

# Investor Presentation

May, 2019



# Safe Harbor Statement

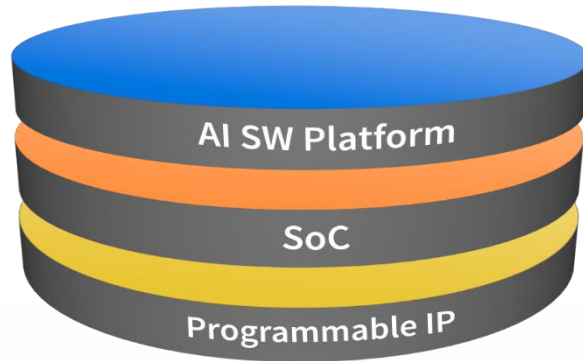
This press release contains forward-looking statements regarding our future business expectations, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are only predictions and may differ materially from actual results 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](http://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.

QuickLogic uses its website, the company blog, corporate Twitter account, Facebook page, and LinkedIn page as channels of distribution of information about its products, its planned financial and other announcements, its attendance at upcoming investor and industry conferences, and other matters. Such information may be deemed material information, and QuickLogic may use these channels to comply with its disclosure obligations under Regulation FD.

# We Democratize IQ at the Edge & Beyond

We are a platform company that enables our customers to quickly and easily create intelligent ultra-low power endpoints to build a smarter, more connected world.

## End-to-End Solutions



## Business Snapshot

- Founded in 1989 & IPO in 1999
- NASDAQ: QUIK
- Headquarters: Silicon Valley, CA
- Employees: ~100
- Patents: ~100

## Worldwide Presence

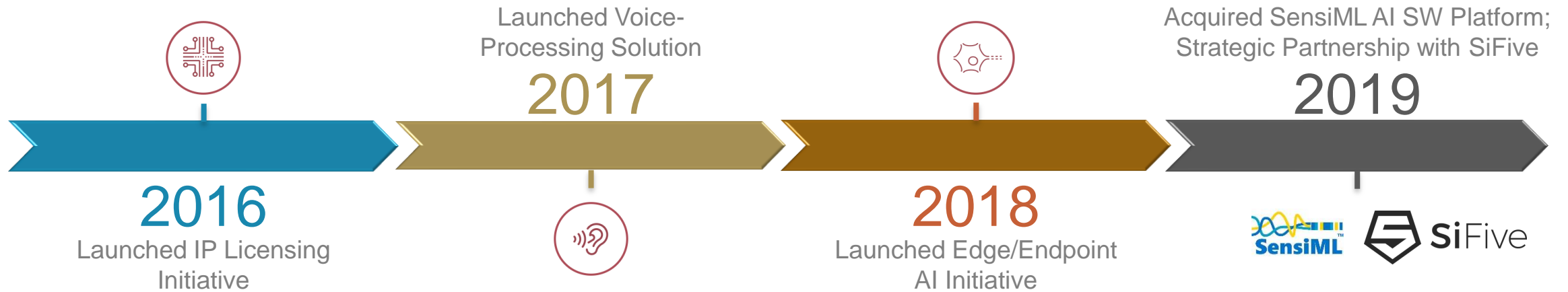


## Targeting >\$1B SAM

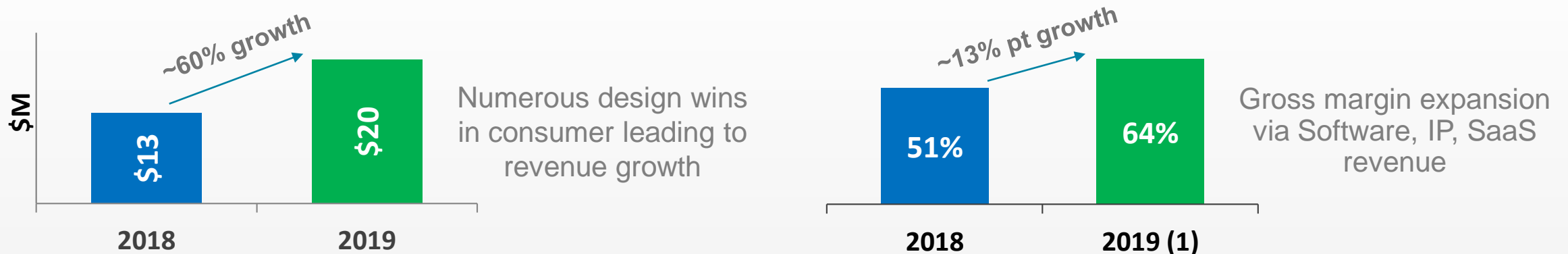
- Hearable/Wearable
- Consumer & Industrial IoT
- Smartphone/Tablet
- CE
- AI

# Transforming to a HW/SW Platform Company

Doubled Served Available Market to >\$1B Through Strategic Initiatives and Acquisitions



Ramping Strategic New Product Revenue Driving to Achieve Profitability by Q1' 2020\*



# Product Lines

## Core Technologies/Products

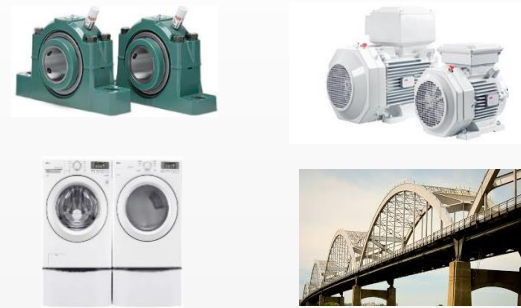


## End Markets

### Mobile / Consumer IoT



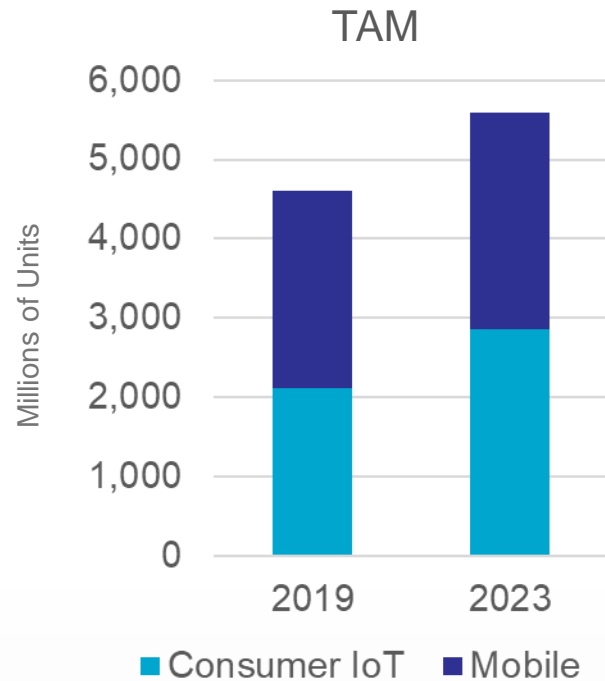
### Industrial IoT



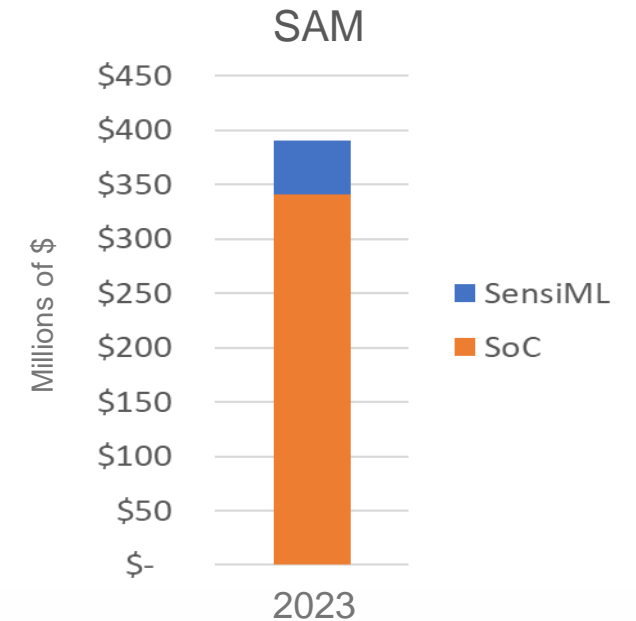
## Customers & Partners



# Consumer / Mobile – Voice-Enabled Products



~\$400M SAM created through cross-leverage of end-to-end offering



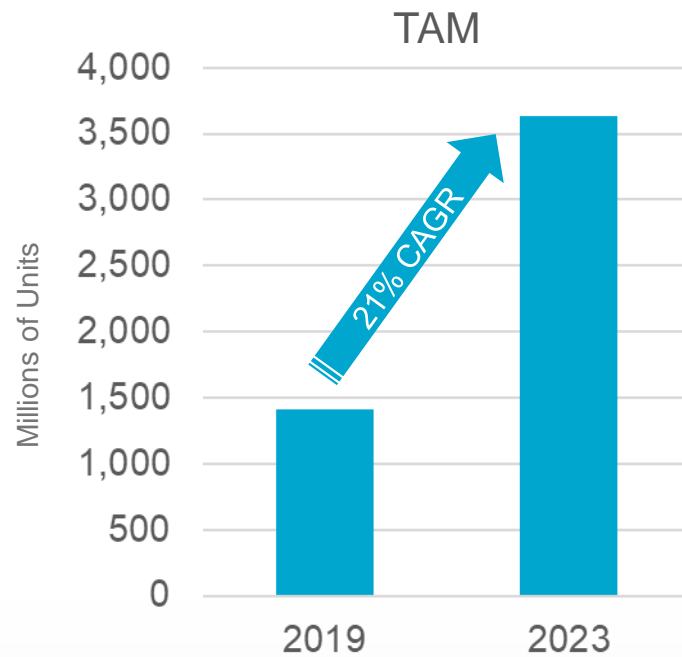
## Challenge

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

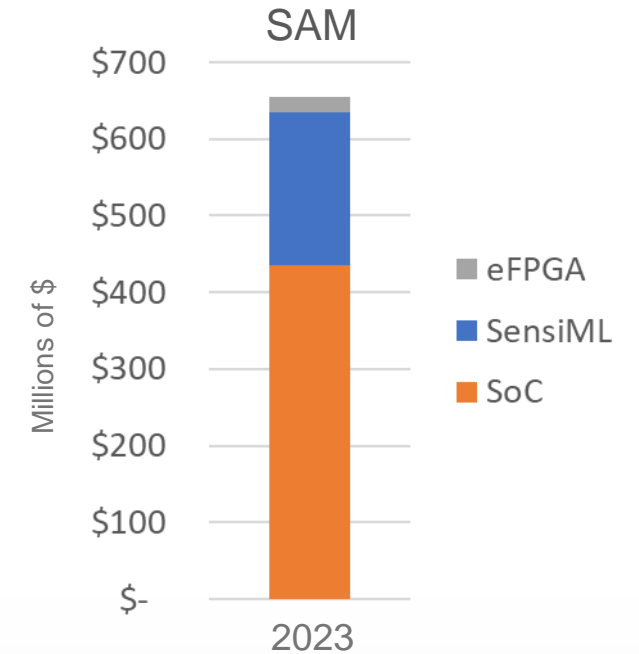
## Solution

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

# Industrial IoT - Predictive Maintenance & Structural Health



~\$650M SAM created through cross-leverage of end-to-end offerings



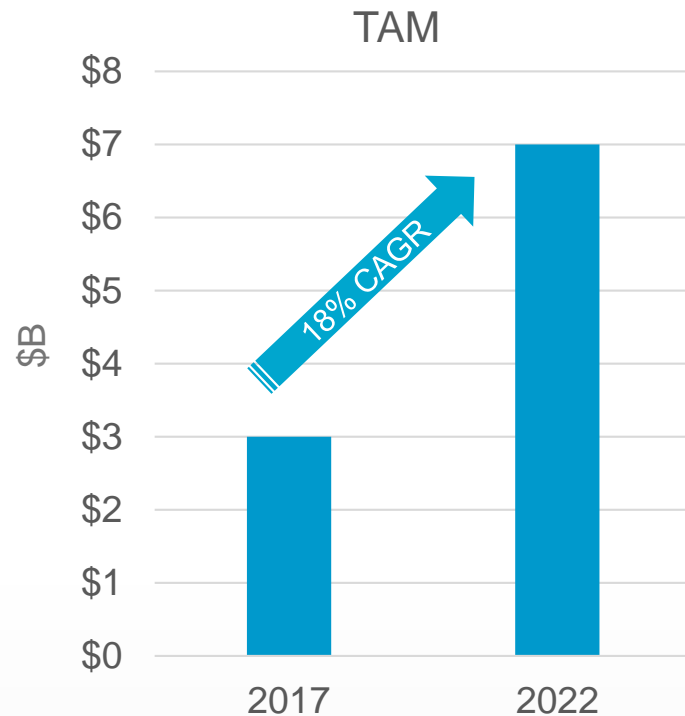
## Challenge

- No 'one size fits all' solution
- Cost and Power of sending data to cloud

## Solution

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

# eFPGA: Licensing Model Brings New High Margin Business



~\$10Ms SAM created through cross-leverage of end-to-end offerings and strategic partnership with SiFive



## SiFive Announces Strategic Partnership with QuickLogic and Launches SoC Templates for Rapid Chip Design

April 25, 2019

[Download as PDF](#)

*RISC-V pioneer and ultra-low power leader bring Freedom Aware SoC Templates to market*

**SAN MATEO, Calif., -- April 25, 2019 --** SiFive, the leading provider of RISC-V core IP, development tools, and silicon solutions, announced today the **Freedom Aware (FA) family of SoC Templates** and its strategic development partnership with QuickLogic Corporation (NASDAQ: QUIK), an innovator of ultra-low power voice-enabled SoCs, embedded FPGA IP, and endpoint AI software tools and solutions. The Freedom Aware family of SoC Templates extends SiFive's chip design capabilities and radically lowers the cost and development time associated with new SoC designs.

The Freedom Aware SoC Templates revolutionize the SoC development process and lower risk through the use of tested building blocks and a full suite of sophisticated development tools that ensure finished SoCs mirror the results of pre-fabrication software emulations. Taking advantage of SoC Templates, users can greatly reduce the design cycle to only a few months, reduce the total cost to first silicon by an order of magnitude, and most importantly, provide custom silicon solutions while removing the dependency on large semiconductor design teams.

"We are extremely proud of our strategic partnership with SiFive and the role we are playing in the development of the industry's first family of SoC Templates," said Brian Faith, president and CEO of QuickLogic. "SoC Templates are what the industry needs to accelerate the development and introduction of the highly diverse products that are broadly referred to as the Internet of Things. SoC Templates further our shared vision of democratizing technology and with that, significantly extend the potential and reach of our IP business model."

## Challenge

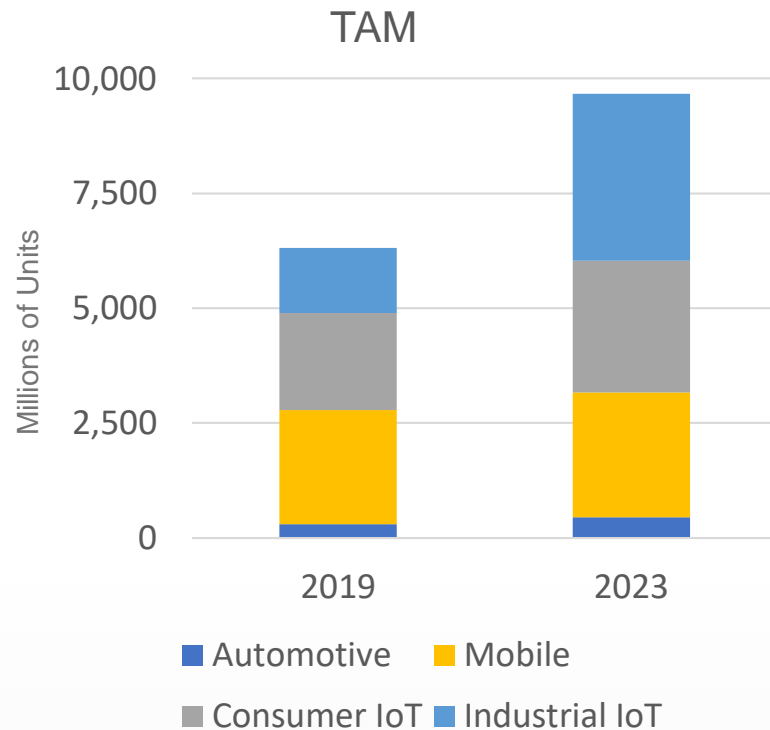
- Significant cost/time-to-market of modifying SoC/ASICs
- Power constraints to running AI in software on CPU/MCU

## Solution

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

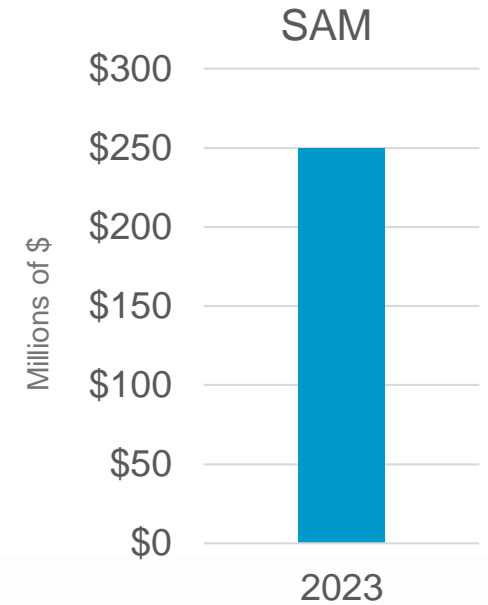


# SensiML AI SW Platform



I saw a live demo of SensiML last week, and was very impressed:  
[youtube.com/watch?v=9aIKu2...](https://www.youtube.com/watch?v=9aIKu2...)  
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



## Challenge

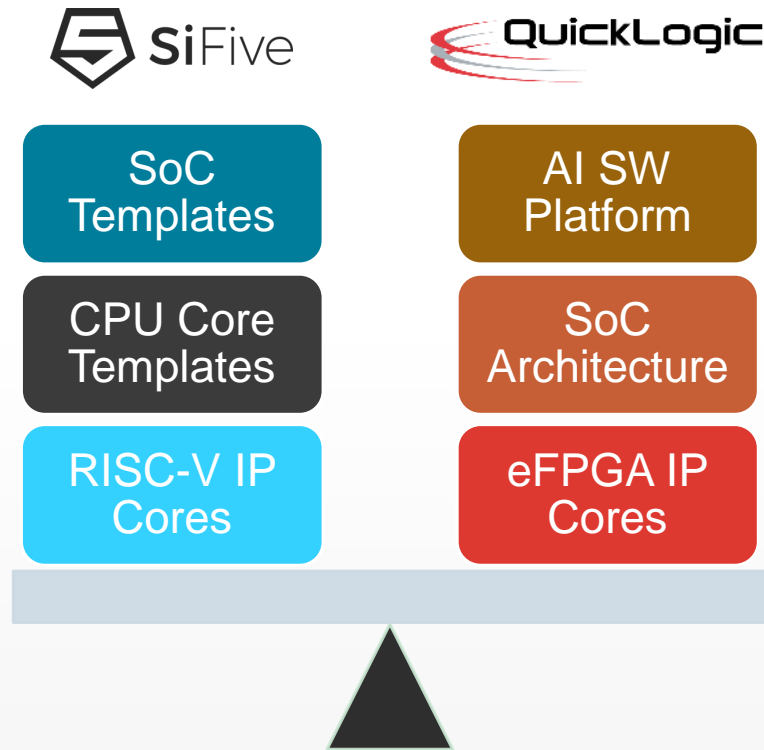
“Many semiconductor companies...have to understand the entire IoT stack’s requirement, and in some cases, create an end-to-end solution that facilitates market adoption.” ...  
Deloitte, July 2018

## Solution

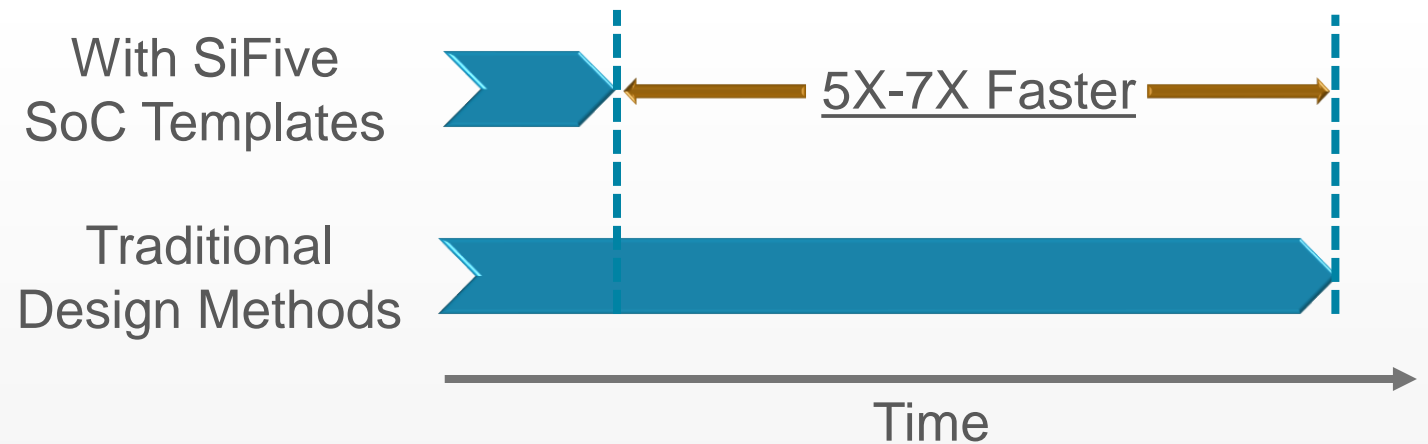
- SensiML is an end-to-end software toolkit for automating the entire pipeline for capturing, labeling, analyzing, auto-generating code for a variety of ML algorithms on resource constrained microcontrollers

# SiFive & QuickLogic: A Perfect Partnership

SiFive SoC Templates further our shared vision of democratizing technology and extends the potential and reach of our IP and SensiML business models.

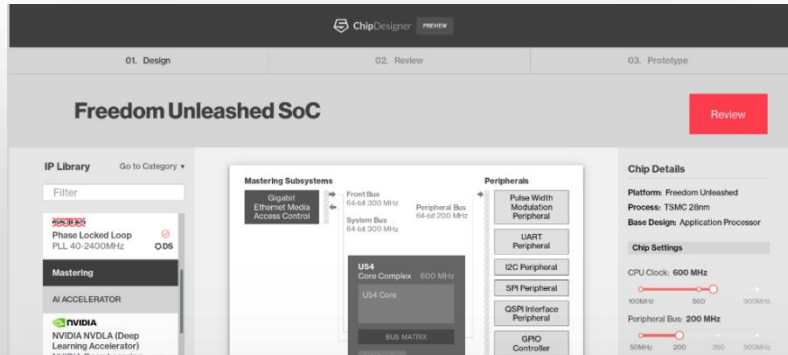


Significantly reduces time-to-samples from 24 months to 3-4 months, at less than 50% the development cost



# SiFive & QuickLogic: Democratizing Access to AI-Optimized SoCs

## Cloud-Based SoC Design



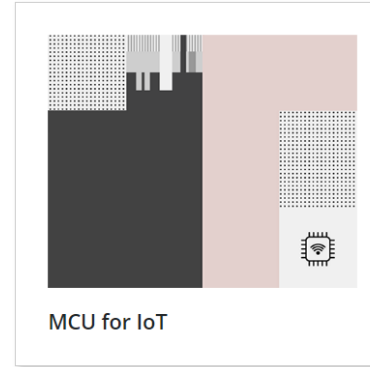
Ultimately, all custom silicon will be delivered via web-based GUI SiFive **Chip Designer**

Customers can add their IPs and 3rd party IPs from DesignShare to a Chip Template of their choice

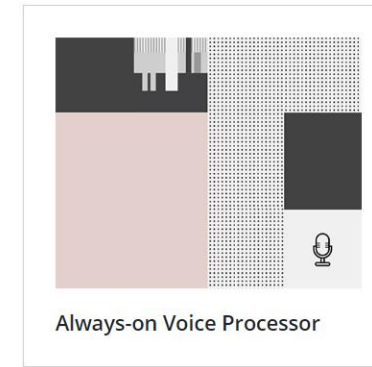
**Custom SoC** will be in their hands in 12 weeks with a single click



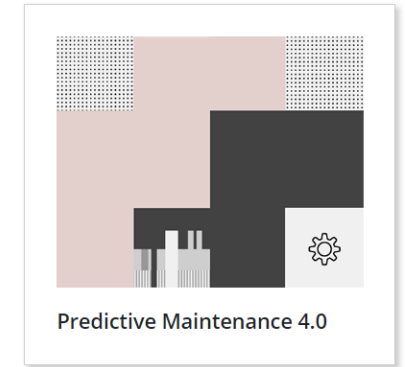
## Freedom Aware SoC Templates Using QuickLogic



MCU for IoT

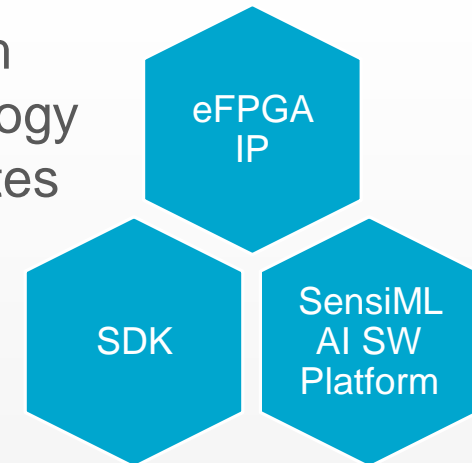


Always-on Voice Processor



Predictive Maintenance 4.0

QuickLogic monetizes from architecture and core technology contributions to SoC Templates

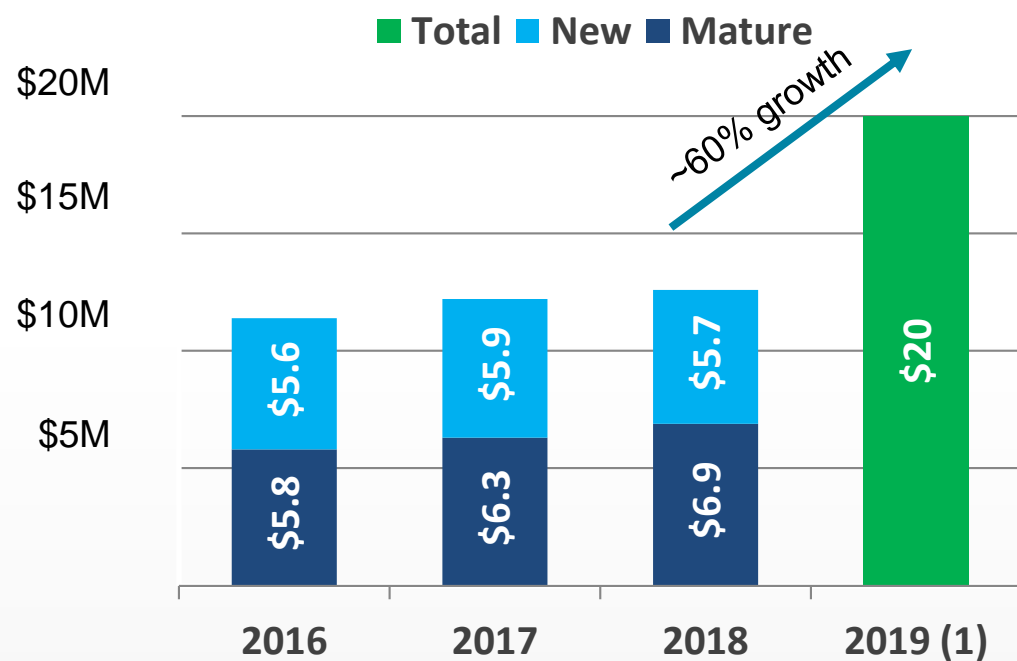


# Financial Overview

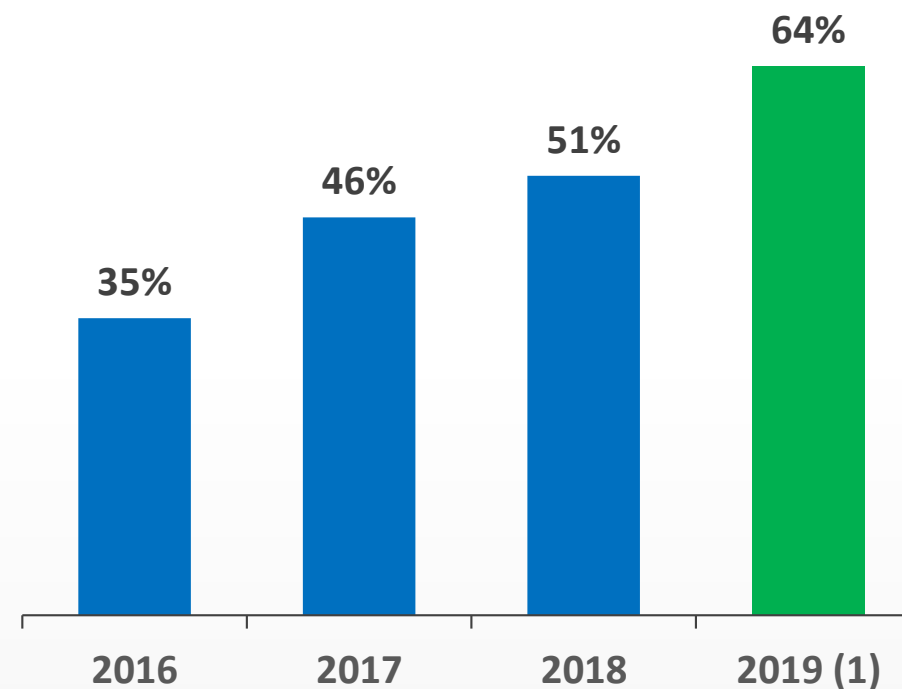


# Financial Summary

## Revenue



## Gross Margin (non-GAAP)



(1) Based on Company projections as of May 8, 2019

# Balance Sheet & Capitalization

Balance Sheet 3/31/2019 (Millions)	
Cash & Equivalents*	<b>\$23.2</b>
Accounts Receivable	<b>\$2.5</b>
Inventory	<b>\$3.6</b>
Other Current Assets	<b>\$1.8</b>
<b>Total Current Assets</b>	<b>\$31.0</b>
Long-term Assets	<b>\$3.7</b>
<b>Total Assets</b>	<b>\$34.7</b>
Current Liabilities	<b>\$18.9</b>
Long-term Liabilities/Other	<b>\$0.3</b>
<b>Total Liabilities</b>	<b>\$19.2</b>
<b>Total Stockholders Equity</b>	<b>\$15.5</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$34.7</b>

Cap Table Highlights (as of 3/31/19)	
Common Stock Outstanding	<b>~97.1M</b>
Stock Price	<b>\$0.80</b>
Avg. Trading Volume	<b>~350,000</b>
Market Cap	<b>~\$80M</b>
Options Outstanding	<b>3.2M</b>
Weighted Exercise Price	<b>\$2.18</b>
RSUs Outstanding	<b>4.9M</b>
Warrants Outstanding	<b>5.4M</b>
Exercise Price	<b>\$1.38</b>

- \*\$15M from revolving line of credit @5.75% rate
- Trading data as of 5/8/2019

# Summary

- Transforming to AI HW/SW platform company with diversified customer base and >\$1B SAM
- Ramping Strategic New Product Revenue from Design Wins in Mobile & Consumer
- SensiML acquisition leading to SaaS revenue with Fortune Global 500 customers
- SiFive partnership accelerating IP licensing, SW and SaaS revenue
- Improving Financial Profile
  - Targeting ~60% revenue growth; Increasing FY'19 GM% to mid 60s from low 50s
  - Focused on achieving profitability by Q1 2020

# Appendix





# Non-GAAP Measures

QuickLogic reports financial information in accordance with GAAP, but believes that non-GAAP financial measures are helpful in evaluating its operating results and comparing its performance to comparable companies. Accordingly, the Company excludes charges related to stock-based compensation, restructuring, the effect of the write-off of long-lived assets and the tax effect on other comprehensive income in calculating non-GAAP (i) income (loss) from operations, (ii) net income (loss), (iii) net income (loss) per share, and (iv) gross margin percentage. The Company provides this non-GAAP information to enable investors to evaluate its operating results in a manner similar to how the Company analyzes its operating results and to provide consistency and comparability with similar companies in the Company's industry. Management uses the non-GAAP measures, which exclude gains, losses and other charges that are considered by management to be outside of the Company's core operating results, internally to evaluate its operating performance against results in prior periods and its operating plans and forecasts. In addition, the non-GAAP measures are used to plan for the Company's future periods, and serve as a basis for the allocation of the Company's resources, management of operations and the measurement of profit-dependent cash and equity compensation paid to employees and executive officers. Investors should note, however, that the non-GAAP financial measures used by QuickLogic may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as that of other companies. QuickLogic does not itself, nor does it suggest that investors should, consider such non-GAAP financial measures alone or as a substitute for financial information prepared in accordance with GAAP. A reconciliation of GAAP financial measures to non-GAAP financial measures is included in the financial statements portion of this press release. Investors are encouraged to review the related GAAP financial measures and the reconciliation of non-GAAP financial measures with their most directly comparable GAAP financial measures.

# P&L – Non-GAAP Results

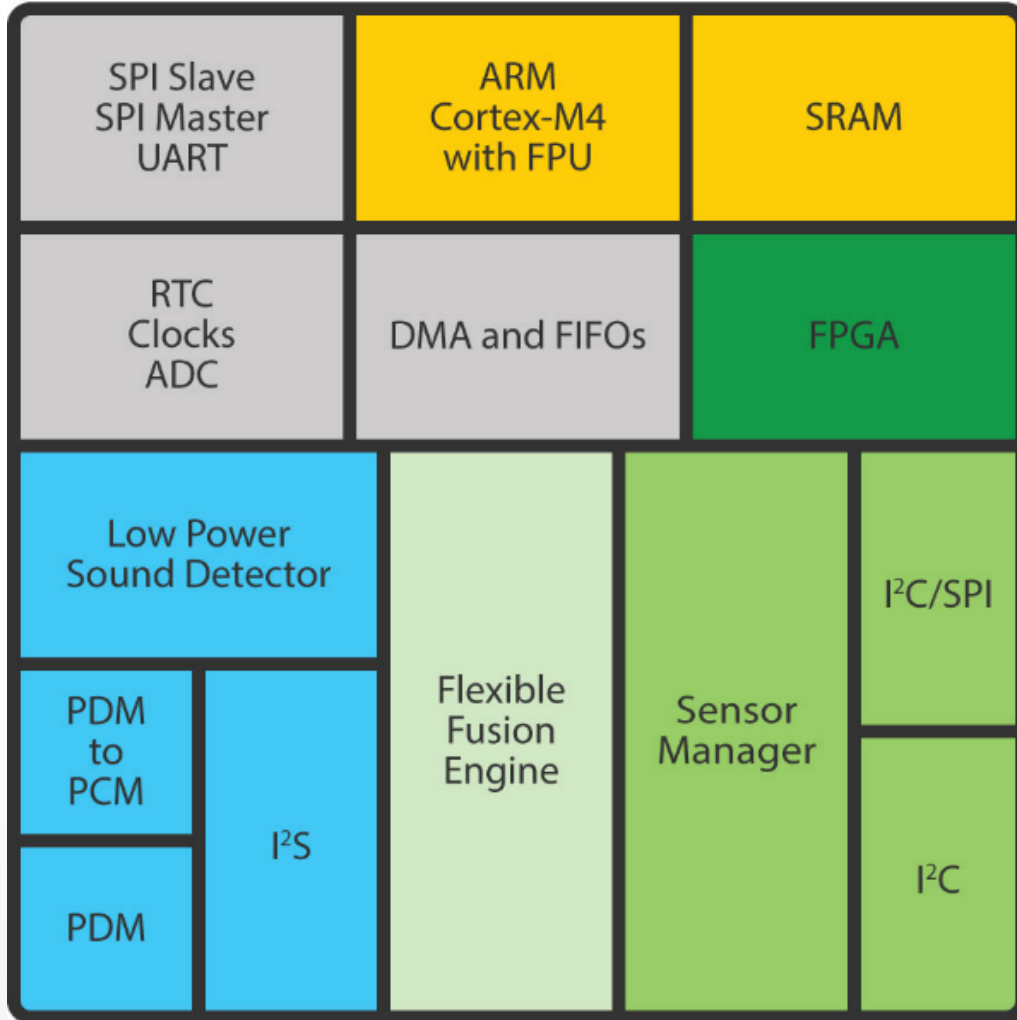
Non-GAAP Results Millions (except for EPS)	Q1'18 Actual	Q2'18 Actual	Q3'18 Actual	Q4'18 Actual	Q1'19 Actual
New Product Revenue	\$1.3	\$1.6	\$1.5	\$1.3	\$0.7
Mature Revenue	\$1.5	\$1.5	\$2.0	\$1.9	\$2.5
Total Revenue	\$2.8	\$3.1	\$3.5	\$3.2	\$3.2
Gross Margin %	52%	50%	51%	53%	63%
Research & Development	\$2.5	\$2.2	\$2.2	\$2.3	\$2.6
SG&A	\$2.3	\$2.3	\$2.2	\$2.0	\$2.1
Total Operating Expense	\$4.9	\$4.5	\$4.5	\$4.3	\$4.7
Operating Income (Loss)	(\$3.4)	(\$3.0)	(\$2.7)	(\$2.6)	(\$2.7)
Net Income (Loss)	(\$3.5)	(\$3.0)	(\$2.7)	(\$2.6)	(\$2.5)
EPS	(\$0.04)	(\$0.04)	(\$0.03)	(\$0.03)	(\$0.03)

# GAAP to Non-GAAP Reconciliation

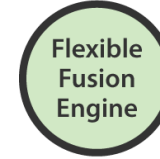
	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
(In \$ '000)	Actual	Actual	Actual	Actual	Actual
Non-GAAP Operating Loss	\$ (3,434)	\$ (2,967)	\$ (2,711)	\$ (2,578)	\$ (2,758)
Stock-based Compensation	(432)	(479)	(516)	(474)	(951)
Restructuring Costs	-	-	-	-	-
FA impairment and/or write-off	(5)	-	-	-	-
GAAP Operating Loss	\$ (3,871)	\$ (3,446)	\$ (3,227)	\$ (3,052)	\$ (3,709)

Non-GAAP Net Loss	\$ (3,533)	\$ (3,005)	\$ (2,744)	\$ (2,591)	\$ (2,525)
Adjustments:					
Stock-based Compensation	(432)	(479)	(516)	(474)	(951)
FA impairment and/or write-off	(5)	-	-	-	-
GAAP Net Loss	\$ (3,970)	\$ (3,484)	\$ (3,260)	\$ (3,065)	\$ (3,476)

# EOS S3 Multi-Core SoC Platform



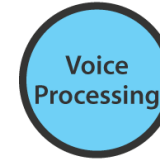
Autonomously handles management and control of all sensors



10 MHz  $\mu$ DSP-like processor for always-on, real-time sensor data



Allows implementation of additional FFE and other customer-specific IP



Digital mic interfaces and Low Power Sound Detection\* (LPSD)  
\*LPSD optimized for Sensory TrueHandsFree™ Voice Control



80 MHz and 512 KB SRAM for general purpose processing and running O/S



SPI Master/Slave, I<sup>2</sup>C, UART



DMA, Integrated RTC, Oscillators, ADC, and LDO