

HiLight Semiconductor

Delta House, Enterprise Road, Southampton Science Park, Chilworth, Southampton, Hants. SO16 7NS
Tel: +44 (0)238 097 0330

Date: 6th August 2018

HiLight announces settlement of lawsuit with Semtech

In 2016 Semtech's subsidiaries, EMEA Limited ("Semtech") and Gennum UK Ltd., commenced legal proceedings in the English High Court against HiLight and various HiLight employees.

HiLight vigorously denied the allegations, demonstrating time and again that Semtech's supposed IP was either already in the public domain at the relevant time, or developed completely independently by HiLight staff.

However, by the time of settlement, the parties had already spent many millions of dollars on legal fees, with the prospect of even larger sums to be expended at any trial(s). A first trial could not take place before 2019, and any final settlement driven by the Courts' timetable would likely take until 2020.

HiLight therefore chose the more expedient option of a financial settlement directly with Semtech.

HiLight continues to be completely free to develop, sell and support all its products, royalty-free, and foresees no material impact to continuing operations.

We would like to take the opportunity to thank customers for their continued support and expect the coming year will be another record year for shipments and revenues.

About HiLight

HiLight is a UK based, Fabless Semiconductor company, designing and supplying the highest performance Integrated Circuits for Fiberoptics based communications and networking. To date, over 60 Million ICs have been sold.

Largest external investor Atlantic Bridge has over \$1bn under management, and HiLight's other major investors are from the UK and China.