



## Adesto Completes Acquisition of Echelon

September 14, 2018

SANTA CLARA, Calif., Sept. 14, 2018 (GLOBE NEWSWIRE) -- Adesto® Technologies (NASDAQ: IOTS), a leading provider of innovative application-specific semiconductors and systems for the IoT era, is pleased to announce the successful completion of its previously announced acquisition of Echelon Corporation (NASDAQ: ELON). Echelon® is a pioneer in the development of open-standard networking platforms for connecting, monitoring and controlling devices in commercial and industrial applications.

The definitive agreement was initially announced on June 29, 2018, and Echelon shareholders approved the transaction at a Special Meeting of Shareholders held on September 13, 2018. The transaction closed and became effective today, with each share of Echelon being converted into the right to receive \$8.50 in cash, without interest. The cash transaction represents a total equity value of approximately \$45 million, and a total enterprise value of about \$30 million. Echelon's trailing 12-month revenue as of the second quarter ended June 30, 2018 was approximately \$31.6 million. As a result of the transaction's close, the common stock of Echelon will no longer be listed for trading on the NASDAQ stock exchange, effective immediately.

Adesto expects to realize cost synergies of approximately \$6 million to \$8 million in the first 12 months, with more than half to be realized in the fourth quarter of 2018. The Company also expects the acquisition to be accretive to EBITDA and non-GAAP EPS within the first 12 months.

"This acquisition marks a pivotal step for Adesto as we continue to expand our innovative solutions to help customers unlock the true potential of the IoT," said Narbeh Derhacobian, CEO of Adesto. "We now provide not only semiconductors, but also open-standard networking platforms and tools for connecting, monitoring and controlling devices in commercial and industrial IoT deployments. We have significantly expanded our served available market, while also increasing our revenue and potential for margin expansion. Together with our differentiated non-volatile memory products and our mixed-signal and RF ASICs and IP, we're able to deliver the essential building blocks that allow seamless access to data, and control of things, in an increasingly connected world."

The Echelon group will now become Adesto's Embedded Systems Division, led by Chris Jodoin, former SVP of operations and planning at Echelon.

According to Jodoin, "As part of Adesto, we will continue to support, promote and expand on Echelon's 30-year heritage, which has become synonymous with intelligent Industrial IoT products and solutions. Our increased scale will enable us to embark on new product initiatives and provide enhanced customer support and access. We look forward to building on our base of an estimated 140 million installed LON-powered devices, and to enabling our customers to achieve success across their applications in smart buildings, smart manufacturing and other industrial segments."

Over the last several years, Echelon has made significant progress with its Lighting Solutions business. Adesto is currently exploring several strategic alternatives for this product line in order to better align the core Echelon business with Adesto's long-term focus.

Adesto will provide updates on the Echelon integration as part of its upcoming earnings conference call to be held in early November. Details regarding the date and time of the conference call will be provided at a later date.

For more information on the Echelon acquisition, visit [www.adestotech.com/empowering\\_IIoT](http://www.adestotech.com/empowering_IIoT).

### About Adesto Technologies

Adesto Technologies (NASDAQ: [IOTS](http://IOTS)) is a leading provider of innovative application-specific semiconductors and systems for the IoT era. The company's technology is used by more than 2,000 customers worldwide who are creating differentiated solutions across industrial, consumer, medical and communications markets. With its growing portfolio of high-value technologies, Adesto is helping its customers usher in the era of the Internet of Things. See: [www.adestotech.com](http://www.adestotech.com).

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### Forward-looking Statements

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and other federal securities laws. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. Any statements contained herein which do not describe historical facts, including but not limited to statements regarding the expected cost synergies, timing of realization of cost synergies, potential financial impact of the transaction, the potential benefits and effects of the transaction and Adesto's plans, objectives, expectations and intentions are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those discussed in such forward-looking statements. Such risks and uncertainties include the following, among others: the expected synergies and other financial benefits of the transaction may not be realized; integration of the acquisition may not occur as anticipated; unanticipated restructuring costs may be incurred or undisclosed liabilities assumed; attempts to retain key personnel and customers may not succeed; the business combination or the combined company's products may not be supported by third parties; actions by competitors may negatively impact results; and there may be negative changes in general economic conditions in the regions or the industries in which Adesto and Echelon operate. In addition, please refer to the risks identified in Adesto's filings with the SEC, including its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018, filed with the Securities and Exchange Commission on August 9, 2018, and subsequent filings with the SEC. Adesto cautions you not to place undue reliance on any forward-looking statements, which speak only as of the date they are made. Adesto undertakes no obligation to update publicly any forward-looking statements to reflect new information, events or circumstances after the date they were made or to reflect the occurrence of unanticipated events.

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