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## TRANSACTION SUMMARY

<table>
<thead>
<tr>
<th>Transaction Consideration</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Equity value of EUR 4.9 billion</td>
<td></td>
</tr>
<tr>
<td>- EUR 67.5 per share in all-cash</td>
<td></td>
</tr>
<tr>
<td>- Premium of approximately 32.6% to Dialog’s 1-month VWAP from Feb 5th, 2021⁽¹⁾</td>
<td></td>
</tr>
<tr>
<td>• Enterprise value of EUR 4.5 billion ⁽²⁾</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Source of Financing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Bridge facility up to JPY 735 billion yen</td>
<td></td>
</tr>
<tr>
<td>• Cash on hand and capital raised through equity issuance to constitute part of permanent financing</td>
<td></td>
</tr>
<tr>
<td>• Shelf registration statement for equity issuance filed</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Impact</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Accretive to non-GAAP gross margin and non-GAAP EBIT margin by approximately 60bps and 40bps, respectively⁽³⁾</td>
<td></td>
</tr>
<tr>
<td>• Expected cost saving of USD 125m per annum and revenue-driven synergy of USD 200m per annum in approximately 3 years and 4-5 years, respectively</td>
<td></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Approval &amp; Closing</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>• Approval by Dialog’s shareholders</td>
<td></td>
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<tr>
<td>• Regulatory clearance (including anti-trust in relevant regions)</td>
<td></td>
</tr>
<tr>
<td>• UK court hearing and sanction</td>
<td></td>
</tr>
<tr>
<td>• Closing by end of 2021</td>
<td></td>
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</tbody>
</table>

⁽¹⁾ Source: Factset  
⁽²⁾ Net Cash EUR 360m as of the end of Sep 2020  
⁽³⁾ Simple sum of the figures for both companies (FY2020/9 LTM basis)
**DIALOG AT-A-GLANCE**

- **Founded:** 1981
- **Employees:** Approximately 2,300 employees worldwide
- **Headquarters:** Reading, United Kingdom
- **Listing:** Frankfurt (DLG)

**Financials (FY2019, USD m, Underlying-basis):**

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2019 USD m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,420</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>707</td>
</tr>
<tr>
<td>(Gross Margin 49.8%)</td>
<td></td>
</tr>
<tr>
<td>Operation Profit</td>
<td>324</td>
</tr>
<tr>
<td>(Operating Margin 22.8%)</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>390</td>
</tr>
<tr>
<td>(EBITDA Margin 27.5%)</td>
<td></td>
</tr>
</tbody>
</table>

(1) Excluding Adesto Technologies, which Dialog Semiconductor acquired in June 2020 and categorized as Industrial IoT.

**Revenue Breakdown (FY2019)**

- **By Region:**
  - APAC: 86%
  - USA: 11%
  - Europe: 2%
  - Others: 0.4%

- **By Category:**
  - Custom Mixed Signal: 69%
  - Advanced Mixed Signal: 18%
  - Connectivity & Audio: 13%
  - Industrial IoT: 0%

- **By Channel:**
  - Direct: 70%
  - Channel: 30%

- **Revenue % of The Largest Customer:**
  - 70% in 2018
  - 66% in 2019
  - 25-30% in 2023E
PRODUCT OVERVIEW

Key Product

- Custom Mixed Signal
  - Power management IC
  - Low power PMIC
  - Battery management
  - Display PMIC

- Advanced Mixed Signal
  - Configurable mixed-signal IC (CMIC)
  - AC/DC power conversion IC
  - LED driver
  - Capacitive divider

- Connectivity & Audio
  - Bluetooth low energy IC
  - Low power Wi-Fi
  - Haptic drivers
  - Digital audio and audio CODEC IC

- Industrial Mixed Signal
  - IO-Link
  - ASIC
  - Industrial ethernet
  - NOR flash & resistive RAM

Application

- Handheld
- IoT
- Industrial IoT
- Automotive
- Gaming, Computing & Storage

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CONSISTENT M&A STRATEGY EXECUTION

2016
Analog / MSIG

2018
Talent

2021
Application
COMBINATION OVERVIEW
ENHANCED OFFERINGS WITH DIALOG’S PRODUCTS / TECHNOLOGIES
BETTER-BALANCED PORTFOLIOS

(1) FY2020/9 LTM
(2) FY2020/9 LTM and Renesas Internal Analysis
EXPANDED R&D TALENT POOLS ACROSS GEOGRAPHIES

Balanced and augmented R&D capital to seamlessly serve global customers

R&D Headcount

- Japan: 56%
- Americas: 15%
- EMEA: 8%
- APAC: 21%

Total R&D Headcount:
- Renesas: ~7,400
- Dialog: ~1,800
- ~9,200
## COMPELLING FINANCIAL BENEFITS

### (Non-GAAP)

<table>
<thead>
<tr>
<th>Revenue(^{(1)})</th>
<th>JPY 716bn (USD 6,820M)</th>
<th>JPY 138bn (USD 1,318M)</th>
<th>JPY 854bn (USD 8,138M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA(^{(1)})</td>
<td>JPY222bn (USD 2,112M)</td>
<td>JPY 36bn (USD 338M)</td>
<td>JPY 257bn (USD 2,451M)</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>46.8%</td>
<td>50.5%</td>
<td>47.4%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>18.4%</td>
<td>21.1%</td>
<td>18.8%</td>
</tr>
</tbody>
</table>

Source: Company Filings

(1) Based on USD/JPY=105
(2) FY2020/9 LTM
(3) FY2020/9 LTM
(4) Simple sum of the figures for both companies
EXPECTED SYNERGIES WITH DIALOG

Successful integrations of past acquisitions have laid a solid foundation for synergies with Dialog

Expected cost synergy (1)

- **SG&A**
  - Elimination of public company expenses
  - Reduction of outsourcing spend
  - Optimization of organization and headcount

- **CoGS**
  - Scale benefit in procurement
  - Scale benefit in distribution margin

- **R&D**
  - Scale benefit in EDA software licenses and support
  - Project prioritization on a larger scale

**Total USD 125m**

Expected revenue-driven synergy (2)

**Approximately USD 200m by:**

**Cross sell**
- Complementary product / technology offerings to both new customers and existing customers
- Expansion of customer reach for Dialog's products through larger sales force and channels of Renesas
- Complete / full-spectrum solutions to both new customers and existing customers

**Winning Combos (system solution offerings)**
- Combination of Dialog's low power and connectivity products / technologies with Renesas' MCUs, SoCs and MPUs
- Dialog’s differentiated products / technologies to enable more solutions to address fast-growing applications (e.g. IoT, industrial, automotive etc.)

(1) Operating income on an annual run rate basis targeting to achieve in approximately 3 years after close.
(2) Operating income expected from cross-sell and system solution offerings in approximately 4-5 years after close.
OUR TRACK RECORD – COST SYNERGIES

Synergy with Intersil (1)

<table>
<thead>
<tr>
<th>Year</th>
<th>Plan</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>2018</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>2019</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>2020</td>
<td>0</td>
<td>-</td>
</tr>
</tbody>
</table>

Synergy with IDT (1)

<table>
<thead>
<tr>
<th>Year</th>
<th>Plan</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>2020</td>
<td>0</td>
<td>-</td>
</tr>
</tbody>
</table>

(1) As of Dec 31, 2020
Gross savings on an annual run rate basis, in $m
## OUR TRACK RECORD – REVENUE SYNERGIES

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Solution</th>
<th>2019 Actual</th>
<th>2020 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deeper</td>
<td>Boost sales per customer</td>
<td>Winning combinations</td>
<td>LTV of $129m</td>
</tr>
<tr>
<td>Broader</td>
<td>Win new customers</td>
<td>New customer acquisition</td>
<td>11,802 new customers</td>
</tr>
</tbody>
</table>
FINANCING PLAN

- Bridge facility of JPY 735 billion by MUFG Bank and Mizuho Bank
- Cash on hand and capital raised by new equity issuance to constitute part of permanent financing
- Shelf registration statement for equity issuance filed

Shelf Registration

- Scheduled issue period: From Feb 24, 2021 to Feb 23, 2022
- Scheduled issue amount: Up to JPY 270 billion
- Use of proceeds: Acquisition or to repay borrowing conducted to procure funding for Acquisition

Pro-forma EPS (Non-GAAP)
LEVERAGE

- Solid cash flow for quick deleveraging
- Target Net Debt / EBITDA of 1.0x in mid-term
- Equity issuance for maintaining investment grade ratings

(1) Pro-forma leverage of the combined company, Non GAAP EBITDA basis

Rapid Deleverage

Net Debt / EBITDA (1)

- 3.5x e/o FY21
- 1.0x 2+ years

Equity finance
FCF
TRANSACTION MILESTONES

- Approval by Dialog’s shareholders
- Regulatory clearance (including anti-trust in relevant regions)
- UK court hearing and sanction
- Closing by end of 2021
- Permanent financing
KEY TAKEAWAYS

- Consistent acquisition strategy to expand analog / mixed signal technologies
- Complementary product offerings and go-to-market approaches make combination readily synergistic
- Better distribution in product portfolio and in market exposure
- Talent reinforcement across geographies to make us more cosmopolitan