

Dialog Semiconductor to Acquire Silego Technology, the Leader in Configurable Mixed-Signal ICs

Ad-hoc announcement in accordance with Article 17 MAR

- *Establishes Dialog as the #1 player in an emerging and fast-growing Configurable Mixed-signal IC (CMIC) market*
- *Expands Dialog's current addressable market by over \$1.4 billion, solidifying Dialog's position in IoT, mobile computing and automotive*
- *Deepens Dialog's customer relationships through well-established and differentiated product offering and brings new customers*
- *Accelerates Dialog's revenue growth and is accretive to underlying¹ EPS in full calendar year 2018*

London, United Kingdom – October 05, 2017 – [Dialog Semiconductor plc](#) (XETRA:[DLG](#)), a provider of highly integrated power management, AC/DC power conversion, charging, and low power connectivity technology, announced today that it has signed a definitive agreement to acquire privately-held [Silego Technology Inc.](#), the leading provider of Configurable Mixed-signal ICs (CMICs), for a cash payment of \$276 million with additional contingent consideration of up to \$30.4 million.

Headquartered in Santa Clara, California with approximately 235 employees worldwide, Silego is the pioneer and market leader in CMICs that integrate multiple analog, logic, and discrete component functionality into a single chip. Silego's intuitive CMIC software interface allows customers to easily configure these functions and prototype a custom IC in hours with much greater design flexibility. This technology enables OEMs to reduce board space, simplify their supply chain, and accelerate time-to-market. Silego's solutions are increasingly being used across a broad range of new applications, with over 3 billion units sold.

The acquisition of Silego will complement Dialog's market leadership by increasing Dialog's content at existing customers and expanding its customer base. The breadth of the new product portfolio will strengthen Dialog's presence in markets including IoT, computing and automotive.

"The acquisition of Silego brings a highly complementary technology to Dialog. What Silego has developed is truly unique – a mixed-signal platform which customers can configure to their design requirements on the fly, drastically reducing the time to bring

their products to market,” said Jalal Bagherli, CEO of Dialog. “With global scale and customer access, Dialog is the right platform to further accelerate industry wide CMIC adoption. Furthermore, we gain an exceptional group of talented people that will fit well with Dialog’s culture. Together, we will significantly increase the value we can bring to our customers by creating a better-positioned and more-diversified mixed signal offering.”

“We believe Dialog will be a great environment for the Silego team to grow as part of a much larger company serving global customers,” stated John Teegen, CEO of Silego Technology. “Our proprietary and configurable approach has allowed Silego to establish leadership while creating a new market. By leveraging Dialog’s technology and capabilities, I am confident we can further drive adoption of CMICs.”

Silego anticipates achieving over \$80 million of revenue in 2017 and double-digit growth in 2018. The transaction is expected to be accretive to Dialog’s underlying EPS for full calendar year 2018 and accretive to Dialog’s gross margin. The transaction is projected to close in the fourth calendar quarter of 2017, subject to customary closing conditions. Dialog expects to fund the transaction from existing cash.

Barclays is acting as the financial advisor to Dialog, and Hogan Lovells is acting as its legal counsel for the transaction.

Conference Call Details

Dialog Semiconductor invites you today at 9.30 am (London) / 10.30 am (Frankfurt) to take part in a live conference call and to listen to management’s discussion of the transaction. Participants will need to register using the link below labelled ‘Online Registration’. A full list of dial in numbers will also be available. To register for the call and receive dial in numbers, the conference PIN and a unique User ID please click on the link below:

<http://members.meetingzone.com/selfregistration/registration.aspx?booking=FDfBXdvaWRf09UI2Ekiznd4IINita2lvxax0wurQvA4=&b=d58ae4ab-80e5-47f2-8295-e04d92bbba83>

About Dialog Semiconductor

Dialog Semiconductor is a leading provider of integrated circuits (ICs) that power mobile devices and the Internet of Things. Dialog solutions are integral to some of today’s leading mobile devices and the enabling element for increasing performance and productivity on the go. From making smartphones more power efficient and shortening charging times, enabling home appliances to be controlled from anywhere, to connecting the next generation of wearable devices, Dialog’s decades of experience and world-class innovation help manufacturers get to what’s next.

Dialog operates a fabless business model and is a socially responsible employer pursuing many programs to benefit the employees, community, other stakeholders and the environment we operate in. Dialog Semiconductor plc is headquartered in London with a global sales, R&D and marketing organization. In 2016, it had approximately \$1.198 billion in revenue and was one of the fastest growing European public semiconductor companies. It

currently has approximately 1,800 employees worldwide. The company is listed on the Frankfurt (FWB: DLG) stock exchange (Regulated Market, Prime Standard, ISIN GB0059822006) and is a member of the German TecDax index. For more information, visit www.dialog-semiconductor.com.

About Silego Technology

Silego, headquartered in Santa Clara, California, is a fabless semiconductor company that designs and sells highly configurable power, logic and timing mixed-signal ICs. Silego chips offer the combination of mixed signal functionality and programmable logic in small footprints and at a low cost. Its analog mixed-signal IC design platform presents a new paradigm for designers by accelerating customers' time to market, leading to deep, long-standing customer engagement. The company has operations in Taiwan, and additional design and technology centers in China, Korea and Ukraine. For more information, visit www.silego.com.

Forward Looking Statements

This announcement contains forward-looking statements that reflect management's current views with respect to future events. Forward-looking statements include but are not limited to: (i) Dialog's plans, objectives, expectations and intentions, the benefits of the proposed acquisition, and the expected timing of completion of the transaction; (ii) expected adoption of new technologies, expected developments in product portfolio, expected future design wins, expected incorporation of products in those of customers, and expected financial results; and (iii) expected cost, revenue technology and other synergies of the proposed acquisition and business and management strategies.

These forward-looking statements are based upon the current beliefs and expectations of the management of Dialog and involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Dialog's ability to control or estimate precisely and include but are not limited to: (i) the possibility that the proposed merger does not close when expected or at all, the ability to obtain the approval of antitrust authorities necessary to complete the proposed acquisition, or that the companies, in order to achieve governmental and regulatory approvals, may be required to modify aspects of the proposed acquisition or to accept conditions that could adversely affect the combined company or the expected benefits of the proposed acquisition; (ii) the inherent uncertainty associated with financial projections; (iii) the ability to realize the expected synergies or savings from the proposed acquisition in the amounts or in the timeframe anticipated; (iv) the potential harm to customer, supplier, employee and other relationships caused by the announcement or closing of the proposed acquisition; (v) the ability to integrate Silego's businesses into those of Dialog's in a timely and cost-efficient manner; (vi) the development of the markets for Silego's products; (vii) dependence on key personnel; and (viii) other risks described under the heading "Managing risk and uncertainty" in Dialog Semiconductor's most recent Annual Report.

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 supersede any previous statement.

1 Underlying measures quoted in this Press Release are non-IFRS measures

Purchase price allocation

Financial information presented in this Press Release does not reflect the allocation of the purchase price of Silego Technologies to its identifiable assets and liabilities at the acquisition date that will be performed in accordance with IFRS.

Underlying measures

Underlying measures of performance are non-IFRS measures because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS or are calculated using financial measures that are not calculated in accordance with IFRS. We do not regard non-IFRS measures as a substitute for, or superior to, the equivalent IFRS measures. Non-IFRS measures presented by us may not be directly comparable with similarly-titled measures used by other companies.

Underlying measures of performance presented in this Press Release exclude the following specific items of income and expense that are recognized in profit or loss in accordance with IFRS:

- share-based compensation expense and related payroll taxes;
- amortization of identifiable intangible assets recognized in business combinations;
- transaction costs incurred in relation to the acquisition of Silego Technologies;
- integration costs incurred in relation to Silego Technologies;
- the non-cash element of the interest expense recognized in relation to a patent licensing agreement that is accounted for as a finance lease within other intangible assets;
- the effect on profit or loss of changes in the fair value of strategic investments ; and
- the income tax effect of each 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.

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Investor Contacts:

Jose Cano
Dialog Semiconductor
Phone: +44 (0)1793 756 961
jose.cano@diasemi.com

Matt Dixon
FTI Consulting
Phone: +44 (0)2037 271 137
matt.dixon@fticonsulting.com

Anja Meusel
FTI Consulting
Phone: +49 (0) 69 9203 7120
anja.meusel@fticonsulting.com

Media Contacts:

Lauren Ofstedahl
Dialog Semiconductor
Phone: +1 (408) 845 8518
lauren.ofstedahl@diasemi.com
Web: www.dialog-semiconductor.com
Twitter: [@DialogSemi](https://twitter.com/DialogSemi)