

Investor Presentation

March 2020



Safe Harbor Statement

This presentation contains forward-looking statements regarding our future business expectations, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are only predictions and may differ materially from actual results due to a variety of factors including: delays in the market acceptance of the Company's new products; the ability to convert design opportunities into customer revenue; our ability to replace revenue from end-of-life products; the level and timing of customer design activity; the market acceptance of our customers' products; the risk that new orders may not result in future revenue; our ability to introduce and produce new products based on advanced wafer technology on a timely basis; our ability to adequately market the low power, competitive pricing and short time-to-market of our new products; intense competition, including the introduction of new products by competitors; our ability to hire and retain qualified personnel; changes in product demand or supply; capacity constraints; and general economic conditions. These and other potential factors and uncertainties that could cause actual results to differ from the results predicted are described in more detail in the Company's public reports filed with the Securities and Exchange Commission (the "SEC"), including the risks discussed in the "Risk Factors" section in the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and in the Company's prior press releases, which are available on the Company's Investor Relations website at <http://ir.quicklogic.com/> and on the SEC website at www.sec.gov. QuickLogic expressly disclaims any obligation to update or revise any forward-looking statements found herein to reflect any changes in Company expectations or results or any change in events.

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QuickLogic at a Glance

Snapshot

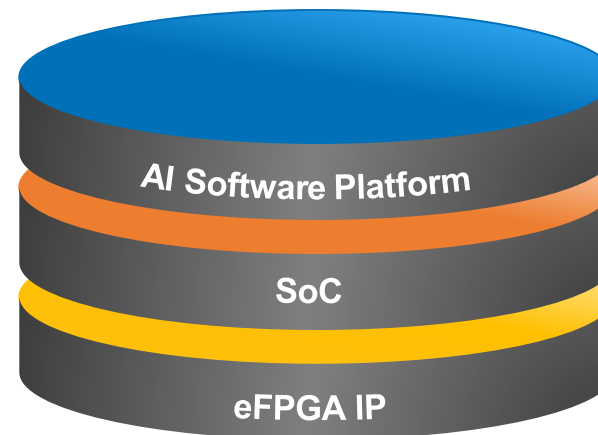


- **Founded:** 1989, public since 1999
- **Ticker:** QUIK (NASDAQ)
- **Headquarters:** San Jose, CA
- **Patents:** 24 U.S. (plus 3 pending)
11 international (plus 5 pending)

Business Highlights

- QuickLogic is a platform company that enables our customers to quickly and easily create intelligent ultra-low power endpoints to build a smarter, more connected world
- We develop ultra-low power, multi-core semiconductor platforms and hardware- and software-based IP for AI, voice and sensor processing applications
- We leverage our fabless model to provide a unique combination of silicon platforms, IP cores, HW, SW, and AI SaaS solutions to our customers

End-to-End Solutions



Target Markets

\$1 Billion+⁽¹⁾ Served Addressable Market (SAM) Across:

- Hearables and wearables
- Consumer and industrial IoT
- Smartphones and tablets
- Consumer electronics
- AI-enabled devices

Investment Highlights

1

Business Recovering From Challenging 2019

2

Multiple Revenue Drivers:

- 1) Continued Strength In Mature Product Segment
- 2) Expansion Of Soc Products With Several Multinational OEMs
- 3) Greater Percentage Of SensiML AI Software, SaaS, and eFPGA IP Sales

3

Restructuring Taken In Q1'20 Should Deliver ~\$4 Million In Annualized Cost Savings Vs FY'19

4

Bringing To Market IoT Dev Kits Based On The EOS S3 With Well-known Mega-cap Platform Company

5

Growing Partnerships With Global Leaders Flextronics, Infineon, ST Micro & NXP Expand Market Opportunities

6

Path In Place To Reach Non-GAAP Operating Income Breakeven/Profitability At The End Of FY'20

Recent Business Highlights

Significant
Increase
in S3
SoC Design
Win Pipeline

Customer Win

- Kyocera

Design Wins

3rd Design win in Q4'19

Long-Term Opportunity

Could see Kyocera double the number of phones using QuickLogic's platform in 2020

- Hearable Designs

Engaged with several OEMs and ODMs to deploy next generation of wireless earbuds

Working with several white box ODMs for wireless earbuds, and expect this to contribute revenue in 2H'20

- Consumer Electronics

Always-on voice with well-known streaming/SmartTV provider coming to market

Launch date of Q2'20

- Consumer IoT

Integrated Alarm System and IoT reference design with Infineon and Flextronics

Middle of CY'20

Recent Business Highlights

eFPGA IP & QuickAI Initiatives

eFPGA IP

- Leveraging the open source software initiative developed in conjunction with a mega-cap cloud sour provider

QuickAI

- Continue to activate HDK+SensiML software

SensiML Expansion

- 44 SaaS customers through Q4'19, up from 3 in Q1'19
- Expect to launch the first of two IoT development systems being co-developed with mega-cap cloud services company in Q1'20
- SensiML continues to gain momentum, as more companies explore how AI can be integrated into their suite of products

Path to Profitability⁽¹⁾⁽²⁾

- Stair-step increases in revenue beginning in Q2'20; higher percentage of SaaS and eFPGA IP sales to drive margin improvement
- High margins and lower operating costs will lead to Non-GAAP operating income breakeven in FY'20

QuickLogic's Optimized Business Model

ML / AI Growth Story with End-to-End Solution

- Democratizing power of Machine Learning (ML) / end-to-end solution for Edge Artificial Intelligence (AI) market
- End-to-end hardware (HW) / software (SW) solution for Internet of Things (IoT) and AI
- Large high-volume markets – wearables, hearables, smartphones, consumer electronics, industrial and IoT

Growing SaaS Model

- Acquisition expands revenue mix to include more SaaS and IP sales
- Full-Stack Solution – Cross leverage SensiML's SW, QuickLogic's QuickAI platforms and eFPGA IP
- Leveraging in-house data science expertise to accelerate customer product deployment and sales

Partnership with SiFive Expands Licensing Model

- Leading provider of RISC-V core IP, development tools, silicon solutions and SoC templates
- Significant potential to further accelerate IP licensing, SW and SaaS revenue

Streamlined Organization

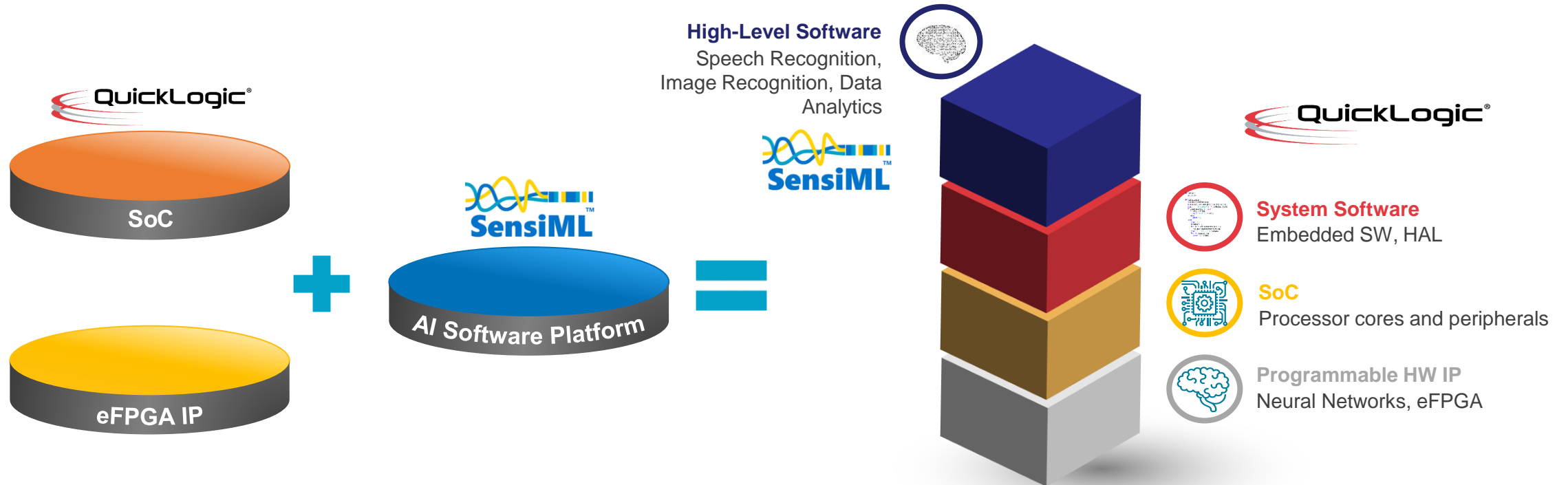
- Announced restructuring in Q1'20; will generate about ~\$4 million in annualized savings from FY'19 levels
- Future expansion into new markets and applications for our SoC will leverage our numerous voice software partners and recently announced relationship with Flextronics

Top Tier Customers and Ecosystem



QuickLogic / SensiML Combination

Creates Solution with Subscription Revenue Model



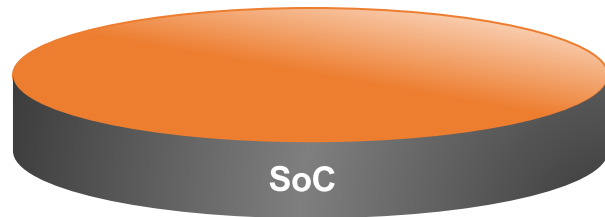
Cross leverage QuickLogic's QuickAI platform and eFPGA IP with SensiML's software platform



Subscription Model – “Stickier” recurring revenues and higher margins

Product Lines

Core Technologies / Products



End Markets

Mobile / Consumer IoT



Industrial IoT



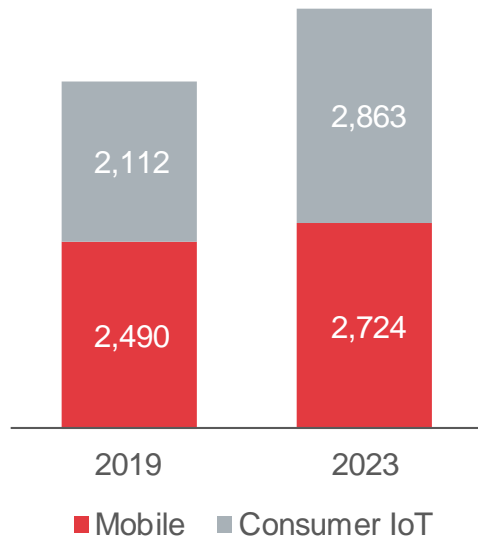
Customers & Partners



Consumer / Mobile – Voice-Enabled Products

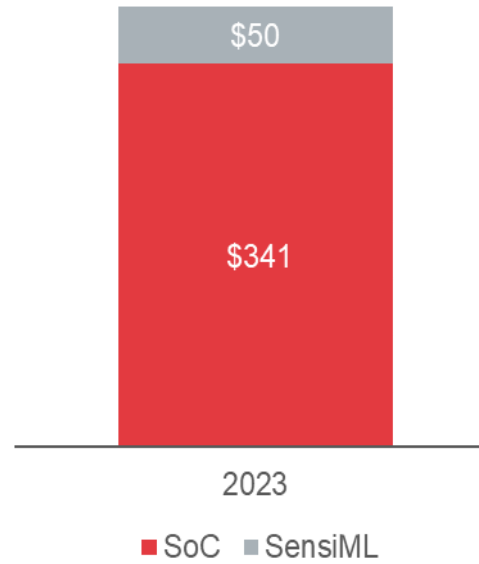
TAM

(units in millions)



SAM

(\$ in millions)



~\$400M SAM Created via Cross-Sell Opportunities Associated with End-to-End Offering



Problem

- Integrating always-on voice at very low power with additional sensors for user experience

Solution

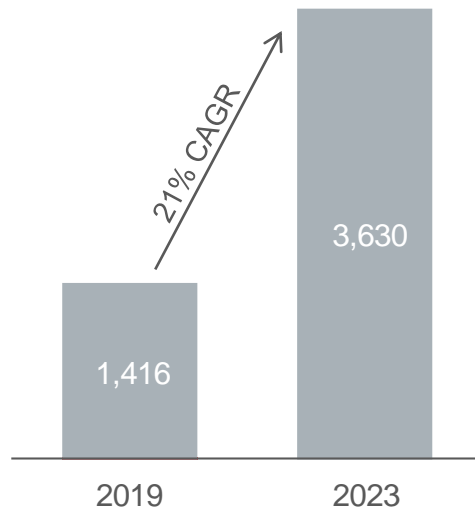
- EOS S3 Platform for Sensor & Voice Processing
- Optional SensiML AI toolkit for development of unique sensor algorithms

Source: ABI Research, Company Estimates.

Industrial IoT – Predictive Maintenance & Structural Health

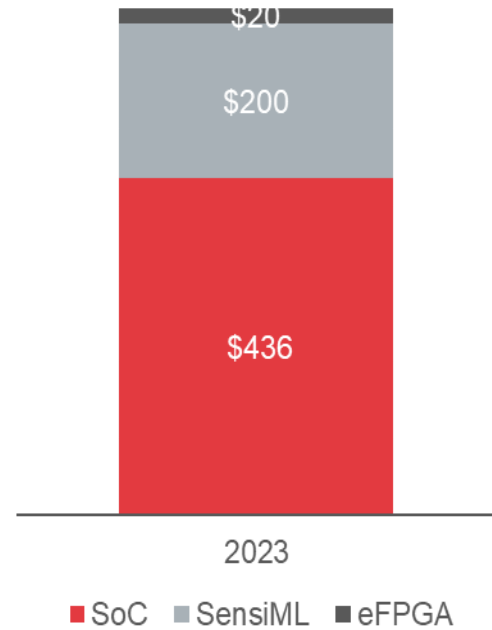
TAM

(units in millions)



SAM

(\$ in millions)



~\$650M SAM Created via Cross-Sell Opportunities Associated with End-to-End Offering and Richer Revenue Mix Driving Higher Gross Margins



Problem

- No “one size fits all” solution
- Cost and power required to send data to cloud

Solution

- SensiML toolkit for data collection, segmenting, labeling, ML and AI model creation
- EOS S3 AI Platform for Low Power Sensor Processing

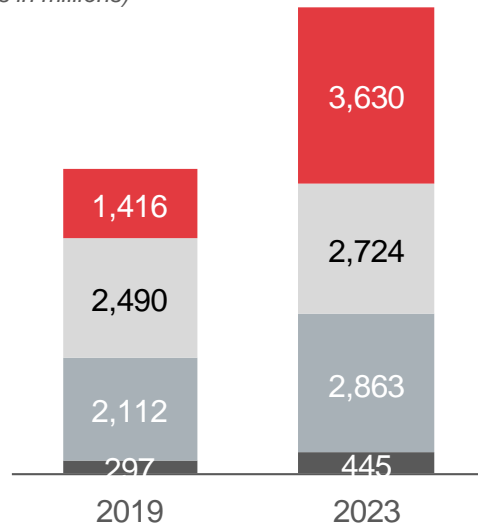
Source: ABI Research, Company Estimates.

SensiML AI SW Platform



TAM

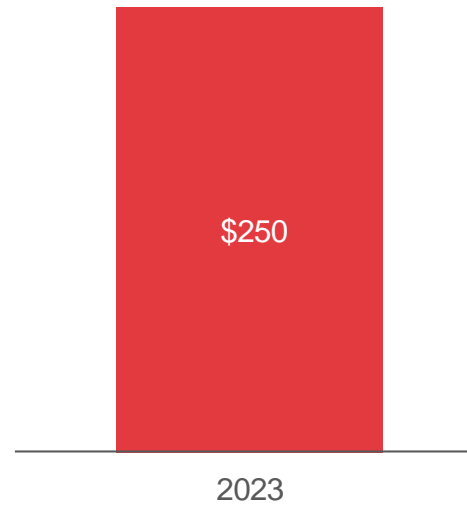
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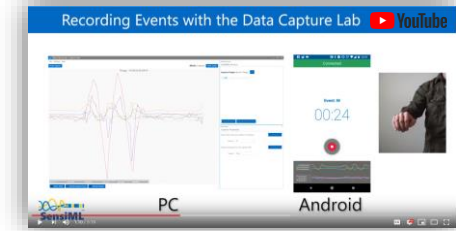
Automotive
 Mobile
 Consumer IoT
 Industrial IoT

SAM

(\$ in millions)



"I saw a live demo of SensiML last week, and was very impressed:"



Capturing and labeling data for ML is so hard right now, especially for embedded applications and this solution looks like a great step forward."



Pete Warden,
Lead of the TensorFlow,
Mobile / Embedded team at Google

Problem

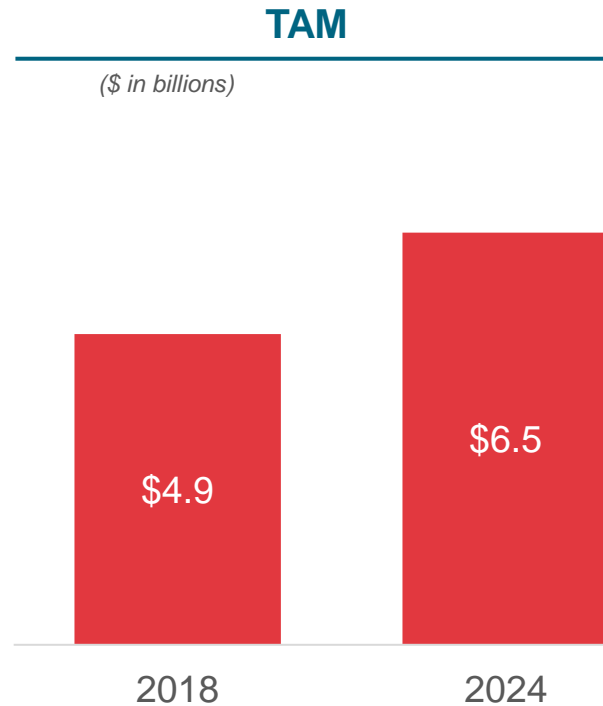
- Lack of understanding of the entire IoT stack requirements in the marketplace
- Requirement for an end-to-end solution that facilitates adoption without the need for data science

Solution

- SensiML is an end-to-end software toolkit for automating the entire pipeline for capturing, labeling, analyzing, auto-generating code for a variety of ML algorithms on resource constrained microcontrollers

Source: ABI Research, Deloitte Research, Company Estimates, Pete Warden's Twitter (@petewarden, March 26, 2019, 1:16 PM PT).

eFPGA: Licensing Model Brings New High Margin Business



Customer Benefits of eFPGA

- Improves design cycle times and total cost of first ownership
- Creates high gross margin manufacturing license revenue streams
- Delivers flexibility/reduced R&D costs for SoC vendors
- ETH Zurich test chip of Parallel Ultra Low Power platform targeting GLOBALFOUNDRIES' 22FDX using eFPGA; test chip up and running in our labs

Problem

- Significant cost/time-to-market of modifying SoC/ASICs
- Power constraints to running AI in software on CPU/MCU

Solution

- Adding re-programmable embedded FPGA technology to SoC/ASICs to accelerate AI functionality in more power efficient way

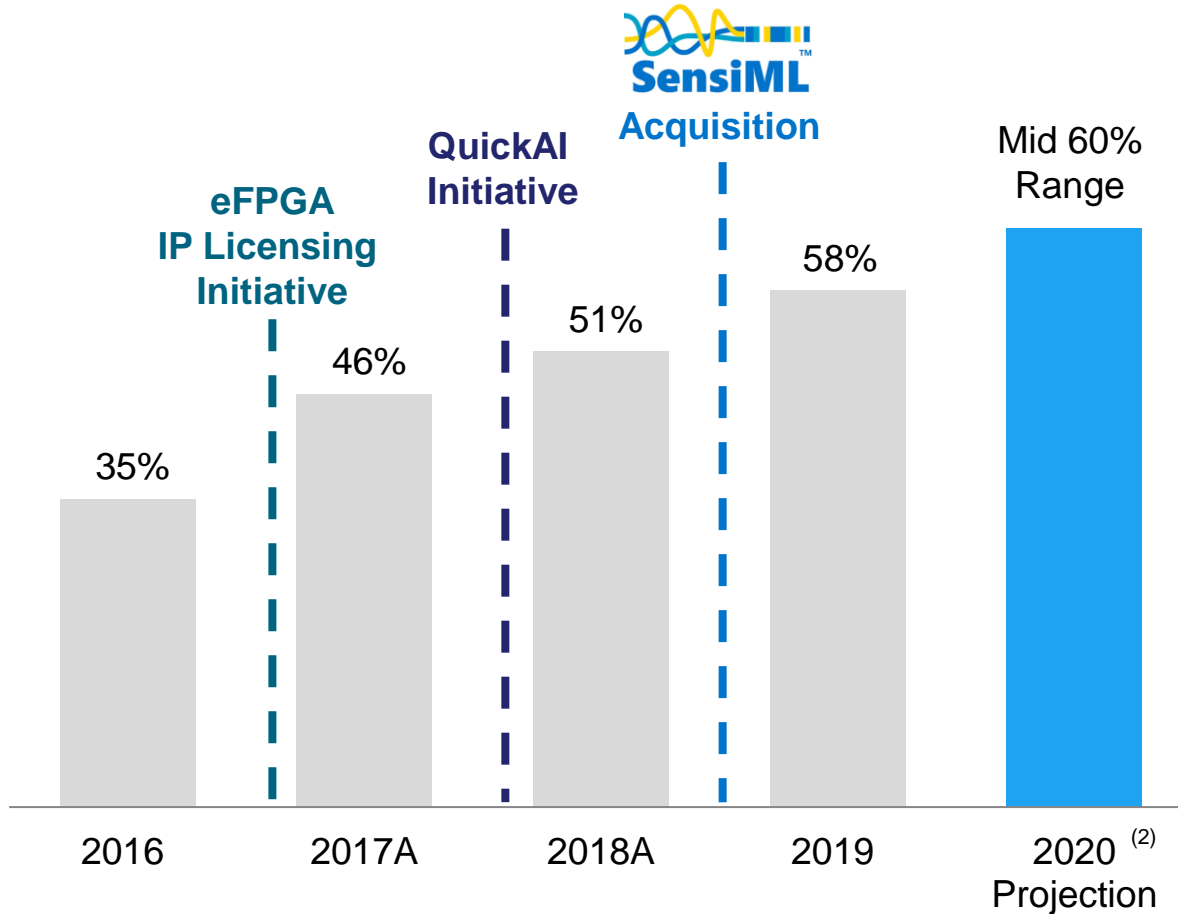
Source: Markets&Markets, Company Estimates.

Financial Overview



Transforming Financial Model

Non-GAAP Gross Margin^(1,2)



Gross Margin Expansion Drivers

- 1 Revenue mix shift from display bridges to high-margin mature product and SaaS subscriptions
- 2 Licensing opportunities with eFPGA and QuickAI
- 3 Improved COGS through restructuring

Q1'20 Financial Guidance and Outlook* (Non-GAAP)

Revenue

- \$2.3 million, plus or minus 10%
 - ~\$1.7 million of mature product & ~\$0.6 million of new product

Gross Margin

- ~64%, plus or minus 3%. Increasing SaaS sales and restructuring savings driving margin expansion

Operating Expenses

- ~\$3.9 million, plus or minus \$0.3 million. Compares with \$4.7 million in Q1'19

Net Loss

- ~\$2.4 million, or \$(0.29) per share, an improvement from \$2.5 million and \$(0.35) in Q1'19

Cash Usage

- Cash usage in the range of \$2.3 to \$2.7 million, an improvement from \$3.2 million in Q1'19

*Outlook Provided February 12, 2020

Addendum



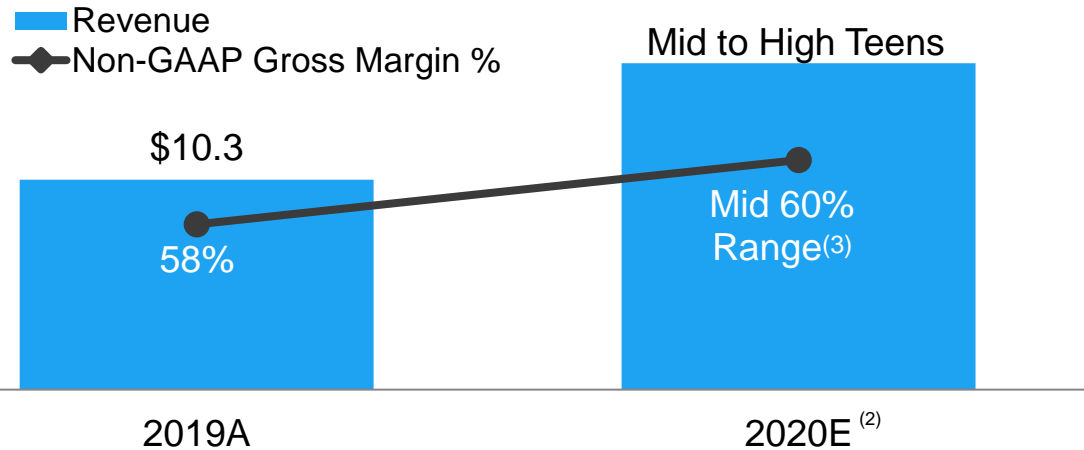
Transformed Model: End-to-End HW/SW Platform Company

Doubled SAM Since 2017 to \$1B+(1) Through Strategic Initiatives and Acquisitions



Ramping New Product Revenue - Driving to Achieve Operating Income Breakeven/Profitability in FY'20

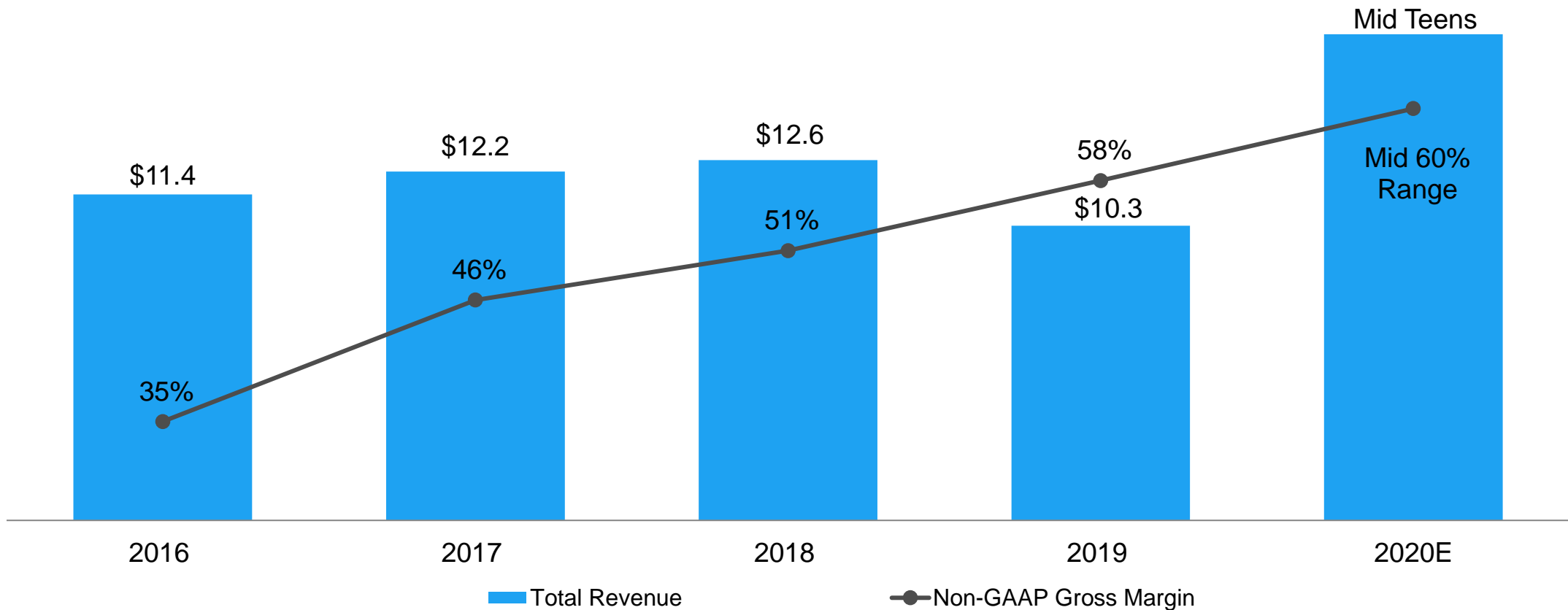
(\$ in millions)



- Stair step **increases in revenue** starting in Q2'20
- Numerous design wins in strategic new products leading to **expanded Gross Margin**
- **Gross margin expansion** via Software, IP and SaaS revenue

Financial Summary

Revenue and Non-GAAP Gross Margin^(1,2)



Balance Sheet and Capitalization Summary

Balance Sheet Summary as of December 31 2019

(\$ in thousands)

Assets

Current assets:

Cash and cash equivalents	\$ 21,548
Accounts receivable	1,991
Inventories	3,260
Other current assets	1,565

Total current assets **\$ 28,364**

Long-term assets **\$ 5,040**

Total assets **\$ 33,404**

Liabilities

Total current liabilities	\$ 17,998
Long-term liabilities / other	1,583

Total liabilities **\$ 19,581**

Total stockholders' equity **\$ 13,823**

Capitalization as of December 31, 2019

Common Stock Outstanding (in thousands of shares) **8,330,888**

Debt	Interest Rate	Maturity	Amount
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Revolving Credit Line – Heritage Bank	5.5%	9/28/21	\$15.0M
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Stock-Based Compensation (in thousands of shares)	Weighted Exercise Price	Amount
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Options Outstanding	\$32.09	186
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Restricted Stock Units (in thousands of shares)		377
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Warrants (in thousands of shares)	Exercise Price	Maturity	Amount
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May 2018 Offering	\$19.32	May 29, 2023	386
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Source: Company SEC filings.

Non-GAAP Trended Income Statement (Non-GAAP)

(\$ in millions, except per share data)

	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19
New product revenue	\$ 1.3	\$ 0.7	\$ 0.7	\$ 1.0	\$ 0.7
Mature revenue	1.9	2.5	1.4	1.1	2.2
Total revenue	3.2	3.2	2.1	2.2	2.9
Gross margin %	53%	63%	50%	49%	66%
Operating expense					
Research and development	2.3	2.6	2.7	2.6	2.2
Sales, general and administrative	2.0	2.2	2.1	1.9	1.9
Total operating expense	4.3	4.8	4.8	4.5	4.2
Loss from operations	(2.6)	(2.8)	(3.8)	(3.5)	(2.3)
Net loss	\$ (2.6)	\$ (2.5)	\$ (3.8)	\$ (3.5)	\$ (2.4)
Basic and diluted net loss per share	\$ (0.38)	\$ (0.37)	\$ (0.54)	\$ (0.42)	\$ (0.29)

Totals may not equal due to rounding

GAAP to Non-GAAP Reconciliation

(\$ in thousands, except per share data)

	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19
Non-GAAP operating loss	\$ (2,578)	\$ (2,758)	\$ (3,740)	\$ (3,445)	\$ (2,272)
Adjustments:					
Stock-based compensation	(474)	(951)	(791)	(748)	(654)
FA impairment and/or write-off	-	-	(2)	-	(2)
GAAP operating loss	\$ (3,052)	\$ (3,709)	\$ (4,533)	\$ (4,193)	\$ (2,928)
Non-GAAP net loss	\$ (2,591)	\$ (2,525)	\$ (3,841)	\$ (3,523)	\$ (2,407)
Adjustments:					
Stock-based compensation	(474)	(951)	(791)	(748)	(654)
FA impairment and/or write-off	-	-	(2)	-	(2)
GAAP net loss	\$ (3,065)	\$ (3,476)	\$ (4,634)	\$ (4,271)	\$ (3,063)
Non-GAAP net loss per share	\$ (0.38)	\$ (0.37)	\$ (0.54)	\$ (0.42)	\$ (0.29)
Adjustment for stock-based compensation	(0.07)	(0.13)	(0.11)	(0.09)	(0.08)
GAAP net loss per share	\$ (0.45)	\$ (0.50)	\$ (0.65)	\$ (0.51)	\$ (0.37)
Non-GAAP gross margin %	52.6%	62.8%	49.8%	48.9%	65.6%
Adjustment for stock-based compensation	(0.9%)	(0.8%)	(0.8%)	(0.7%)	(0.7%)
GAAP gross margin %	51.7%	62.0%	49.0%	48.2%	64.9%