



Dialog Semiconductor to Acquire Adesto Technologies Broadening Presence in the Industrial Internet of Things (IIoT) Market

FEBRUARY 20, 2020

Forward-Looking Statements

This presentation contains “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties. In some cases, you can identify these forward-looking statements by the use of terms such as “expect,” “will,” “continue,” or similar expressions, and variations or negatives of these words, but the absence of these words does not mean that a statement is not forward-looking. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including, but not limited to: any statements regarding the expected timing of the completion of the transaction and the benefits of the transaction; the ability of Dialog Semiconductor plc (“Dialog”) and Adesto Technologies Corporation (“Adesto”) to complete the proposed transaction considering the various conditions to the transaction, some of which are outside the parties’ control, including those conditions related to regulatory approvals; any other statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. These forward-looking statements are inherently uncertain, and are based on information available to each of Dialog and Adesto as of the date hereof and current expectations, forecasts, estimates, and assumptions. A number of important factors and uncertainties could cause actual results or events to differ materially from those described in these forward-looking statements, including without limitation: the failure to satisfy or waive any of the conditions to the consummation of the proposed transaction, including the adoption of the Merger Agreement by Adesto’s stockholders and the receipt of certain governmental and regulatory approvals; matters arising in connection with the parties’ efforts to comply with and satisfy applicable regulatory approvals and closing conditions relating to the proposed transaction; the risk that the proposed transaction does not close when anticipated or at all; the effects of disruption from the transactions contemplated by the Merger Agreement on Adesto’s or Dialog’s business and the fact that the announcement and pendency of the transaction may make it more difficult to establish or maintain relationships with employees, suppliers and other business partners; the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement; the outcome of any legal proceedings that may be instituted against Adesto or Dialog related to the Merger Agreement or the proposed transaction; unexpected costs, charges or expenses resulting from the proposed transaction; the occurrence of a Material Adverse Effect (as defined in the Merger Agreement); and other risks that are described in the reports of Adesto filed with the Securities and Exchange Commission (the “SEC”), including but not limited to the risks described in Adesto’s Annual Report on Form 10-K for its fiscal year ended December 31, 2018, which was filed with the SEC on March 18, 2019, and Adesto’s Quarterly Reports on Form 10-Q, and that are otherwise described or updated from time to time in other filings with the SEC. All forward-looking statements attributable to Adesto or Dialog, or persons acting on behalf of either, are expressly qualified in their entirety by this cautionary statement. Further, Adesto and Dialog disclaim any obligation to update the information in this communication or to announce publicly the results of any revisions to any of the forward-looking statements to reflect future events or developments, except as otherwise required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

Additional Information and Where to Find It

In connection with the proposed acquisition, Adesto will file relevant materials with the SEC, including a preliminary and definitive proxy statement. Promptly after filing the definitive proxy statement, Adesto will mail the definitive proxy statement and a proxy card to the stockholders of Adesto. **ADESTO'S STOCKHOLDERS ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) CAREFULLY WHEN IT BECOMES AVAILABLE BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE PROPOSED TRANSACTION BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND THE PARTIES TO THE PROPOSED TRANSACTION.** Stockholders of Adesto will be able to obtain a free copy of these documents, when they become available, at the website maintained by the SEC at www.sec.gov or free of charge at www.adeptotech.com.

Additionally, Adesto and Dialog will file other relevant materials in connection with the proposed acquisition of Adesto by Dialog pursuant to the terms of the Merger Agreement. Adesto, Dialog and their respective directors, executive officers and other members of management and employees, under SEC rules, may be deemed to be participants in the solicitation of proxies of Adesto stockholders in connection with the proposed acquisition. Stockholders of Adesto may obtain more detailed information regarding the names, affiliations and interests of certain of Adesto's executive officers and directors in the solicitation by reading Adesto's most recent Annual Report on Form 10-K, and the proxy statement for Adesto's 2019 annual meeting of stockholders, which was filed with the SEC on April 30, 2019. These documents are available free of charge at the SEC's web site at www.sec.gov or by going to Adesto's Investor Relations Website at www.adeptotech.com. Information about Dialog's directors and executive officers is set forth in Dialog's Annual Report and Accounts 2018. You can obtain free copies of this document by accessing Dialog's website at <https://www.dialog-semiconductor.com>. Information concerning the interests of Adesto's participants in the solicitation, which may, in some cases, be different than those of Adesto's stockholders generally, will be set forth in the definitive proxy statement relating to the proposed transaction when it becomes available.

Strategic Rationale

Market Expansion and Diversification



Broadens exposure to growth segments in the large Industrial IoT market

Diversifies customer base, adds industrial sales channel, and reduces Apple concentration

Strengthened Industrial Portfolio



Delivers differentiated cloud-connected solutions driving Industry 4.0 adoption

Adds complementary product portfolios and world-class IP, enabling full system solutions

Value Creation



Enables cross-selling of the product portfolios to expanded customer base resulting in considerable revenue synergies

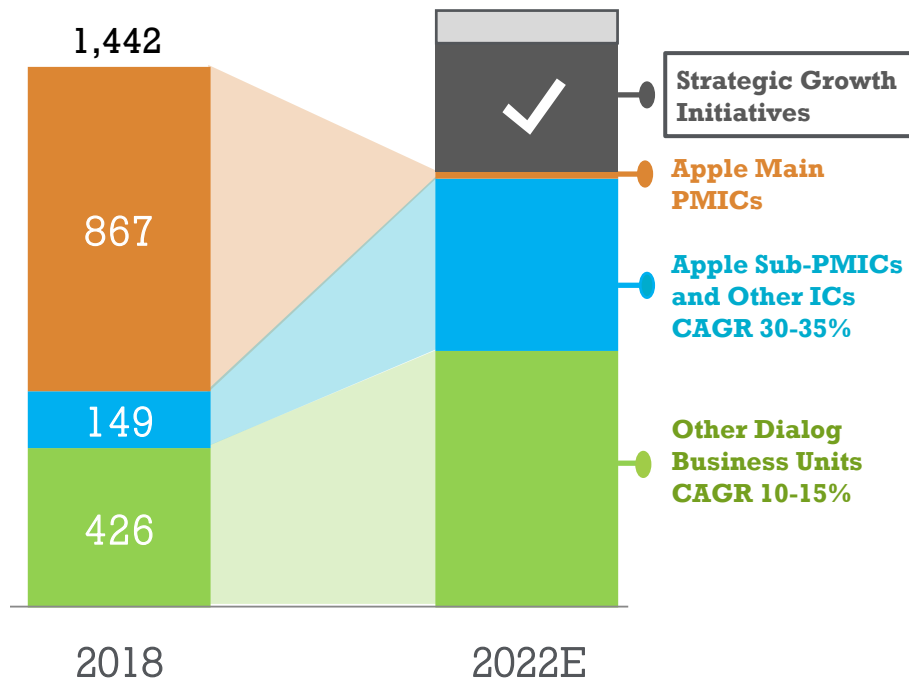
Expects to be EPS accretive in the first calendar year after close*. Expected annual cost synergies of approximately \$20 million

*Financial performance measures are underlying



Accelerates Diversification Strategy

Transition of Dialog's Long-Term Revenue Profile (\$M)¹

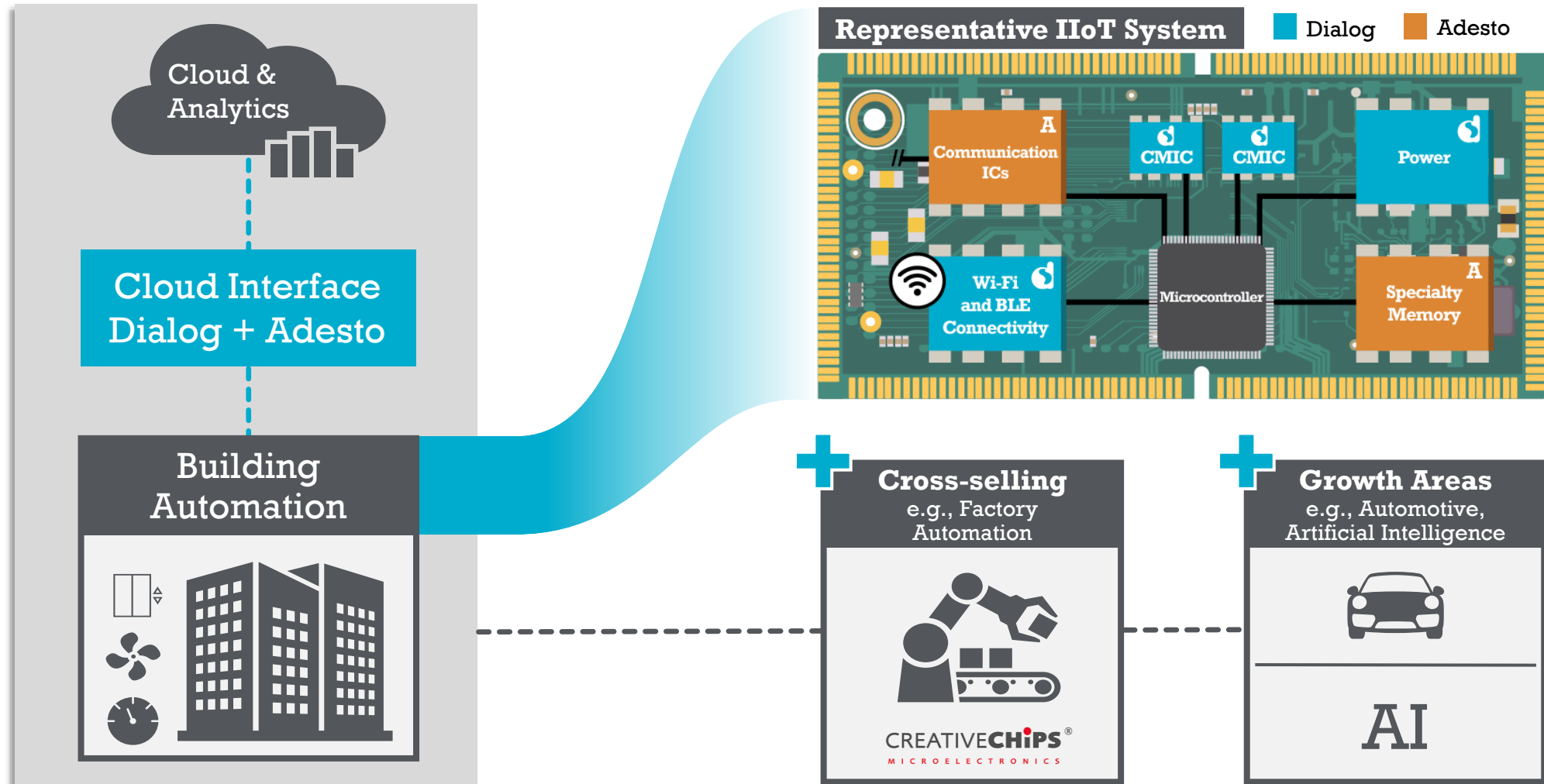


Strategic Growth Initiatives

 Adesto 2020	Broadens presence in growing industrial market, adding large customer base
 CREATIVECHIPS MICROELECTRONICS 2019	Adds IIoT custom and standard products
 FCI 2019	Extends product portfolio adding IoT Wi-Fi

¹ Chart not drawn to scale

Comprehensive IIoT Offering and Cloud Connectivity



Complementary to Dialog's Focus Markets

Complementary Products

Attractive Segments

Integrated System Solutions

Dialog Markets		+ Adesto Technologies		
		CUSTOM SYSTEM-ON-CHIP	SPECIALTY MEMORY	INDUSTRIAL CLOUD CONNECTIVITY
Core Markets	Industry 4.0	✓	✓	✓
	IoT	✓	✓	□
Future Opportunities	Automotive	✓	✓	□

Adds Established Industrial Channel with 5,000+ Customers

INDUSTRY 4.0



ICs, SYSTEM, AND SOFTWARE SOLUTIONS

CUSTOM SYSTEM-ON-CHIP (SoCs)



IoT AND CONNECTED MEDICAL



SPECIALTY MEMORY ICs AND CUSTOM SoCs

Combines Highly Complementary Products and Markets

Adesto

Strategic Fit with Dialog

Industrial Cloud Connectivity

- Enables cloud connectivity with wireless and wireline solutions
- Adds new industrial sales channels and 5,000+ customers, the majority of which are new for Dialog
- Increases Industrial TAM, complementing Creative Chips acquisition

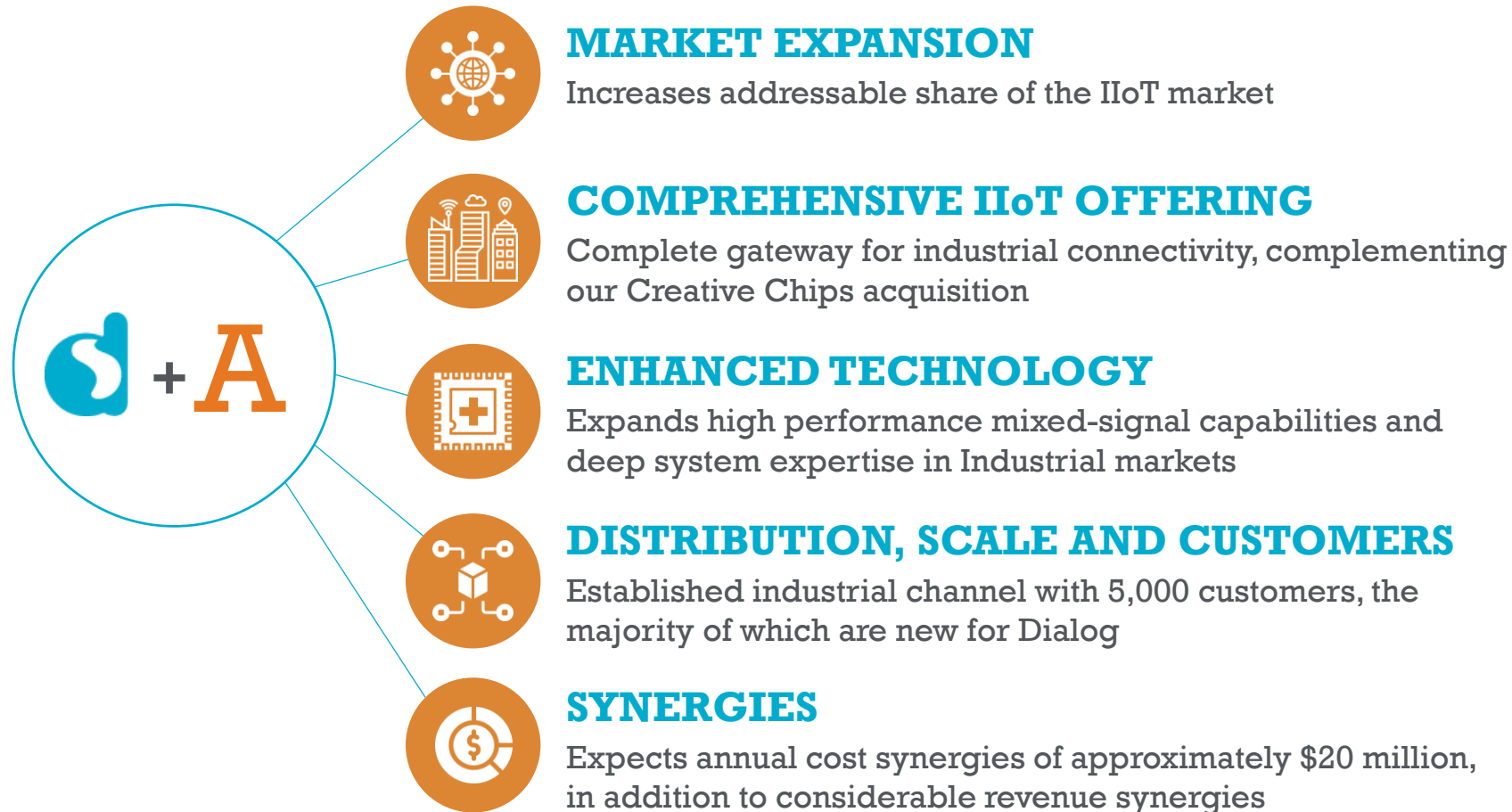
Custom SoCs & High-Performance Mixed Signal IP

- Expands depth and breadth of technology and custom IC design capabilities
- Adds talented mixed-signal design and engineering teams

Specialty Memory

- Drive revenues through cross-selling
- Higher-performance product solutions through integration and optimization (e.g., optimized memory/processor interfaces)
- Opportunity to enter new markets (e.g., Automotive, Artificial Intelligence)

The Power of the Combination



Financial Terms, Timeline and Takeaways

TRANSACTION VALUE: \$12.55 per share in cash; approximately \$500 million enterprise value

FUNDING & FINANCIAL IMPACT

- Financed with cash from Dialog's balance sheet
- Expects to be EPS accretive within the first calendar year of close*
- Expects annual cost synergies of approximately \$20 million within the first year of close, in addition to considerable revenue synergies
- Continued annual growth projected from Adesto's expected FY 2019 revenue of approximately \$118M

APPROVAL PROCESS & ANTICIPATED CLOSE

- Board of Directors of Adesto has unanimously approved the transaction
- Subject to Adesto stockholder approval, regulatory approvals and other customary closing conditions
- Expected to close in Q3 2020

KEY TAKEAWAYS:

**Expands
Industrial IoT
market penetration**



**Highly
complementary
portfolio**



**Accelerates
diversification
strategy**



*Financial performance measures are underlying



Enabling Industry 4.0 Cloud Connectivity

www.dialog-semiconductor.com



Appendix: Underlying Performance Measures

Underlying performance measures are non-IFRS measures.

Our use of non-IFRS measures and their limitations is explained on pages 156 to 161 of our 2018 Annual Report and Accounts.

Underlying performance measures presented herein for 2018, 2017 and 2016 exclude the following specific items that were recognised in profit or loss in accordance with IFRS:

- The share-based compensation expense and related payroll taxes;
- The amortisation of identifiable intangible assets recognised in business combinations;
- In 2017 and 2018, the following items relating to the acquisition of Silego and ams AG's LED backlight business:
 - Acquisition-related costs;
 - The recognition in cost of sales of the consumption of the fair value uplift to inventory held at the acquisition date;
 - The element of deferred amounts payable for Silego that is recognised as a compensation expense;
 - Credits recognised on the forfeiture of deferred consideration payable for Silego;
 - The effect of changes in estimate of the contingent consideration payable for Silego and the interest expense recognised on the unwinding of the discount on the liability;
- In 2017 and 2018, costs incurred in relation to the integration of Silego with our existing businesses;
- In 2018, transaction costs incurred in relation to the acquisition discussions with Synaptics and the licensing and asset transfer agreement entered into with Apple;
- In 2016, the termination fee received on the aborted merger with Atmel and related transaction costs;
- In 2017, the impairment losses recognised by Dyna Image and the further loss recognised on its deconsolidation;
- The effect of measurement at fair value of strategic investments (principally the shares and the warrants that we hold in Energous);
- The non-cash element of the interest expense relating to a patent licensing agreement that was accounted for as a finance lease;
- The income tax effect of the above items, which is calculated by considering the specific tax treatment of each item and by applying the relevant statutory tax rate to those items that are taxable or deductible for tax purposes; and
- In 2017, a non-recurring deferred tax credit arising from US tax reform.