

August 14, 2019

Subject: Update to the Discontinuation of Semiconductor Assembly at Unisem Batam

To: Our Valued Customer,

On June 28 Unisem announced that they would be closing their Batam facility entirely at the end of September 2019. Unisem Batam is a supplier to Allegro MicroSystems for assembly of our wide body 20L SOIC package (suffix LW).

On July 15 union workers at Unisem Batam went on strike in response to the factory closure. This strike slowed production and stopped all product shipments from Unisem Batam to Allegro. Any orders that we did not have covered by post Unisem Batam inventory were pushed out until the end of March or beginning of April as placeholders while we continued to work on solutions.

Our management team learned August 9 that Unisem Batam and the unions have signed an agreement and production and shipments will resume. This news will allow us to pull orders in; however, please allow one week to confirm capacity and timing of the output.

In parallel to the Unisem Batam activity, our senior package and quality engineers are successfully establishing Carsem in Ipoh, Malaysia as an alternative assembly site for this package. We expect to have initial samples for our customers using the A2982SLWTR-T in October 2019 and initial samples of the UDN2987LWTR-6-T in November 2019. After finalizing our qualification schedule, we will formally notify our customers using Allegro's Product Change Notice process. In that notification, we expect to provide additional, product-specific details on qualification timing, transitions, and bridge build quantities.

We appreciate our customer's patience as we work through these short-term challenges related to this unprecedented event. Allegro is pursuing activity related to this closure with the highest priority and is taking all necessary steps to support our customers and provide an adequate bridge to a new qualified assembly site.

Please address any questions or concerns to your local sales contact. Thank you for choosing Allegro.

Joyce Nardone



Director, Power IC Tactical Marketing