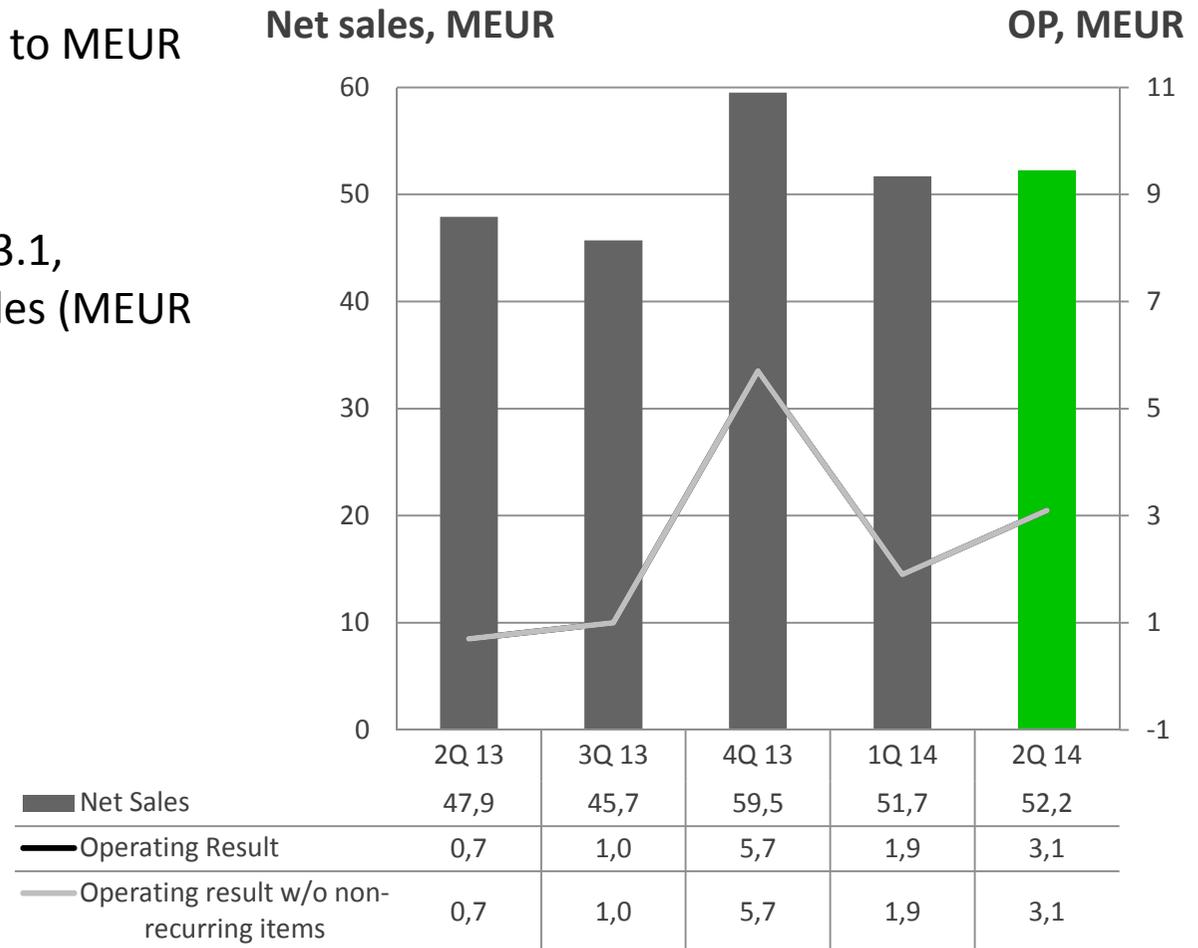
- EB's net sales and operating profit grew year-on-year.
- Automotive Business Segment
 - Net sales grew and operating result improved clearly from the previous year.
- Wireless Business Segment
 - Net sales and operating result decreased from the previous year.

In this presentation, the financials for the year 2013 presented for comparison include continuing operations only.



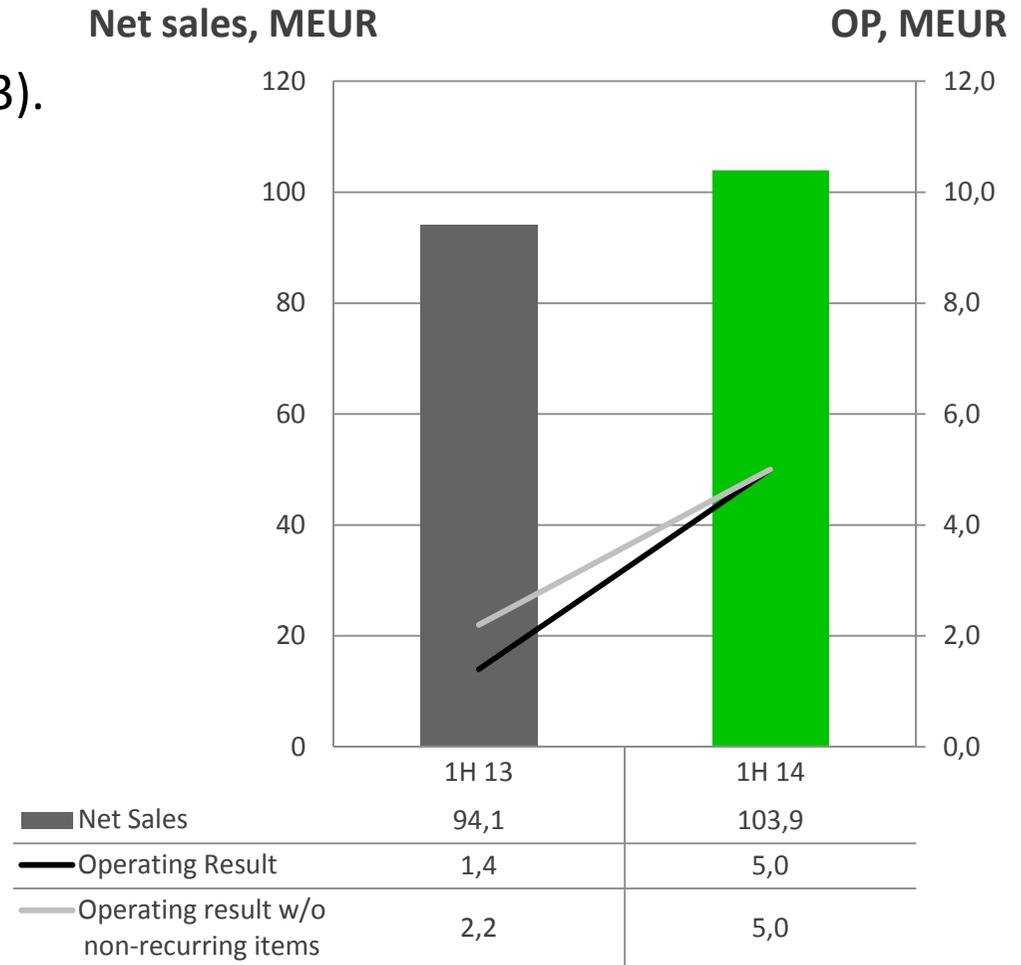
2Q 2014: Net sales and operating result increased y-o-y

- Net sales increased by 9.0% to MEUR 52.2 (MEUR 47.9, 2Q 2013).
- Operating profit was MEUR 3.1, representing 5.9 % of net sales (MEUR 0.7, 2Q 2013).



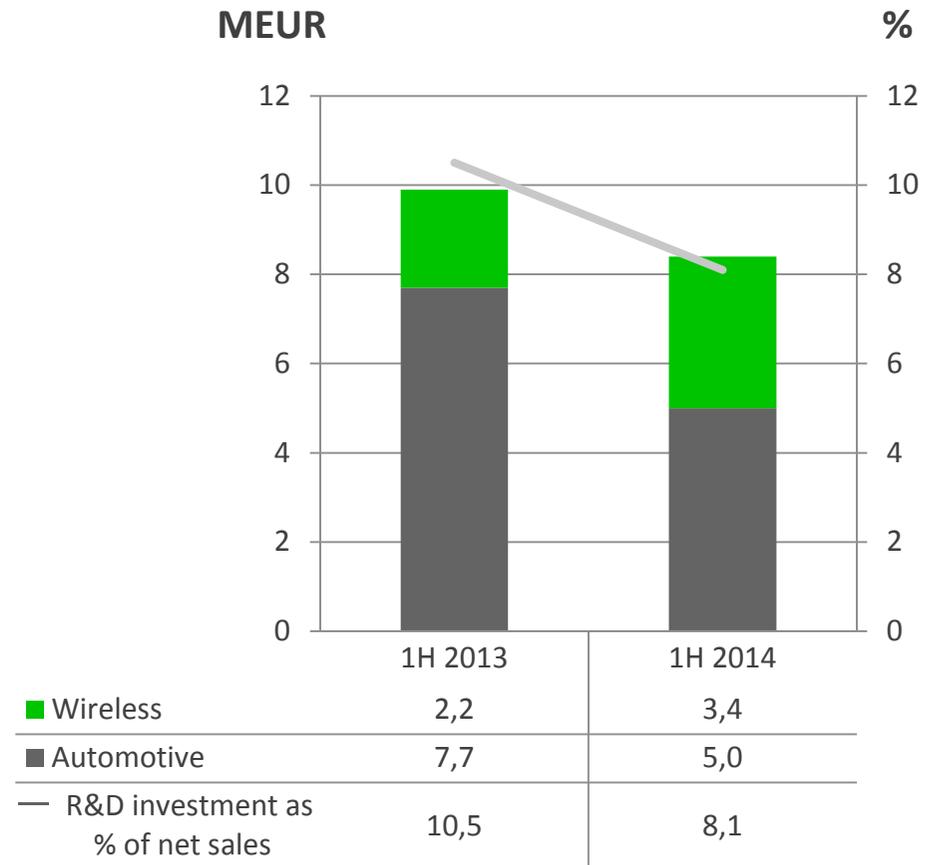
1H 2014: Net sales and operating result increased y-o-y

- Net sales increased by 10.4% to MEUR 103.9 (MEUR 94.1, 1H 2013).
- Operating profit was MEUR 5.0, representing 4.8% of net sales (MEUR 1.4, 1H 2013).



R&D Investments in 1H 2014 were 8.1% of the net sales

- R&D investments in 1H 2014 were MEUR 8.4 equaling 8.1% of the net sales (MEUR 9.9 in 1H 2013, equaling 10.5% of the net sales).
 - R&D investments in Automotive Business Segment decreased and were MEUR 5.0.
 - R&D investments in Wireless Business Segment increased and were MEUR 3.4.
- MEUR 0.7 was capitalized (MEUR 0.0, in 1H 2013). Depreciations of R&D investments were MEUR 0.8 (MEUR 0.8 in 1H 2013).
 - At the end of 1H 2014 the amount of capitalized R&D expenses was MEUR 11.8.
 - Significant proportion of the capitalized R&D expenses are related to Automotive Business Segment's customer agreements with expected future license fees based on actual in-car software delivery volumes.



Cash flow in 1H 2014

MEUR	1H 2013	1H 2014	Jan.-Dec. 2013
Net profit +/- adjustment of accrual basis items	6.1	9.9	17.6
Change in net working capital	0.2	-25.0	18.7
Interests, taxes, and dividends	-1.0	-0.3	-1.6
NET CASH FROM OPERATING ACTIVITIES	5.4	-15.4	34.7
Net cash from investing activities	26.3	-2.7	24.4
Net cash from financing activities	-3.9	5.9	-30.3
NET CHANGE IN CASH AND CASH EQUIVALENTS	27.8	-12.1	28.7

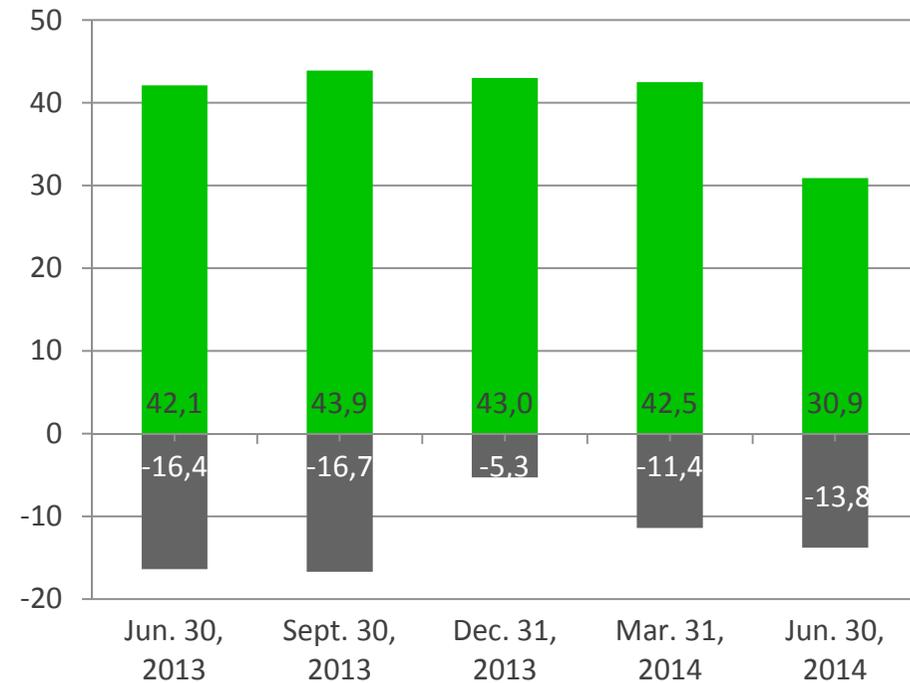
- Cash flow from operating activities in 1H 2014 amounted to EUR -15.4 million (EUR 5.4 million in 1H 2013).
 - The negative cash flow was caused by the increased working capital.
 - Changes in the working capital were mainly caused by the timing of the payment milestones of big projects.
- Net cash flow in 1H 2014 was EUR -12.1 million (EUR 27.8 million in 1H 2013, including non-recurring net cash flow approximately EUR 28 million resulting from the sale of Test Tools product business).

Cash reserves remained strong

- Net debt was MEUR -17.1 at the end of June.
- MEUR 9.3 of the total MEUR 20 credit facilities were in use on June 30, 2014.
- In July EB signed EUR 10 million credit facility agreement with Nordea Bank Finland Plc and EUR 10 million credit facility agreement with Pohjola Bank Plc.
 - These agreements, intended for general financing purposes, are valid until June 30, 2017 and include conventional covenants that are, among others, related to equity ratio, transfer and pledge of the assets.

Cash and Liquid Assets and Interest Bearing Debt

MEUR

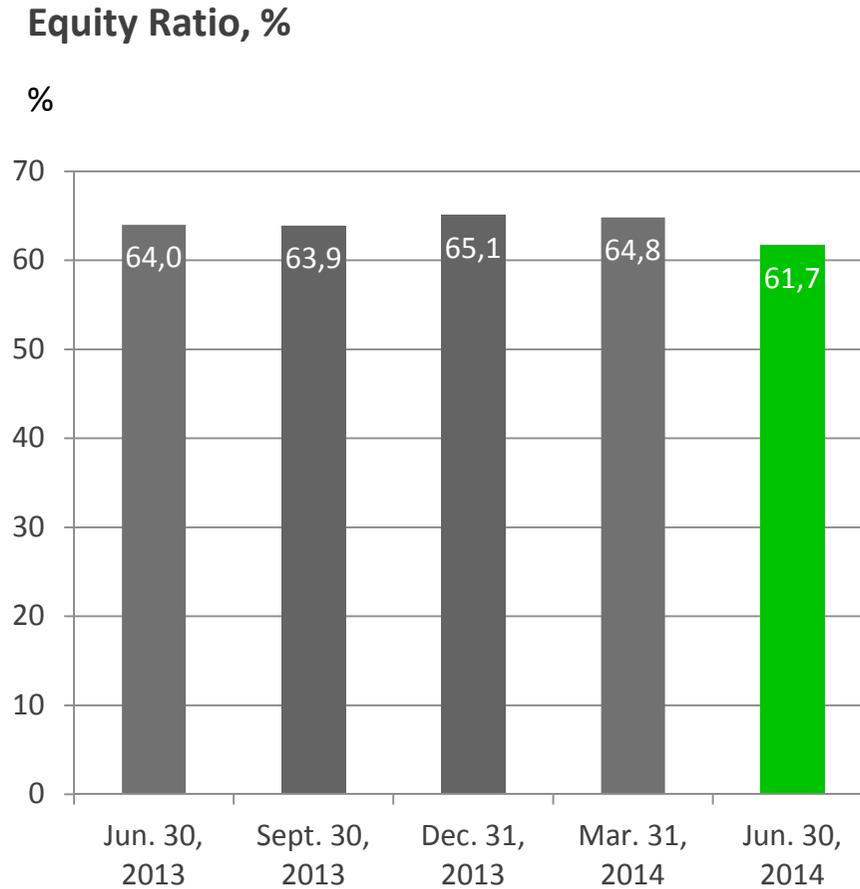


■ Interest bearing debt

■ Cash and liquid assets

Equity ratio remained at a high level

- Equity ratio decreased from previous year but remained at a high level.





Automotive
Business Segment

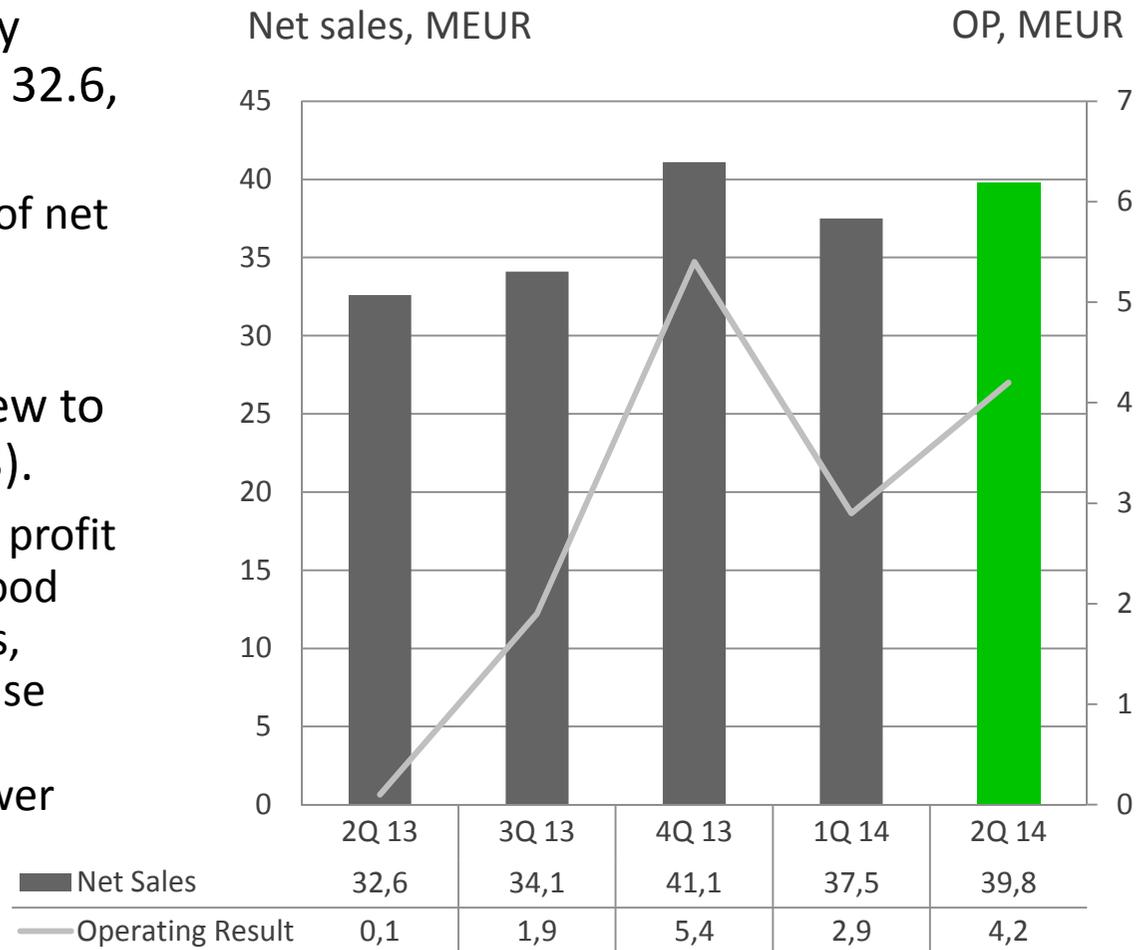
2Q 2014 – major events



- Net sales grew and operating result improved clearly from the previous year.
- The demand for EB's software products and engineering services remained good in Automotive Business Segment, including the jointly with Audi owned company e.solutions GmbH
- EB introduced a new version of EB Assist Electronic Horizon Solution to support state-of-the-art driver assistance functions. The new version enables the use of digital map information without the need for having an active navigation system.
- EB was recognized with a top Telematics Update award for its driver assistance software engineering for Daimler during the Telematics Detroit 2014 conference and exhibition.

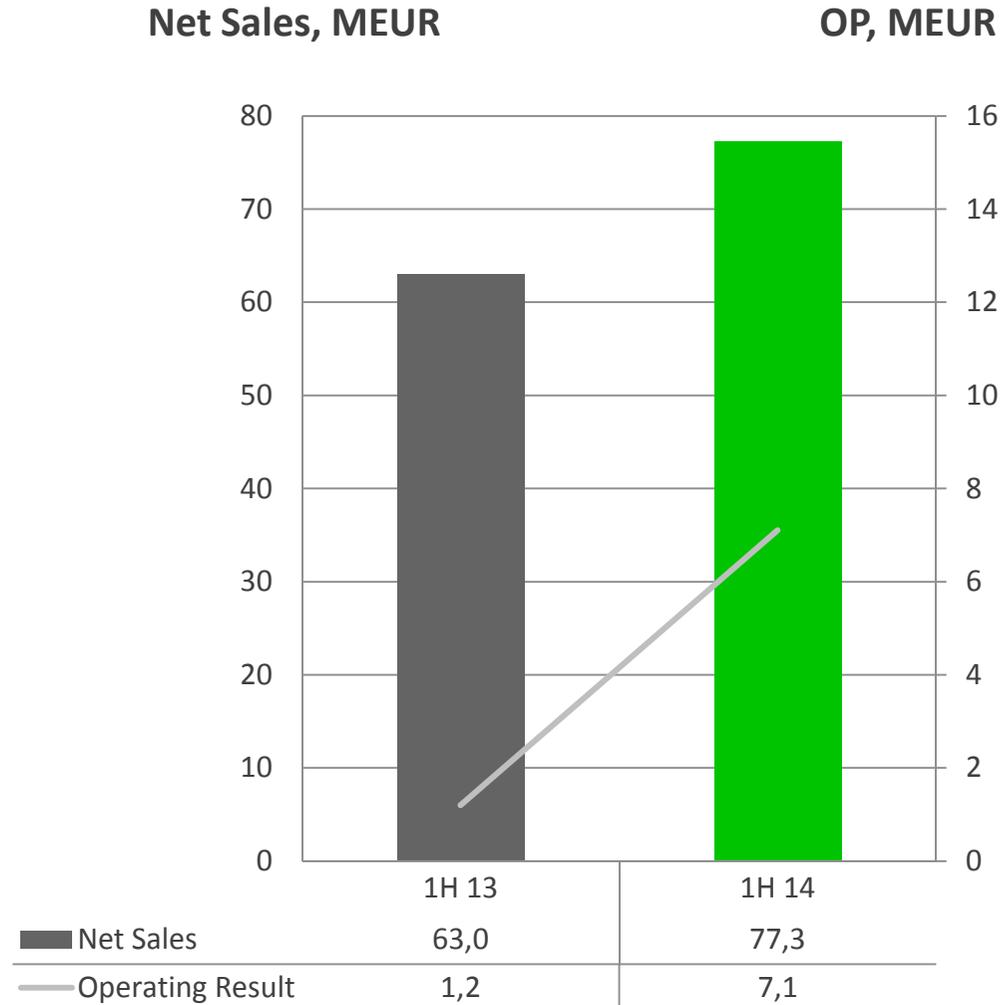
2Q 2014 - Net sales and operating profit continued to grow y-o-y

- Net sales in 2Q 2014 grew by 22,4% to MEUR 39.8 (MEUR 32.6, 2Q 13).
 - Strong year-on-year growth of net sales continued.
- 2Q 2014 operating profit grew to MEUR 4.2 (MEUR 0.1, 2Q 13).
 - The growth in the operating profit was mainly caused by the good execution of service projects, growth of the software license sales especially for in-car navigation software, and lower R&D expenses than in the previous year.



1H 2014 - Net sales grew and operating profit improved clearly y-o-y

- Net sales grew by 22.6% to MEUR 77.3 (MEUR 63.0, 1H 13).
 - Strong year-on-year growth of net sales continued.
- Operating profit grew clearly to MEUR 7.1 (MEUR 1.2, 1H 13).
 - The growth in the operating profit was mainly caused by the good execution of services projects, growth of the software license sales especially for in-car navigation software, and lower R&D expenses than in previous year.



Wireless Business Segment



2Q 2014 – major events

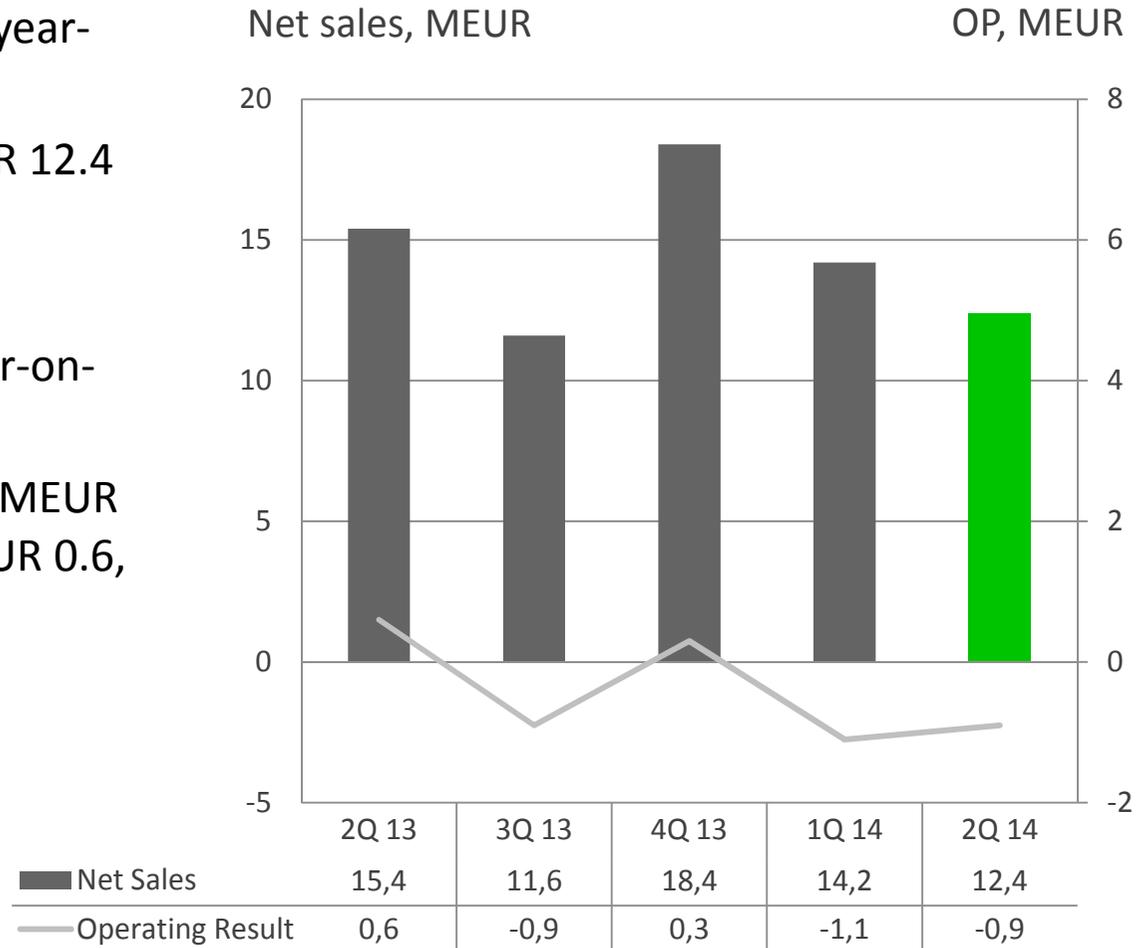


adidas miCoach SMART RUN
premium running smart watch

- Net sales decreased and operating result was negative.
 - The main reasons were the decreased demand for R&D services for mobile telecommunications network equipment, delays in acquiring and starting new R&D service projects and delays in some product deliveries.
 - Temporary personnel layoffs were initiated in Finland.
- EB aims at bringing its Wireless Business Segment's products to the global defense and other authority markets, and expects to start gradually generating net sales from these markets from the latter half of 2014 onwards.
 - During 2Q 2014 EB continued its sales and marketing efforts and R&D investments into these markets.

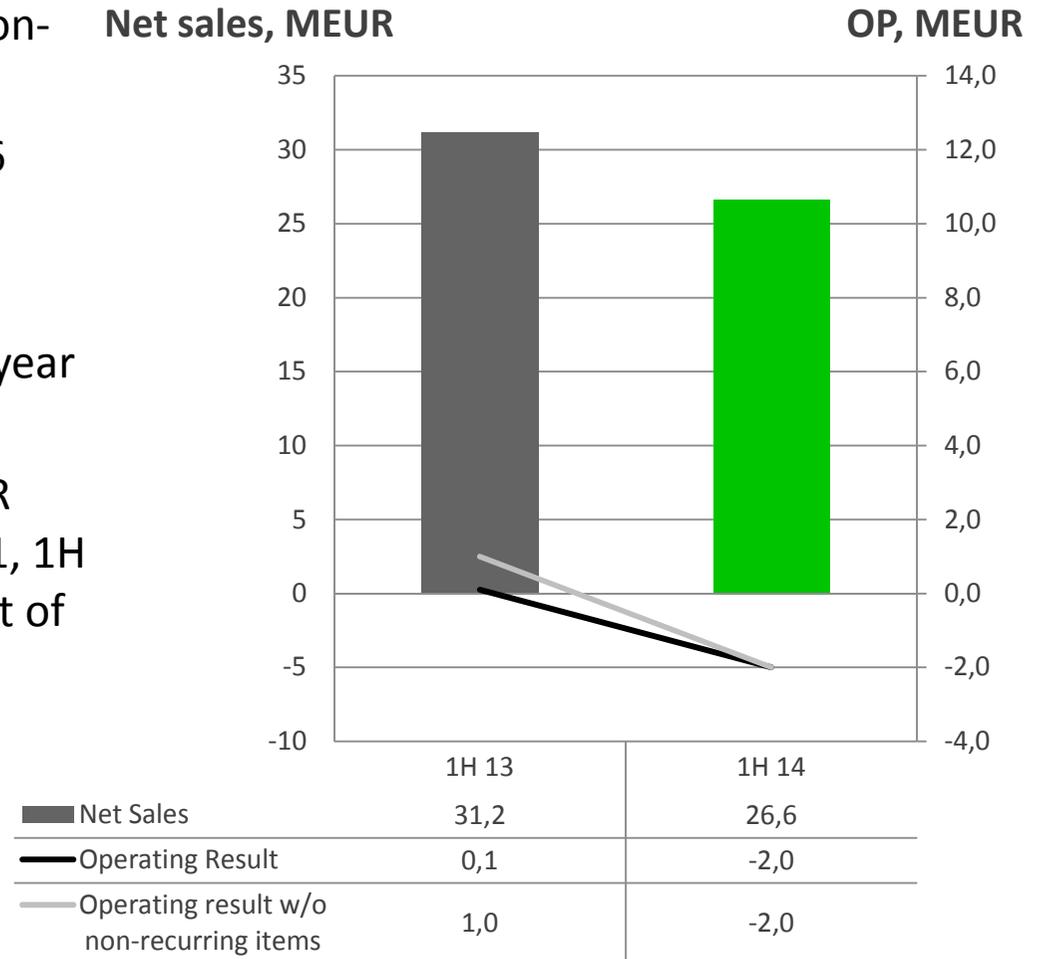
2Q 2014 – Net sales and operating result decreased

- Net sales decreased by 19.4 % year-on-year.
 - 2Q 2014 net sales was MEUR 12.4 (MEUR 15.4, 2Q 2013).
- Operating result decreased year-on-year and was negative.
 - 2Q 2014 operating loss was MEUR -0.9 (operating profit of MEUR 0.6, 2Q 2013).



1H 2014 – Net sales and operating result decreased

- Net sales decreased by 14.7 % year-on-year.
 - 1H 2014 net sales was MEUR 26.6 (MEUR 31.2, 1H 2013).
- Operating result decreased year-on-year and was negative.
 - 1H 2014 operating loss was MEUR -2.0 (operating profit of MEUR 0.1, 1H 2013, including non-recurring cost of approximately EUR 0.8 million resulting from the cost saving measures in Wireless Business Segment).





Outlook for 2014

Outlook for 2014 – Automotive Business Segment

- The demand for EB's products and services is expected to develop positively year-on-year during 2014 in Automotive Business Segment.
- The global car market is expected to grow by 3% in 2014 according to the forecast made by VDA (Verband der Automobilindustrie, Germany).
- Carmakers continue to invest in software for new car models and the market for automotive software products and services is expected to continue growing.
- Growth in automotive software market in 2014 and beyond is mainly driven by:
 - Growing use of software in various parts of new cars as differentiator and factor for innovation.
 - Gradual separation of in-car electronics hardware and software.
 - Consumers expect in the car the same richness of features and user experiences as in smart phones and internet.
 - New applications are being introduced by connected car solutions and cloud connections.
 - Introduction of new active safety systems and autonomous driving.

Outlook for 2014 – Wireless Business Segment

- The use of LTE technology in mobile telecommunications networks creates the need for R&D services for LTE base station design, due to the need for many product variants for various frequency bands.
 - However, general cost saving pressures in the mobile telecommunication network equipment markets have a negative impact on the demand for R&D services in this market.
- The trend of adopting new commercial technologies, such as LTE and smart phone related operating systems and applications, is expected to continue in special verticals such as public safety. The specific LTE frequency band allocations for authorities create demand for customized LTE devices, such as EB's specialized terminals, tablets and communication modules.
- The need for R&D services is emerging for connected devices for business or consumer use, such as smart watch and other wearable devices, and creates demand for customized solutions based on EB's product platforms.
- In the defense market, the need for larger amounts of data in tactical communications is generating demand for broadband networks, such as EB's customized IP (Internet Protocol) based tactical communications solutions.
- The public defense budget cuts reduce the demand for products and product development services in Europe and also elsewhere in the world, and simultaneously increase the competition between the suppliers.

Outlook for 2014 – financial

EB expects for the year 2014 that net sales and operating result will grow from the previous year (net sales of EUR 199.3 million, and operating profit of EUR 8.1 million, in 2013).

Net sales growth rate in 2014 is expected to be slower than in the previous year (net sales growth 14.6 per cent, 2013).

Operating profit in the second half of the year is expected to be higher than in the first half (operating profit of EUR 5.0 million, 1H 2014).

- The demand for R&D services and software products of the Automotive Business Segment is expected to continue good in the second half of the year, and operating profit of Automotive Business Segment is expected to be at the same level or better than in the first half of the year (operating profit of EUR 7.1 million, 1H 2014).
- Operating result of the Wireless Business Segment in the second half of 2014 is expected to be positive (operating loss of EUR -2.0 million, 1H 2014). In the Wireless Business Segment in the second half of 2014, the demand for R&D services is expected to recover and product-based net sales is expected to grow compared to the first half of the year.
- EB aims at bringing its Wireless Business Segment's products to the global defense and other authority markets, and expects to start gradually generating net sales from these markets from the latter half of 2014 onwards. In the second half of the year the product-based net sales is expected to accumulate mainly from the domestic customers and mainly during the fourth quarter.
- The profit outlook for 2014 does not include possible non-recurring income or costs related to the reorganization cases of TerreStar Networks Inc.

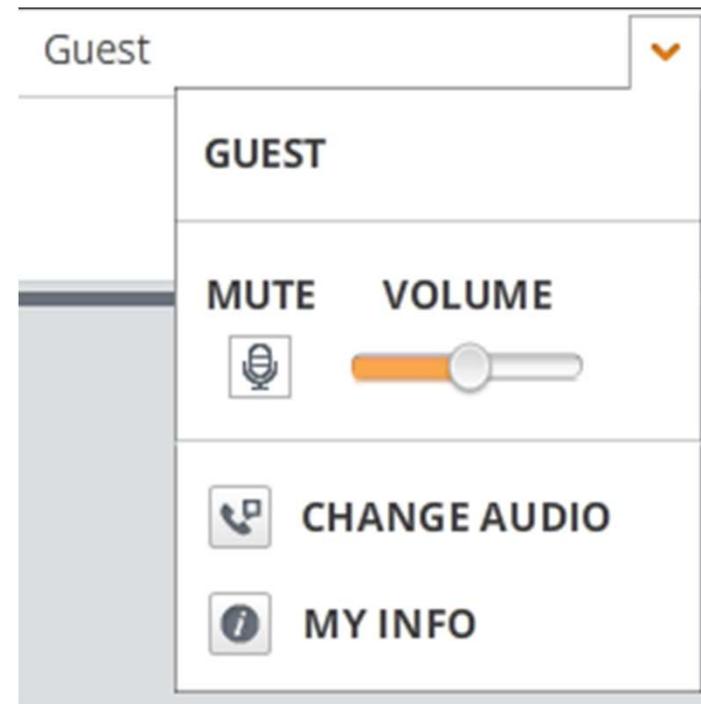
Investors' calendar 2014

**November 6,
2014**

Interim Report
January-
September
2014

Q&A

- For participants online or in the call:
 - All lines have been centrally muted during presentation.
 - In Q&A session, lines will be opened for questions.
- To mute/unmute your phone line during Q&A session press *6.
- Computer audio users can change audio settings by clicking the arrow-button on participants list .



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