

April 30, 2014



# QuickLogic Announces Fiscal 2014 First Quarter Results

SUNNYVALE, CA -- (Marketwired) -- 04/30/14 -- QuickLogic Corporation (NASDAQ: QUIK), the innovator of ultra-low-power Customer Specific Standard Products (CSSPs), today announced the financial results for its fiscal first quarter ended March 30, 2014.

Total revenue for the first quarter of 2014 was \$11.2 million, up 26% and 270% from the fourth quarter of 2013 and from the first quarter of 2013, respectively. During the first quarter, new product revenue increased 27% to \$8.9 million from \$7.0 million in the fourth quarter of 2013. New product revenue accounted for 80% of the total revenue in the first quarter. During the first quarter, mature product revenue increased 24% to \$2.2 million sequentially. Mature product revenue accounted for 20% of the total revenue in the first quarter.

Under generally accepted accounting principles (GAAP), the net loss for the first quarter of 2014 was \$2.1 million, or \$0.04 per share, compared with a net loss of \$3.2 million, or \$0.07 per share, in the fourth quarter of 2013 and a net loss of \$3.6 million, or \$0.08 per share, in the first quarter of 2013. Non-GAAP net loss for the first quarter of 2014 was \$1.4 million, or \$0.03 per share, compared with a non-GAAP net loss of \$2.2 million, or \$0.05 per share, in the fourth quarter of 2013 and a non-GAAP net loss of \$3.1 million, or \$0.07 per share, in the first quarter of 2013.

## *Conference Call*

QuickLogic will hold a conference call at 2:30 p.m. Pacific Daylight Time today, April 30, 2014, to discuss its current financial results. The conference call is being webcast and can be accessed via QuickLogic's website at <http://ir.quicklogic.com/events.cfm>. To join the live conference, please dial (877) 377-7094 by 2:20 p.m. Pacific Daylight Time today. A recording of the call will be available starting one hour after completion of the call. To access the recording, please call (404) 537-3406 and reference the passcode: 30679000. The call recording will be archived until Wednesday, May 7, 2014, and the webcast will be available for 12 months.

## *About QuickLogic*

QuickLogic Corporation (NASDAQ: QUIK) is the leading provider of ultra-low power, customizable Sensor Hub, Display, and Connectivity semiconductor solutions for smartphone, tablet, wearable, and mobile enterprise OEMs. Called Customer Specific Standard Products (CSSPs), these programmable 'silicon plus software' solutions enable our customers to bring hardware-differentiated products to market quickly and cost effectively. For more information about QuickLogic and CSSPs, visit [www.quicklogic.com](http://www.quicklogic.com). Code: QUIK-G

## *Non-GAAP Financial 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 Company 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.

## *Safe Harbor Statement Under The Private Securities Litigation Reform Act of 1995*

This press release contains forward-looking statements relating to the revenue generating potential of new products, which is dependent on the market acceptance of our products and the level of customer orders. Actual results could differ materially from the results described in these forward-looking statements. Factors that could cause actual results to differ materially include: 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 factors and others are described in more detail in the Company's public reports filed with the Securities and Exchange Commission, including

the risks discussed in the "Risk Factors" section in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and in the Company's prior press releases.

ArcticLink, pASIC, PolarPro and QuickLogic are registered trademarks and Eclipse and the QuickLogic logo are trademarks of QuickLogic Corporation. All other brands or trademarks are the property of their respective holders and should be treated as such.

QUICKLOGIC CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per share amounts)  
(Unaudited)

Three Months Ended

	March 30, 2014	March 31, 2013	December 29, 2013	
Revenue	\$ 11,164	\$ 3,017	\$ 8,863	
Cost of revenue, excluding inventory write-down	7,042	1,643	5,923	
Inventory write-down	64	343	172	
Gross profit	4,058	1,031	2,768	
Operating expenses:				
Research and development	2,641	2,008	2,473	
Selling, general and administrative	3,465	2,530	3,354	
Restructuring cost	-	7	-	
Total operating expense	6,106	4,545	5,827	
Loss from operations	(2,048)	(3,514)	(3,059)	
Interest expense	(16)	(9)	(17)	
Interest income and other (expense), net	(26)	(4)	(27)	
Loss before income taxes	(2,090)	(3,527)	(3,103)	
Provision for income taxes	20	57	86	
Net loss	\$ (2,110)	\$ (3,584)	\$ (3,189)	
Net loss per share:				
Basic	\$ (0.04)	\$ (0.08)	\$ (0.07)	
Diluted	\$ (0.04)	\$ (0.08)	\$ (0.07)	
Weighted average shares:				
Basic	54,433	44,517	49,130	
Diluted	54,433	44,517	49,130	

QUICKLOGIC CORPORATION  
SUPPLEMENTAL RECONCILIATIONS OF GAAP AND NON-GAAP FINANCIAL MEASURES  
(In thousands, except per share amounts)  
(Unaudited)

Three Months Ended

	March 30, 2014	March 31, 2013	December 29, 2013	
GAAP loss from operations	\$ (2,048)	\$ (3,514)	\$ (3,059)	
Adjustment for stock-based compensation within:				
Cost of revenue	42	30	156	
Research and development	337	256	376	380
Selling, general and administrative	-	-	66	
Adjustment for the write-off of equipment within:				
Cost of revenue	-	-	27	
Selling, general and administrative	-	-	-	
Adjustment for restructuring costs	-	7	-	
Non-GAAP loss from operations	\$ (1,316)	\$ (3,055)	\$ (2,054)	
GAAP net loss	\$ (2,110)	\$ (3,584)	\$ (3,189)	
Adjustment for stock-based compensation within:				
Cost of revenue	42	30	156	
Research and development	337	256	376	380
Selling, general and administrative	-	-	66	
Adjustment for the write-off of equipment within:				
Cost of revenue	-	-	27	
Selling, general and administrative	-	-	-	
Adjustment for restructuring costs	-	7	-	
Non-GAAP net loss	\$ (1,378)	\$ (3,125)	\$ (2,184)	
GAAP net loss per share	\$ (0.04)	\$ (0.08)	\$ (0.07)	
Adjustment for stock-based compensation	0.01	0.01	0.02	
Adjustment for write-off of equipment	-	-	*	
Adjustment for restructuring costs	-	*	-	
Non-GAAP net loss per share	\$ (0.03)	\$ (0.07)	\$ (0.05)	
GAAP gross margin percentage	36.3%	34.2%	31.2%	

Adjustment for stock-based compensation	0.4%	1.0%	1.8%
Adjustment for restructuring costs	-	*	-
Adjustment for write-off of equipment	-	-	0.7%
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Non-GAAP gross margin percentage	36.7%	35.2%	33.7%
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\* Figures were not considered in the reconciliation due to the insignificant amount.

QUICKLOGIC CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(In thousands)  
(Unaudited)

	March 30, 2014	December 29, 2013(1)
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ASSETS		
Current assets:		
Cash and cash equivalents	\$ 37,112	\$ 37,406
Accounts receivable, net	3,327	3,261
Inventories	5,224	4,136
Other current assets	924	1,272
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Total current assets	46,587	46,075
Property and equipment, net	2,568	2,840
Other assets	216	211
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TOTAL ASSETS	\$ 49,371	\$ 49,126
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Revolving line of credit	\$ 1,000	\$ 1,000
Trade payables	2,485	3,578
Accrued liabilities	2,644	3,519
Current portion of capital lease obligations	209	177
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Total current liabilities	6,338	8,274
Long-term liabilities:		
Capital lease obligations, less current portion	100	133
Other long-term liabilities	115	121
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Total liabilities	6,553	8,528
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Stockholders' equity:		
Common stock, at par value	55	54
Additional paid-in capital	234,703	230,373

Accumulated deficit	(191,940)	(189,829)
Total stockholders' equity	42,818	40,598
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 49,371</b>	<b>\$ 49,126</b>

(1) Derived from the December 29, 2013 audited balance sheet included in the 2013 Annual Report on Form 10-K of QuickLogic Corporation.

QUICKLOGIC CORPORATION  
SUPPLEMENTAL DATA  
(Unaudited)

Percentage of Revenue		Change in Revenue	
Q1 2014	Q1 2013	Q4 2013	Q1 2014 to Q4 2013

COMPOSITION OF REVENUE

Revenue by product (1):

New products	80%	31%	79%	848%	27%
Mature products	20%	69%	21%	8%	24%

Revenue by geography:

Korea	70%	1%	69%	24897%	27%
United States	10%	31%	9%	13%	37%
Malaysia	4%	23%	6%	(33)%	(8)%
Japan	6%	20%	6%	13%	29%
Europe	7%	15%	5%	64%	73%
Rest of North America	0%	6%	1%	(80)%	(69)%
China	3%	4%	4%	193%	2%
Rest of Asia Pacific	0%	0%	0%	4229%	(41)%

(1) New products include ArcticLink®, ArcticLink II, ArcticLink III, Eclipse™ II, PolarPro®, PolarPro II, PolarPro III, and QuickPCI II. Mature products include Eclipse, EclipsePlus, pASIC® 1, pASIC 2, pASIC 3, QuickFC, QuickMIPS, QuickPCI, QuickRAM, and V3, as well as royalty revenue, programming hardware and software.

Contacts:

Ralph S. Marimon  
Vice President of Finance  
Chief Financial Officer  
(408) 990-4000  
Email Contact

Andrea Vedanayagam  
(408) 656-4494  
Email Contact

Source: QuickLogic