

ADESTO TECHNOLOGIES CORPORATION

**NOTICE OF FUNDAMENTAL CHANGE AND MAKE-WHOLE FUNDAMENTAL CHANGE
AND
EXECUTION OF SUPPLEMENTAL INDENTURE**

**4.25% CONVERTIBLE SENIOR NOTES DUE 2024 OF ADESTO TECHNOLOGIES
CORPORATION (CUSIP No. 00687D AA9)¹**

To the Holders of the 4.25% Convertible Senior Notes due 2024 of Adesto Technologies Corporation:

This Notice of Fundamental Change and Execution of Supplemental Indenture (this “*Notice*”) is given by Adesto Technologies Corporation, a Delaware corporation (the “*Company*”), pursuant to the provisions of Sections 14.07 and 15.02 of the Indenture, dated as of September 23, 2019 (the “*Base Indenture*”), between the Company and U.S. Bank National Association, as trustee (the “*Trustee*”), as supplemented by the First Supplemental Indenture, dated as of June 29, 2020 (the “*First Supplemental Indenture*” and together with the Base Indenture, the “*Indenture*”), relating to the 4.25% Convertible Senior Notes due 2024 (the “*Notes*”) of the Company. The Trustee also serves as conversion agent and paying agent under the Indenture. This is the Fundamental Change Company Notice referenced in Section 15.02(b) of the Base Indenture. Capitalized terms used in this Notice, unless otherwise defined herein, have the meanings given to such terms in the Indenture.

At 8:00 a.m. Eastern time, on June 29, 2020, Azara Acquisition Corp. (“*Merger Sub*”), a Delaware corporation and wholly owned direct or indirect subsidiary of Dialog Semiconductor plc, a company incorporated in England and Wales (“*Parent*”), merged with and into the Company (the “*Merger*”) pursuant to the terms of that certain Agreement and Plan of Merger, dated as of February 20, 2020, by and among the Company, Merger Sub and Parent, and the Company became a wholly owned indirect subsidiary of Parent.

Under the Indenture, a Fundamental Change occurred as a result of the consummation of the Merger on June 29, 2020 (the “*Fundamental Change Effective Date*”). The Merger also constituted a Make-Whole Fundamental Change under the Indenture. See “Conversion Rights” below. Pursuant to Section 15.02 of the Base Indenture, on or before August 25, 2020 (the “*Fundamental Change Repurchase Date*”), each holder of a Note outstanding on such date (each, a “*Holder*”) shall, subject to certain conditions contained in the Indenture, have the right, by providing notice as stated herein, to require the Company to repurchase for cash all of such Holder’s Notes, or any portion of such Holder’s Notes that is equal to \$1,000, or a multiple of \$1,000 in excess thereof, at a repurchase price equal to 100% of the principal amount of the Notes to be purchased, plus accrued and unpaid interest to but excluding the Fundamental Change Repurchase Date, which equals \$18.7708 for each \$1,000 in principal amount of Notes (the “*Fundamental Change Repurchase Price*”).

Payment of the Fundamental Change Repurchase Price will be made in cash by the Paying Agent on the later of (i) the Fundamental Change Repurchase Date (provided the Holder has satisfied the conditions set forth below under “Manner of Repurchase”) and (ii) the time of book-entry transfer or the delivery of the Notes to be repurchased to the Paying Agent by the Holder in the manner set forth below under “Manner of Repurchase.” If by 11:00 a.m. (New York City time) on the Fundamental Change Repurchase Date, the Paying Agent holds money sufficient to pay the Fundamental Change Repurchase

¹ This CUSIP number is included solely for the convenience of the holders of Notes. Neither the Company nor the Trustee shall be responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness with respect to the Notes or as indicated in this Notice.

Price of the Notes to be repurchased on the Fundamental Change Repurchase Date, then, with respect to the Notes that have been properly surrendered for repurchase and have not been validly withdrawn in accordance with the provisions of the Indenture, (a) such Notes will cease to be outstanding, (b) interest will cease to accrue on such Notes (whether or not book-entry transfer of the Notes has been made or the Notes have been delivered to the Paying Agent) and (c) all other rights of the Holders of such Notes will terminate (other than the right to receive the Fundamental Change Repurchase Price). If a Holder does not exercise its right to require the Company to repurchase all the Notes owned by such Holder, then after the Fundamental Change Repurchase Date and upon surrender of the Notes as to which such right has been exercised, a new Note or Notes of a principal amount at issuance equal to the portion of the Notes not submitted to the Company for repurchase shall be issued upon cancellation of the original Note.

Holders who deliver their Notes and a Fundamental Change Repurchase Notice to the Paying Agent and do not properly and validly withdraw such notice prior to the close of business on August 24, 2020 will not be permitted to convert such Notes in connection with the Make-Whole Fundamental Change as contemplated in Section 14.03 of the Base Indenture. See “Conversion Rights” below.

Holders of Notes should consider the following important dates in connection with this Notice:

Calendar Date	Event
June 29, 2020	The date of the consummation of the Merger, which constitutes a Fundamental Change and a Make-Whole Fundamental Change.
Close of business on August 24, 2020	The time on the last day for Holders to (i) elect to require the repurchase of Notes and deliver Notes pursuant to this Notice or (ii) validly withdraw elections to require the repurchase of Notes.
August 25, 2020 (the “Fundamental Change Repurchase Date”)	<p>The Company accepts all elections to require the repurchase of Notes validly delivered prior to the close of business on August 24, 2020 and not validly withdrawn.</p> <p>The Company deposits with the Paying Agent the amount of cash necessary to pay each electing and delivering Holder the Fundamental Change Repurchase Price.</p> <p>The Paying Agent pays each electing Holder who has delivered its Notes before the close of business on August 24, 2020 in cash for all of the Notes properly and validly delivered by such Holder and not validly withdrawn.</p> <p>The last day for Holders who do not elect to require the repurchase of their Notes to elect to submit their Notes for conversion (as described under “Conversion Rights” below).</p>

None of the Company, the Trustee, the Conversion Agent or the Paying Agent makes any recommendation as to whether Holders should elect to require the Company to repurchase their Notes.

MANNER OF REPURCHASE

If you are the owner of a beneficial interest in the Notes through The Depository Trust Company (“DTC”) and you elect to submit your Notes for repurchase, you must, prior to the close of business on August 24, 2020:

- (i) complete the appropriate instruction form pursuant to DTC’s book-entry program;

- (ii) deliver through the DTC's book-entry system your beneficial interest, together with an agent's message transmitted by DTC to the Paying Agent (instead of delivering the Fundamental Change Repurchase Notice described below); and
- (iii) follow any other required directions as instructed by DTC. The term "agent's message" means a message, transmitted by DTC to, and received by, the Paying Agent and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the participant submitting the Notes for repurchase, which acknowledgment states that such participant has received and agreed to be bound by the terms and conditions of this Notice.

Each beneficial owner of a beneficial interest in the Notes that has properly and validly delivered such beneficial interest and agent's message for repurchase through DTC, and not properly withdrawn such delivery prior to the close of business on August 24, 2020, will receive the Fundamental Change Repurchase Price through the facilities of DTC promptly following the Fundamental Change Repurchase Date. Delivery by any owner of a beneficial interest in the Notes, together with an agent's message through the facilities of DTC prior to the close of business on August 24, 2020, is a condition to receipt of the Fundamental Change Repurchase Price by such Holder.

In order for any Holder of Notes that are Physical Notes to exercise its right to require the Company to repurchase a Note at the Fundamental Change Repurchase Price, such Holder must, prior to the close of business on August 24, 2020, deliver to the Paying Agent:

- (i) written notice in the form of the Fundamental Change Repurchase Notice as set forth in Attachment 2 to the Note, or in the form set forth as **Exhibit A** hereto, in each case, duly completed and signed, with appropriate signature guarantee; and
- (ii) the Notes with respect to which the Holders right to require the Company to repurchase the Notes pursuant to Section 15.02 of the Base Indenture is being exercised, duly endorsed for transfer to the Company.

A Fundamental Change Repurchase Notice for certificated Notes may be delivered by letter, overnight courier, hand delivery, facsimile transmission or other written form.

NOTICE OF WITHDRAWAL

Any Holder of Notes who has given a Fundamental Change Repurchase Notice may withdraw such Fundamental Change Repurchase Notice, in whole or in part, by delivery of a written notice of withdrawal in the form attached hereto as **Exhibit B** (the "**Withdrawal Notice**") to the Paying Agent at any time prior to the close of business on August 24, 2020. A Withdrawal Notice must specify:

- (i) the principal amount of the Notes with respect to which such Withdrawal Notice is being submitted, which must be \$1,000 or an integral multiple thereof;
- (ii) if Physical Notes have been issued, the certificate numbers of the Notes in respect of which such Withdrawal Notice is being submitted; and
- (iii) the principal amount, if any, of such Notes that remains subject to the original Fundamental Change Repurchase Notice, which portion must be in principal amounts of \$1,000 or an integral multiple thereof.

A Withdrawal Notice for certificated Notes may be delivered by letter, overnight courier, hand delivery, facsimile transmission or other written form. Notwithstanding the foregoing, a Withdrawal

Notice with respect to a beneficial interest in a Global Note must comply with the procedures of DTC in effect at such time.

The Paying Agent will promptly notify the Company of the receipt by it of any Fundamental Change Repurchase Notice or Withdrawal Notice.

EXECUTION OF SUPPLEMENTAL INDENTURE

In connection with the Merger and pursuant to Sections 10.01 and 14.07 of the Base Indenture, the Company and the Trustee entered into the First Supplemental Indenture, providing that as a result of the Merger, (i) from and after the effective time of the Merger, each \$1,000 in principal amount of the Notes is, at and after the effective time of the Merger, convertible in accordance with the terms of the Indenture into the Reference Property, which shall consist of cash in an amount equal to the Conversion Rate in effect on the applicable Conversion Date *multiplied by* the price paid per share of outstanding Common Stock in the Merger, which shall initially be cash in the amount of \$1,045.44 per \$1,000 principal amount of Notes (prior to any adjustment contemplated pursuant to Section 2.02 of the First Supplemental Indenture) and (ii) the Company shall satisfy its Conversion Obligation by paying cash to the converting Holders on the second Business Day immediately following the relevant Conversion Date.

CONVERSION RIGHTS

Holders that do not elect to require the Company to repurchase their Notes will maintain the right to convert their Notes into cash until the Fundamental Change Repurchase Date, upon the terms and subject to the conditions of the Indenture.

By virtue of the Merger, on the Fundamental Change Effective Date, the right to convert the Notes was changed into a right to convert each \$1,000 principal amount of Convertible Notes into cash. Pursuant to Section 14.07 of the Base Indenture and Section 2.02 of the First Supplemental Indenture, each Holder of a Note has the right, upon conversion of such Note, to receive an amount of cash equal to (i) \$1,219.96 per \$1,000 principal amount of Notes based on a Conversion Rate of 97.2080 in the case of a Holder that elects to convert its Notes, in accordance with the Indenture, during the period commencing on the Fundamental Change Effective Date and ending on, and including, the Business Day immediately prior to the Fundamental Change Repurchase Date (such period, the “*Make-Whole Fundamental Change Period*”), and (ii) \$1,045.44 per \$1,000 principal amount of Notes based on a Conversion Rate of 83.3021 in the case of a Holder that elects to convert its Notes, in accordance with the Indenture, other than during the Make-Whole Fundamental Change Period.

Except as set forth above or otherwise pursuant to the terms of the Indenture, the Conversion Rate will not be subject to further adjustment.

Holders who fail to validly convert their Notes during the Make-Whole Fundamental Change Period will not be entitled to receive any additional consideration in accordance with Sections 14.03 and 14.07 of the Base Indenture.

A Holder may convert its Notes at any time prior to, and including, the Fundamental Change Repurchase Date, upon the terms and subject to the conditions of the Indenture. In order to receive the additional consideration, however, a Holder must convert its Notes during the Make-Whole Fundamental Change Period. Following the Fundamental Change Repurchase Date, a Holder may only convert its Notes subject to and in compliance with the provisions of the Indenture.

The Company will settle in cash its conversion obligation in respect of the principal amount of Notes that are so converted on an ongoing basis on the second Business Day immediately following the relevant Conversion Date. Therefore, Holders that validly convert their Notes during the two Business

Days immediately preceding the Fundamental Change Repurchase Date may not receive the cash payment with respect to their Notes until after the Fundamental Change Repurchase Date.

At the time of this Notice the Notes are eligible for conversion.

In order to convert its Notes during the Make-Whole Fundamental Change Period, a Holder must, on or prior to the Business Day immediately prior to the Fundamental Change Repurchase Date, take the following actions:

- (i) in the case of a Global Note, comply with the procedures of DTC in effect at that time for converting a beneficial interest in a Global Note and, if required, pay funds equal to the interest payable on the next Interest Payment Date to which such Holder is not entitled as set forth in Section 14.02(h) of the Base Indenture (and, if required, pay all transfer or similar taxes, if any, as set forth in Section 14.02(e) of the Base Indenture); and
- (ii) in the case of a Physical Note:
 - (a) complete, manually sign and deliver an irrevocable notice to the Conversion Agent, in the form set forth in Attachment 1 to such Physical Note (**Exhibit C** hereto) (or a facsimile, PDF or other electronic transmission thereof) (a “**Notice of Conversion**”), at the office of the Conversion Agent;
 - (b) surrender such Note, duly endorsed to the Company or in blank (and accompanied by appropriate endorsement and transfer documents), at the office of the Conversion Agent;
 - (c) if required, furnish appropriate endorsements and transfer documents; and
 - (d) if required, pay funds equal to the interest payable on the next Interest Payment Date to which such Holder is not entitled as set forth in Section 14.02(h) of the Base Indenture.

The Conversion Agent shall notify the Company of any conversion on the Conversion Date for such conversion.

Any Notes as to which a Fundamental Change Repurchase Notice has been delivered by a Holder may be converted pursuant to the immediately foregoing paragraph only if the applicable Fundamental Change Repurchase Notice has been validly withdrawn in accordance with the terms of the Indenture, which are described above. Conversion Notices properly and validly delivered for conversion are irrevocable by the Holder.

PAYING AGENT

The name and address of the Paying Agent are as follows:

U.S. Bank Global Corporate Trust
111 Fillmore Avenue East
St. Paul, Minnesota 55107

Bondholder Service Number: (800) 934-6802
Email: bhscorporatetrust@usbank.com

CONVERSION AGENT

The name and address of the Conversion Agent are as follows:

U.S. Bank Global Corporate Trust
111 Fillmore Avenue East
St. Paul, Minnesota 55107

Bondholder Service Number: (800) 934-6802
Email: bhscorporatetrust@usbank.com

Delivery of the Fundamental Change Repurchase Notice or the Conversion Notice and all other required documents to an address other than as set forth above does not constitute valid delivery. Delivery of documents to DTC or the Company does not constitute delivery to the Paying Agent or the Conversion Agent. The method of delivery of all documents, including certificates representing the Notes, is at the risk of the holder. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. You must sign the Fundamental Change Repurchase Notice or Conversion Notice in the appropriate space provided therefor, with signature guarantee if required.

BACKUP WITHHOLDING

U.S. federal tax law requires that the Paying Agent withhold 28% of your payment under backup withholding rules unless: (i) you qualify for an exemption or (ii) you provide the Paying Agent with your correct taxpayer identification number (“*TIN*”) (generally your Social Security Number or Federal Employer Identification Number) and make certain other required certifications. A U.S. Holder may provide the required information and certifications by submitting a Form W-9, which may be obtained from the IRS website at www.irs.gov. Certain Holders, including generally all corporations and certain foreign persons, are not subject to backup withholding. A Holder that is a foreign person may qualify as an exempt person for backup withholding purposes and may also demonstrate an exemption from certain nonresident withholding rules by submitting an applicable form W-8, which may be obtained from the IRS website at www.irs.gov. THE FOREGOING DISCUSSION IS INTENDED AS A GENERAL SUMMARY ONLY AND IS NOT TAX ADVICE. YOU ARE URGED TO CONSULT YOUR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES OF THE CONVERSION OR REPURCHASE OF THE NOTES, INCLUDING THE APPLICABLE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES IN LIGHT OF YOUR OWN PARTICULAR TAX SITUATION AND ANY APPLICABLE TAX TREATY.

GENERAL

A copy of this Notice has been sent to all holders of record of the Notes as of July 6, 2020.

For additional information regarding the terms, conditions, and procedures relating to the Notes and rights of the Holders in light of this Notice, Holders should refer to the Indenture (Exhibit 4.1 to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission (the “*SEC*”) on September 24, 2019), and the First Supplemental Indenture (Exhibit 4.1 to the Company’s Current Report on Form 8-K, filed with the SEC on June 29, 2020).

Dated: July 7, 2020

ADESTO TECHNOLOGIES CORPORATION

EXHIBIT A

FORM OF FUNDAMENTAL CHANGE REPURCHASE NOTICE

Adesto Technologies Corporation
4.25% Convertible Senior Notes due 2024

To: Adesto Technologies Corporation

To: U.S. Bank National Association, as Trustee
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: B. Scarbrough (Adesto Technologies Corporation)

The undersigned registered owner of this Note hereby acknowledges receipt of a notice from Adesto Technologies Corporation (the “**Company**”) as to the occurrence of a Fundamental Change with respect to the Company and specifying the Fundamental Change Repurchase Date and requests and instructs the Company to pay to the registered holder hereof in accordance with Section 15.02 of the Indenture referred to in this Note (1) the entire principal amount of this Note, or the portion thereof (that is \$1,000 principal amount or an integral multiple thereof) below designated, and (2) if such Fundamental Change Repurchase Date does not fall during the period after a Regular Record Date and on or prior to the corresponding Interest Payment Date, accrued and unpaid interest, if any, thereon to, but excluding, such Fundamental Change Repurchase Date. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture, dated as of September 23, 2019, between the Company and U.S. Bank National Association, as trustee, as supplemented by the First Supplemental Indenture, dated as of June 29, 2020.

In the case of Physical Notes, the certificate numbers of the Notes to be repurchased are as set forth below:

Dated: _____

Signature(s)

Social Security or Other Taxpayer
Identification Number

Principal amount to be repurchased (if less than all):
\$ _____,000

NOTICE: The above signature(s) of the Holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

EXHIBIT B

WITHDRAWAL NOTICE

To: U.S. Bank National Association, as Paying Agent

The undersigned registered holder of this Note hereby withdraws its previously delivered Fundamental Change Repurchase Notice and requests and instructs the Company to return to the registered holder the Notes which were subject to the previously delivered Fundamental Change Repurchase Notice.

ITEM A. DESCRIPTION OF NOTES BEING WITHDRAWN

Name and Address of Registered Holder			
Certificates Withdrawn (Please fill in numbers and amounts and attach sheet if the space below is inadequate.)			
Certificate Number(s)	Principal Amount	Principal Amount being Withdrawn (if less than all) (must be in integral multiples of \$1,000.00)	Principal Amount remaining subject to repurchase by the Company (if any) (must be in integral multiples of \$1,000.00)
		Total Principal Amount \$ _____	Total Principal Amount \$ _____

ITEM B. REQUIRED SIGNATURES

The signature(s) on this Withdrawal Notice must correspond exactly with the name(s) of the: (1) registered owner(s) of the Note certificate(s) being withdrawn, or (2) person(s) to whom each such certificate has been properly assigned and transferred, in which case evidence of transfer must accompany this Withdrawal Notice.

Dated: _____

Signature: _____

Signature: _____

Telephone: _____

Social Security or
Other Taxpayer
Identification Number: _____

CONFIRMATION OF EXERCISE OF WITHDRAWAL OPTION

The signature(s) of the Holder(s) above is confirmation that the Holder(s) is/are electing that such Notes described in Item A, above, shall be withdrawn from Holder's previously delivered Fundamental Change Repurchase Notice and shall not be purchased on the Fundamental Change Repurchase Date, as provided for in the Notes and in the Indenture, dated as of September 23, 2019, between the Company and U.S. Bank National Association, as trustee, as supplemented by the First Supplemental Indenture, dated as of June 29, 2020.

EXHIBIT C

FORM OF NOTICE OF CONVERSION

Adesto Technologies Corporation
4.25% Convertible Senior Notes due 2024

To: Adesto Technologies Corporation

To: U.S. Bank National Association, as Trustee
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: B. Scarbrough (Adesto Technologies Corporation)

The undersigned registered owner of this Note hereby exercises the option to convert this Note, or the portion hereof (that is \$1,000 principal amount or an integral multiple thereof) below designated, into cash in accordance with the terms of the Indenture, dated as of September 23, 2019, between the Company and U.S. Bank National Association, as trustee, as supplemented by the First Supplemental Indenture, dated as of June 29, 2020 (the “**Indenture**”) referred to in this Note, and directs that any cash payable upon such conversion and any Notes representing any unconverted principal amount hereof, be issued and delivered to the registered Holder hereof unless a different name has been indicated below. If any portion of this Note not converted is to be issued in the name of a Person other than the undersigned, the undersigned will pay all documentary, stamp or similar issue or transfer taxes, if any, in accordance with Section 14.02(d) and Section 14.02(e) of the Indenture. Any amount required to be paid to the undersigned on account of interest accompanies this Note. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture.

Dated: _____

Signature(s)

Signature Guarantee

Signature(s) must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15 if shares of Common Stock are to be issued, or Notes are to be delivered, other than to and in the name of the registered holder.

Fill in for registration of shares if
to be issued, and Notes if to
be delivered, other than to and in the
name of the registered holder:

(Name)

(Street Address)

(City, State and Zip Code)

Please print name and address

Principal amount to be converted (if less than all):
\$,000

NOTICE: The above signature(s) of the
Holder(s) hereof must correspond with the name as
written upon the face of the Note in every particular
without alteration or enlargement or any change
whatever.

Social Security or Other Taxpayer
Identification Number