This presentation contains “forward-looking statements” that reflect management’s current views with respect to future events. The words “anticipate,” “believe,” “estimate, “expect,” “intend,” “may,” “plan,” “project” and “should” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties, including, but not limited to: an economic downturn in the semiconductor and telecommunications markets; changes in currency exchange rates and interest rates, the timing of customer orders and manufacturing lead times, insufficient, excess or obsolete inventory, the impact of competing products and their pricing, political risks in the countries in which we operate or sale and supply constraints. If any of these or other risks and uncertainties occur (some of which are described under the heading “Risks and their management” in Dialog Semiconductor’s most recent Annual Report) or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made, however, any subsequent statement will supercede any previous statement.
## Agenda

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<tr>
<th>Time</th>
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<tr>
<td>9:30</td>
<td>Welcome</td>
<td>Jalal Bagherli, CEO</td>
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<tr>
<td>9:40</td>
<td>SmartBond™ - Product and market update</td>
<td>Mark de Clercq, Product Marketing Group Manager</td>
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<td>10:15</td>
<td>Unlocking the Smart Home</td>
<td>Sean McGrath, SVP Connectivity, Automotive and Industrial</td>
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<td>10:45</td>
<td>Accumulate - Mobile Financial Services</td>
<td>Stefan Hultberg, Co-founder and CEO Magnus Westling, Co-founder and CTO</td>
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<td>11:15</td>
<td>Q&amp;A session</td>
<td>All</td>
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<tr>
<td>11:30</td>
<td>Coffee and product demonstrations</td>
<td>All</td>
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Welcome note

Jalal Bagherli, CEO
Making progress on our diversification initiatives

- **Mobile Systems:**
  - Broadening and deepening our customer base
  - Establishing innovative partnerships in Asia

- **Power Conversion:**
  - Leading the fast charging market
  - Expanding our LED SSL IC portfolio

- **Connectivity:** entering the Bluetooth Smart market with SmartBond™
Entering a new phase of pervasive computing

- Low power is fundamental to hardware architecture
- Our mobile devices have become the gateway to the Internet of Things
- Dialog is well placed to address this business opportunity with a wide range of products:
  - Highly integrated PMICs
  - Low power Audio
  - AC/DC converters
  - Bluetooth Smart
SmartBond™ - Bluetooth Smart
Product and Market Update

Mark De Clercq, Product Marketing Group Manager
Agenda

Market Update

Product Update

Wrap-Up
Bluetooth® Smart
What Is It?

- Evolution of current Bluetooth standard - open and license-free standard
- Focus on ultra-low power consumption
- Faster connection set-up and tear-down
- Ideal for transferring small amounts of data
Vision and Mission - Bluetooth Smart
An exciting new business opportunity

Mission
- Capture 25% market share
  ➡ 1B units

Vision 2020
- 1B smartphones
- 4 accessories/smartphone
  ➡ 4B units
Bluetooth Smart market size
Fast growing market opportunity

Bluetooth Smart - Market size  M$

Source: IHS, Juniper, Dialog

73% CAGR 2014-2017
Bluetooth Smart - A very fragmented market
New and emerging segments developing

**Traditional verticals**
- Human Interface Devices
- Health and fitness
- Proximity

**New**
- Smart Homes
- Wireless charging (A4WP)
- Wearables
- Medical
- Automotive

**Emerging (Others)**
- Industrial
- E-Cigarettes
- Toys
2019 Market Segmentation
Half of the market in two segments

Market Segmentation – $1.1B in 2019

- Human Interface Devices (HID)
- Proximity
- Wearables/Health and Fitness
- Smart Home
- Wireless charging - A4WP
- Medical
- Automotive
- Audio
- Others

Source: IHS, Juniper, Dialog
SmartBond™ DA14580
A Breakthrough Solution

- Single-mode Bluetooth® Smart System-on-Chip solution
- Optimized for low power, small size and low system cost
- Embedded Bluetooth SW stack
- Standalone or in combination with external apps processor
A Breakthrough Solution
World’s Lowest Power Consumption

$\frac{1}{2}$ Power consumption of currently available solutions

- Doubles the lifetime of the product
- Halves the size of the battery and reduces the size and cost of the system
A Breakthrough Solution
World’s Smallest Solution

<\frac{1}{2}

Package size of currently available solutions

- 2.5x2.5x0.5mm WL-CSP package

- Minimizes the size of the PCB
- Enables previously inconceivable small form factor industrial designs
A Breakthrough Solution
World’s Most Integrated Solution

\(<\frac{1}{2}\)

Number of external components for complete core solution compared to currently available solutions

- Minimizes the size of the PCB
- Reduces the cost of the system
A Complete Solution
Software and Tools

- Sleep Advisor
- Power Profiler
- Mature stack

smart{snippets}

- Low barrier of entry
- Ease of development
- Fast time-to-market

On-board power measurement

Range of kits

$99

A Complete Solution
Reference Designs

Reference Designs

- Proximity
- Human Interface Devices
- Energy harvesting beacon
- Smart Dice
A Complete Solution
*Modules*

Key to enable
- Small to medium customers
- Large customers with specific needs

Partnership with key world leading wireless module makers
- Murata
- Panasonic
- TDK
- Samsung Electro-Mechanics

Advantages for end customers
- Little to no RF know-how needed
- Certified solutions
A Successful Solution
Engineering Traction

SmartBond™ engineering community
■ Over 1,140 registered engineers
■ 186 registrations per month
■ Balanced regional spread

Development kits sales
■ More than 400 kits shipped in last 4 months
■ Shipping >100 development kits/month

SmartBondTM Community Regional Spread
- APAC 33%
- US 27%
- EMEA 40%
Increasing customer traction
Across a wide range of verticals

Large design ins
- Fitness Band for leading Chinese manufacturer
- RC for Tier 1 Japanese CE company music player
- Low cost remote control platform for top three remote supplier
- Two A4WP reference designs with Tier 1 companies

Significant engagements with Tier 1 customers
- Beacons
- Remote controls
- Home automation
- Wearables
- HIDs
What’s next in this market

Trends
- More Sensors
- Continuous sensing
- Voice commands
- Networking

But same size and power constraints!
What’s next in this market

Focus
- Lower power
- Smaller system size
- Lower system cost

Deliver
- More flexibility
- More performance

Achieve
- Increase our addressable market
- Increase our value in systems
Key take-aways

■ Bluetooth Smart is being adopted in a multitude of high volume applications resulting in a rapidly growing market

■ Dialog’s SmartBond™ is a world-leading solution with unmatched power and size figures

■ Dialog has successfully penetrated the market and is fast increasing its market footprint

■ Dialog is working on the future of SmartBond™ to grow its portfolio and extend its lead in this market
Unlocking the Smart Home

Sean McGrath, SVP Connectivity, Automotive and Industrial
The next battleground for wireless connectivity

- Smart Home forecast to (finally) take off
  - ABI expects major growth in “monitoring devices” for security and comfort - from 17M units in 2013 to > 500M in 2018
- Architecture shaped by the Internet of Things

![Smart Home Devices & Systems](source: Juniper Research)
Traditional Smart Home paradigm
The traditional Smart Home

We all know it’s coming
It’s going to be BIG…
..but it’s not here yet
What’s different this time?
Lifestyle based - The IoT Smart Home

- Part of an internet-based ecosystem
- Dependent upon external data and cloud processing
- Rich variety of (unpredictable) use cases and devices
- Creating new requirements for a smart home architecture
Design requirements for the IoT Smart Home

- End to end connectivity enables innovation
  - IPv6 addressing
  - Protocol and gateway independent

- Mesh networking for coverage

- Autonomy for reliability and convenience
  - ‘Multiple pipe’ systems
  - Direct connectivity to phones and tablets
  - Energy harvesting end nodes
No one standard meets all requirements

End to end connectivity
- IPv6 addressing
- Protocol and gateway independent

Mesh networking

Autonomy
- "Multiple pipe" systems
- Direct connectivity to phones and tablets
- Energy harvesting end nodes
Dialog’s innovation roadmap to grow SAM

**End to end connectivity**
- Wireless implementation of IPv6, 2H ‘14
- Prepared for eventual BT SIG profile

**Networking**
- ‘Network ready’ roadmap
- Mesh network demonstrator 1H ’15
- Compatibility with BT SH study group

**Energy harvesting**
- Demonstrator available today
Key take-aways

■ The IoT Smart Home as **growth driver**
  • 500M units per year by 2018

■ The opportunity is “**up for grabs**”
  • No wireless standard fully meets market needs

■ Bluetooth Smart is well-positioned to win

■ Dialog is innovating to become a leader in this space by 2015 - 2016
Q&A
Investor Information
Calendar, events and analyst coverage

Analyst coverage

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<td>Stephane Houri</td>
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<td>RBC</td>
<td>Doug Freedman</td>
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Financial Calendar

Q2 2014 Results 30 July
Q3 2014 Results 29 October

Key Events

COMMERZBANK

2014 Sector Conference Week
9 September 2014, Frankfurt

2014 Baader Conference
23 September 2014, Munich

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The power to be...