



Investor Presentation

12th Annual LD Micro Main Event Conference
December 11, 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. 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.

QuickLogic at a Glance

Snapshot



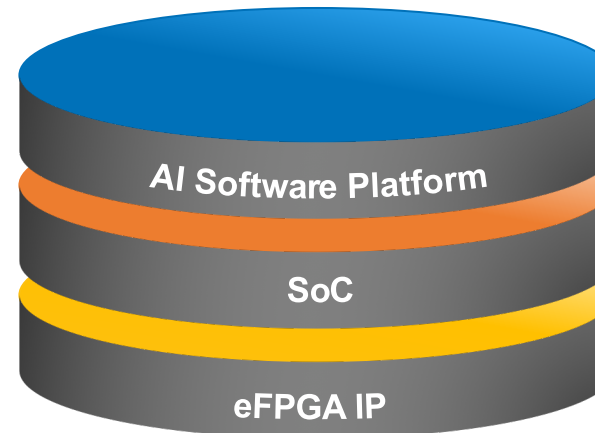
- **Founded:** 1989, public since 1999
- **Ticker:** QUIK (NASDAQ)
- **Headquarters:** San Jose, CA
- **Employees:** ~100
- **Patents:** 24 U.S. (plus 3 pending)
11 international (plus 5 pending)

(1) Per Company estimates, as displayed on pages 13, 14, 15, and 16.

Business Highlights

- 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
- QuickLogic develops 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, software drivers, and HW and SW 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

Recent Events

1

Reverse Stock Split

- The Company received overwhelming shareholder approval to authorize the Board to implement a reverse stock split to remain listed on the NASDAQ Capital Market
- On December 9, we announced the Board approved a 1-for-14 split of the shares
- First day of post reverse trading will be on or about December 24 in order to meet the January 13 deadline to trade at or above \$1.00

2

SensiML joins ST Micro Partner Program

- On December 10, SensiML announced it joined the STMicroelectronics Partner Program
- STMicro is one of the Top 5 WW MCU vendors
- As an Authorized Partner, SensiML expands served available market for AI Software Platform

3

Significant Deal with Mega-Cap Platform Co. for IoT Dev. Launch

- Jointly developing and bringing to market an IoT development platform that is based on the EOS S3
- Have commitment to launch thousands of low-cost development kits into the market, our largest deployment ever by two orders of magnitude
- First launch associated with initiative announced today with Antmicro
- Targeting full launch before end of Q1'20

QuickLogic's Transforming 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

Acquisition of SensiML Transforms Business Model

- Acquisition expands AI capability and served available market
- Full-Stack Solution – Cross leverage SensiML's SW suite, QuickLogic's QuickAI platforms and eFPGA IP
- Drives higher SaaS margins and “stickier” revenues with subscription model

Strategic Partnership with SiFive Expands Licensing Model

- Leading provider of RISC-V core IP, development tools, silicon solutions and SoC templates
- SoC templates enable customers to greatly reduce design cycles and development costs
- Significant potential to further accelerate IP licensing, SW and SaaS revenue

Robust IP Portfolio

- 30+ active patents globally in core IP – predictable and high-margin licensing revenue
- eFPGA HW accelerators optimize endpoint AI applications
- End-to-end AI solution, from semiconductor IP through SaaS software – first material subscription revenue from SensiML in Q1'19

Top Tier Customers and Ecosystem



2019 Strategic Acquisition and Partnership

SensiML Acquisition

- Acquired by QuickLogic on January 4, 2019
- Software-as-a-Service AI Company
- End-to-end software platform
- Developed pattern matching sensor algorithms using ML technology
- Spin-out from Intel in 2017 and headquartered in Beaverton, Oregon



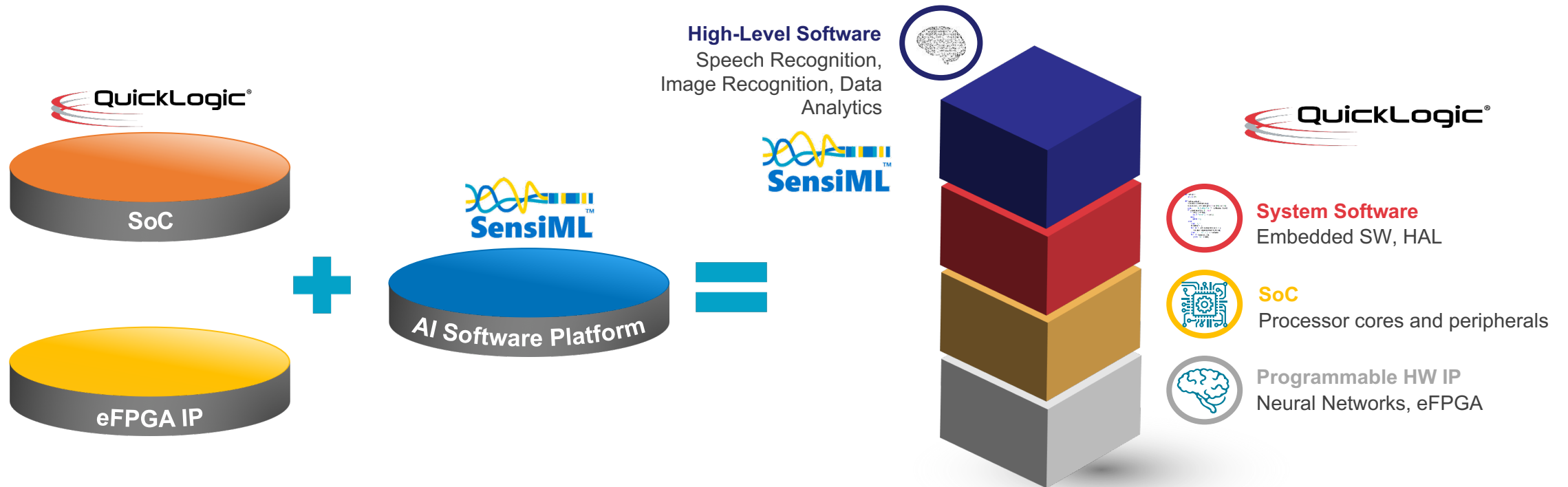
SiFive Strategic Partnership

- Partnership with QuickLogic announced on April 25, 2019
- Leading provider of market-ready processor core IP, development tools, silicon solutions and SoC templates
- Based on open RISC-V instruction set architecture
- Executive team includes RISC-V inventors
- Investors include Intel Capital, Qualcomm Ventures, SK Telecom, Spark Capital, Sutter Hill Ventures and Western Digital



QuickLogic / SensiML Combination

Creates Solution with Subscription Revenue Model

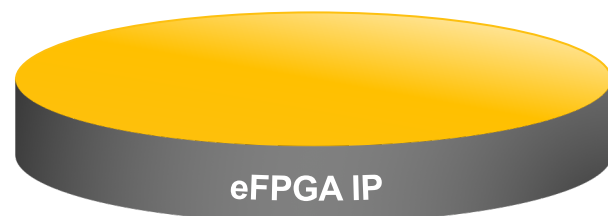
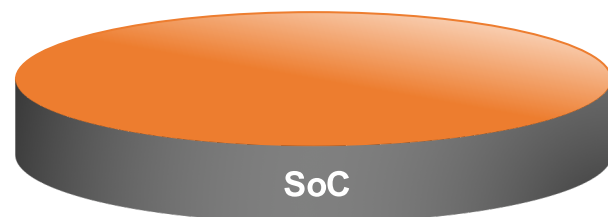


Cross leverage QuickLogic's QuickAI platform and eFPGA IP with SensiML's software platform

Subscription Model – “Stickier” recurring revenues and higher margins

Product Lines

Core Technologies / Products



End Markets

Mobile / Consumer IoT



Industrial IoT



Customers & Partners

1MORE

AISPEECH

amun

ANALOG
DEVICES
AHEAD OF WHAT'S POSSIBLE™

Atmosic™

BOSCH

CSKY

CYXEE

DSP
CONCEPTS

ETH zürich

GLOBAL
FOUNDRIES

HORN

infineon

MEDIATEK

MEMS
Industry
Group®

nepes
nepes corporation

NORDIC
SEMICONDUCTOR

NUANCE

Qualcomm

RETUNE
DSP

SAMSUNG

sensory

SiFive

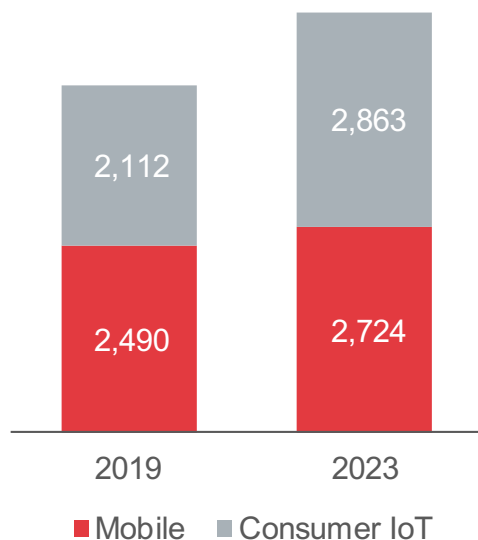
SMIC

步步高

Consumer / Mobile – Voice-Enabled Products

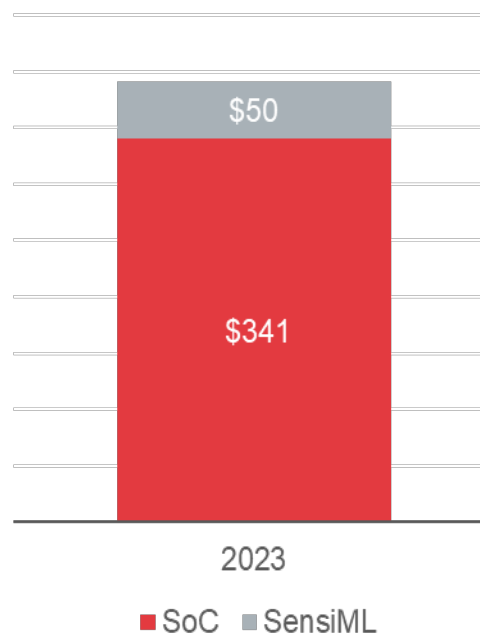
TAM

(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

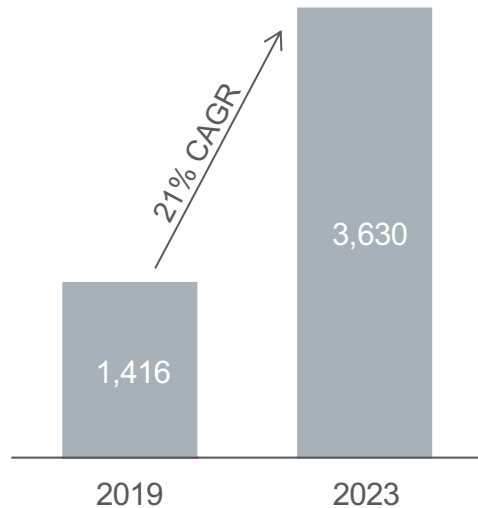
- EOS S3 Platform for Sensor & Voice Processing
- Optional SensiML AI toolkit for development of unique sensor algorithms

Source: ABI Research, Company Estimates.

Industrial IoT – Predictive Maintenance & Structural Health

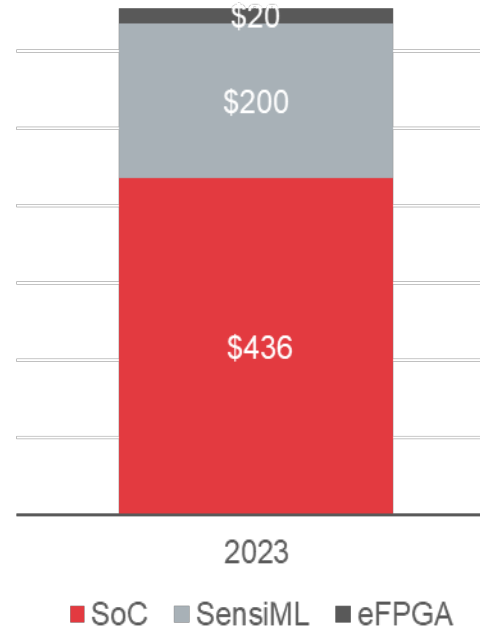
TAM

(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

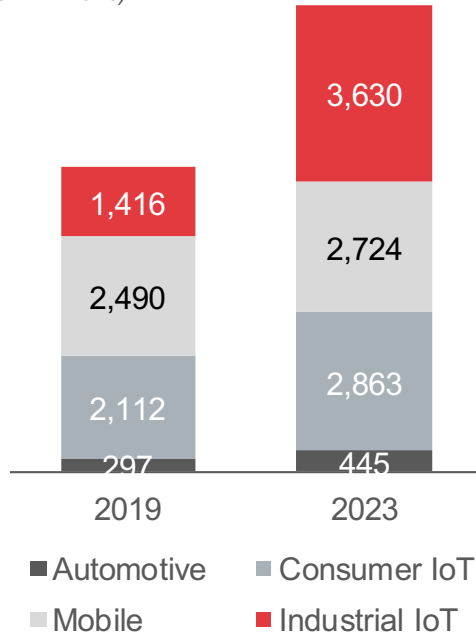
Source: ABI Research, Company Estimates.

SensiML AI SW Platform



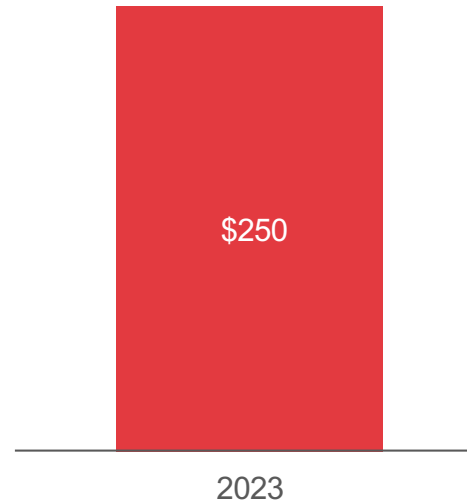
TAM

(units in millions)

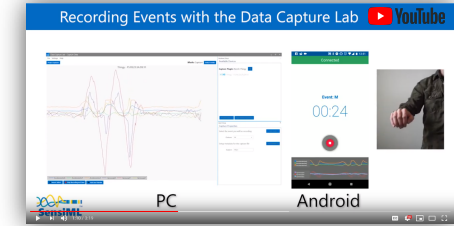


SAM

(\$ 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 solutions 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

TAM

(\$ in millions)



Benefits of SiFive Partnership

- Strategic development partnership revolutionizes SoC design process
- Utilizes tested building blocks and full suite of development tools
- Drastically reduces design cycle times and total cost of first silicon
- Creates high gross margin manufacturing licenses 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; Q3'19 test chip up and running in our labs

**~\$10Ms SAM Created
Through Cross-Leverage of
End-to-End Offerings and
Strategic Partnership with
SiFive**



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.

The QuickLogic / SiFive Partnership

SiFive SoC templates extend the potential and reach of our IP and SensiML business models by enabling customers to quickly and cost-effectively scale their technologies



SoC
Templates

AI SW
Platform

CPU Core
Templates

SoC
Architecture

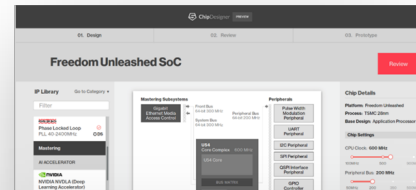
RISC-V IP
Cores

eFPGA IP
Cores

Anticipated Launch in Late 2020

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

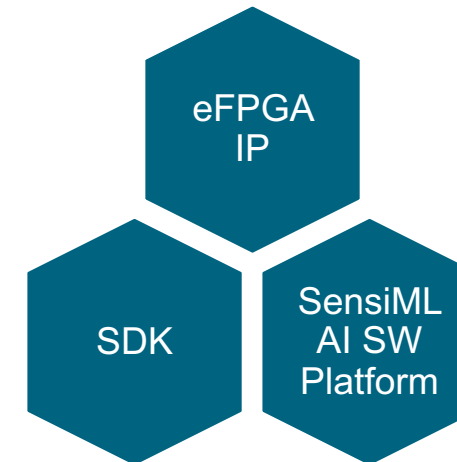
Cloud-Based SoC Design Platform



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



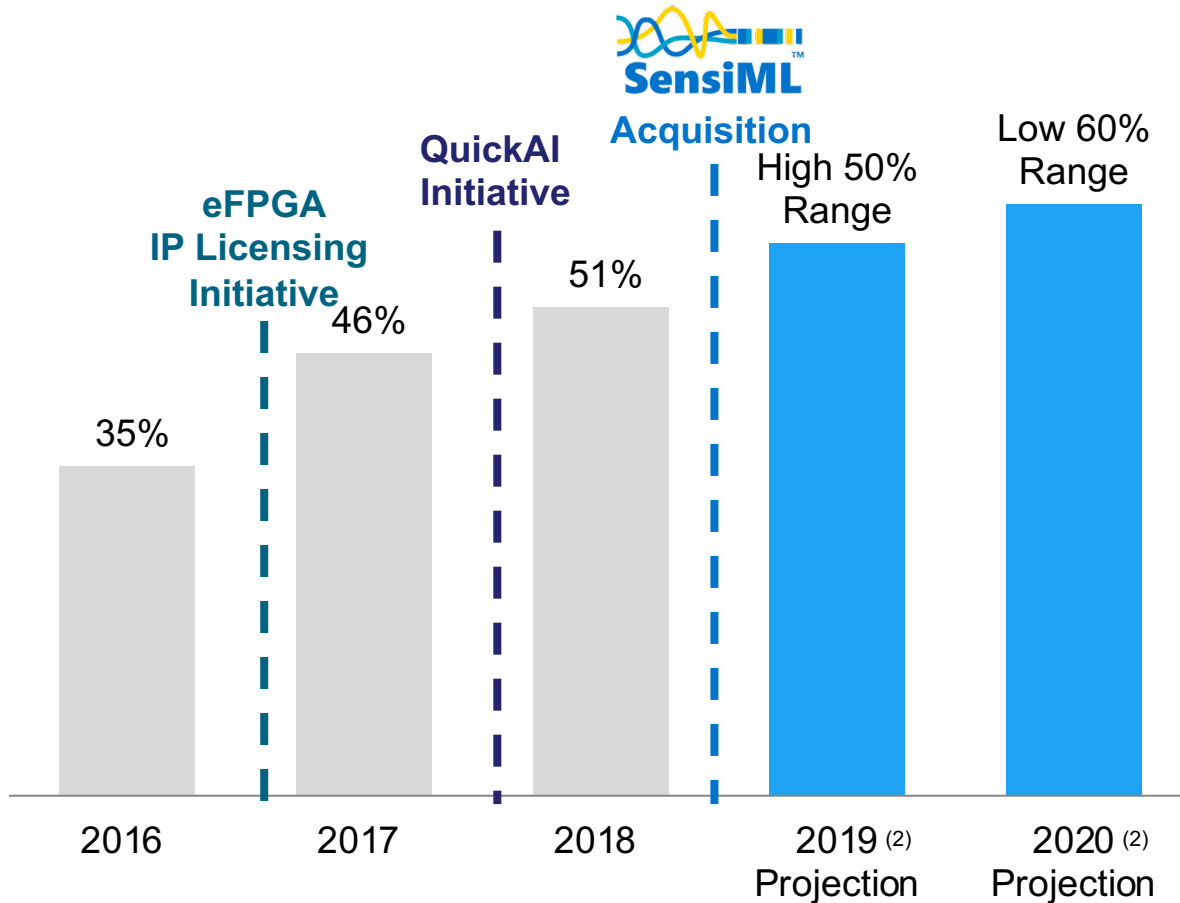
QuickLogic monetizes the platform from architecture and core technology contributions to SoC Templates

Financial Overview



Transforming Financial Model

Non-GAAP Gross Margin^(1,2)



(1) Please refer to Appendix for Non-GAAP to GAAP reconciliation.

(2) Based on Company projections, as announced on August 7, 2019 earnings call.

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 Royalties from SiFive

Q4'19 Financial Guidance and Outlook

Revenue

- \$3.0 million, plus or minus 10%. This is up from \$2.2 million in Q3'19

Gross Margin

- Approximately 60%, plus or minus 3%. This is up from 48.9% in Q3'19

Operating Expenses

- Approximately \$4.2 million, plus or minus \$300,000. Compares with \$4.5 million in Q3'19

Net Loss

- Approximately \$2.4 million, or \$(0.02) per share. An improvement from \$3.5 million and \$(0.04) in Q3'19

Cash Usage

- Cash usage in the range of \$2.8 to \$3.2 million. This is down from \$3.4 million in Q3'19

Confident Revenue Ramps in 2020 Leading To Profitability

1 Military

- Funding delays; Now resolved with greater clarity and revenue ramp starting in Q1'20

2 Chinese Manufacturers

- Chinese consumer electronics manufacturer still plans to introduce new models incorporating our EOS S3 for always-on voice control; Believe this will be deployed for 2020 product cycle

3 Hearables/Consumer Electronics Market

- Amazon released their own proprietary voice software. Customers waiting for the integration of that software onto EOS S3 prior to bringing their products to market. Revenue ramping in fiscal 2020
- New ultra-low-power Bluetooth Low Energy solution design win secured; The customer expects to ship several hundred thousand units in 2020

4 Japanese Smartphones

- Smartphone customer adding our technology across broader range of their products; Now shipped pre-production orders of EOS S3 for three additional phones expected to launch before year end

5 SensiML

- Ended Q3'19 with 26 customers; Primarily in the Industrial market that tend to have a much more predictable revenue stream

Investment Highlights

1

ML / AI Growth Story with End-to-End Solution in High-Volume End Markets with Fortune Global 500s

2

Acquisition of SensiML Transforms Business Model and will Drive High-Margin Recurring SaaS Revenues

3

Jointly Developing and Bringing to Market an IoT Development eFPGA Platform That is Based on the EOS S3 with Well-known Mega-Cap Platform Company; Largest HDK Deployment Ever By Two Orders Of Magnitude

4

Strategic Partnership with SiFive Expands Licensing Model Opportunities

5

Annual Gross Margin Expansion Every Year for Past Four Years, from 35% to Mid 50% Range

6

Expect to be Close to Non-GAAP Operating Income Breakeven at the End of Q1'20; Operating Income Breakeven/Profitable by Q2'20

Addendum



Business Highlights – Q3'19 Conference Call

Significant Increase in S3 SoC Design Win Pipeline

Customer Win

- Japanese Smartphone OEM
- Hearable Designs
- Consumer Electronics
- Large Consumer Goods

Design Win

- 4 smartphones, 1 feature phone
- 1More, JD.COM, SF Express, Cleer, 1st AVS Close Talk Certification
- New voice-enabled remote control with well-known streaming/SmartTV provider
- Integrated Alarm System reference design with Infineon and large module manufacturer

Anticipated Shipment

- Volume revenue in Q3'19, shipped pre-prod EOS S3 for 3 more phones by year end 2019
- Customers waiting to integrate new Amazon software in Q4'19; push into 1H'20
- Launch date of Q2'20
- Middle of CY'20

eFPGA IP & QuickAI Initiatives

eFPGA IP

- Jointly developing IoT development eFPGA platform; largest software deployment ever by two orders of magnitude

QuickAI

- Continue to activate HDK+SensiML software

SensiML Acquisition

- 26 SaaS customers (7 Fortune Global 500 companies) through Q3'19; up from 3 in Q1'19
- SensiML Joined ST Micro Partnership Program extending reach; can drive more penetration into the market
- High demand from Industrial customers; longer conversion cycle but customers will have a more predictable revenue stream

SiFive Partnership

- Joined Pingtogue (C-Sky) IP Alliance Program; Pingtogue driving all the semiconductor development for Alibaba; have MOU executed for eFPGA inclusion in their IoT MCU template
- DoD-based projects continue to move forward toward full IP license in 2020

Outlook and Breakeven⁽¹⁾⁽²⁾

- Healthy increase in revenue beginning in Q1'20
 - Higher percentage of SaaS and eFPGA IP sales to drive margin improvement
- Close to non-GAAP operating income breakeven at the end of Q1'20; operating income breakeven/profitable by Q2'20

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

Doubled SAM Since 2016 to \$1B+⁽¹⁾ Through Strategic Initiatives and Acquisitions

2016

2017

2018

2019



Launched IP Licensing Initiative



Launched Voice-Processing Solution



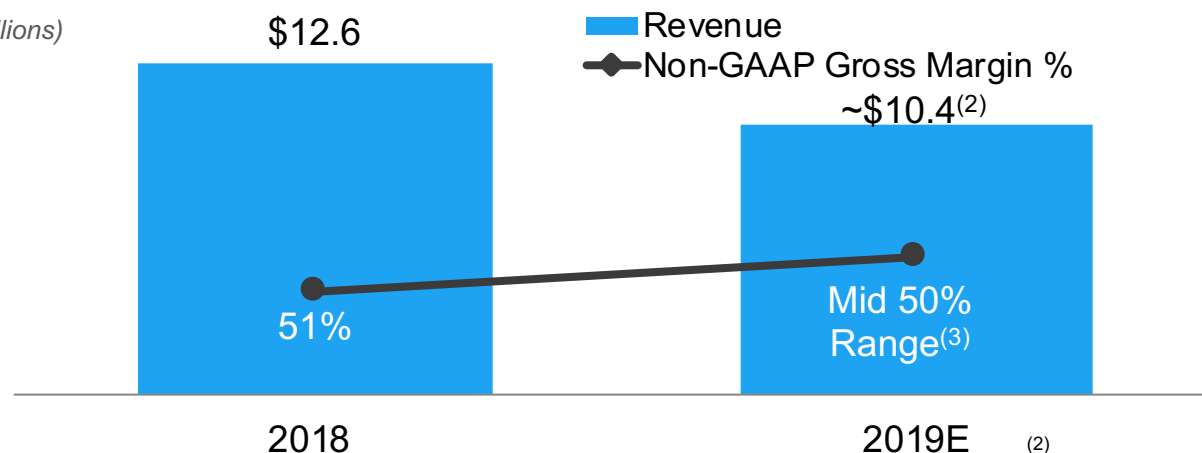
Launched Edge/Endpoint AI Initiative



Acquired SensiML AI SW Platform
Strategic Partnership with SiFive

Ramping New Product Revenue - Driving to Achieve Operating Income Breakeven/Profitability by Q2'20⁽²⁾

(\$ in millions)



- Numerous design wins in strategic new products leading to **expanded Gross Margin**
- Gross margin expansion via Software, IP and SaaS revenue

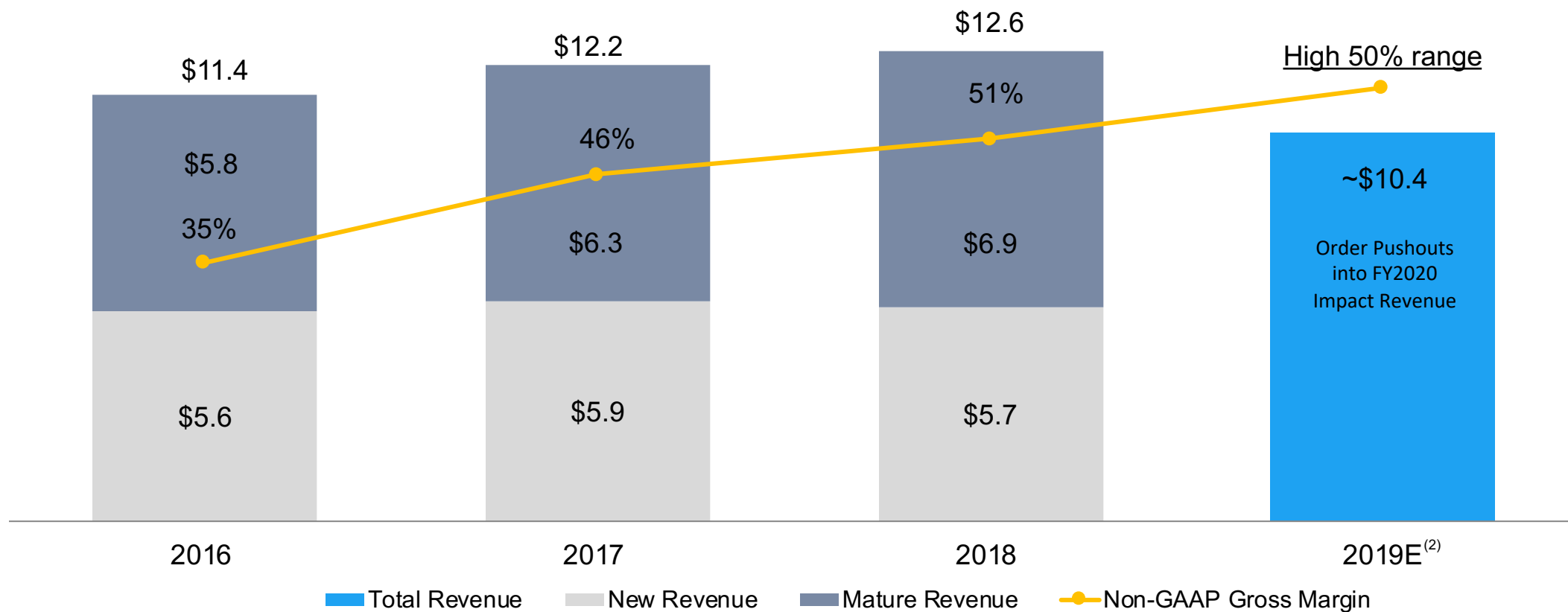
(1) Per Company estimates

(2) Based on Company projections, as announced on November 6, 2019 earnings call.

(3) Please refer to Appendix for Non-GAAP to GAAP reconciliation.

Financial Summary

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



(1) Please refer to Appendix for Non-GAAP to GAAP reconciliation.

(2) Based on Company projections, as announced on November 6, 2019 earnings call.

Balance Sheet and Capitalization Summary

Balance Sheet Summary as of September 30, 2019

(\$ in thousands)

Assets

Current assets:

Cash and cash equivalents	\$ 24,822
Accounts receivable	1,259
Inventories	3,378
Other current assets	1,506

Total current assets **\$ 30,965**

Long-term assets	\$ 4,836
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Total assets **\$ 35,801**

Liabilities

Total current liabilities	\$ 18,140
Long-term liabilities / other	1,423

Total liabilities **\$ 19,563**

Total stockholders' equity **\$ 16,238**

Total liabilities and stockholders' equity **\$ 35,801**

Capitalization as of September 30, 2019

Common Stock Outstanding (in thousands of shares) **116,387**

Debt	Interest Rate	Maturity	Amount
Revolving Credit Line – Heritage Bank	6.0%	Sep. 28, 2020	\$15.0M

Stock-Based Compensation (in thousands of shares)	Weighted Exercise Price	Amount
Options Outstanding	\$2.29	2,617
Restricted Stock Units (in thousands of shares)		5,217

Warrants (in thousands of shares)	Exercise Price	Maturity	Amount
May 2018 Offering	\$1.38	May 29, 2023	5,405

Source: Company SEC filings.

Non-GAAP Trended Income Statement

(\$ in millions, except per share data)

	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19
New product revenue	\$ 1.5	\$ 1.3	\$ 0.7	\$ 0.7	\$ 1.0
Mature revenue	2.0	1.9	2.5	1.4	1.1
Total revenue	3.5	3.2	3.2	2.1	2.2
 Gross margin %	 51%	 53%	 63%	 50%	 49%
 Operating expense					
Research and development	2.2	2.3	2.6	2.7	2.6
Sales, general and administrative	2.3	2.0	2.1	2.1	1.9
Total operating expense	4.5	4.3	4.7	4.8	4.5
 Loss from operations	 (2.7)	 (2.6)	 (2.8)	 (3.7)	 (3.4)
 Net loss	 \$ (2.7)	 \$ (2.6)	 \$ (2.5)	 \$ (3.8)	 \$ (3.5)
 Basic and diluted net loss per share	 \$ (0.03)	 \$ (0.03)	 \$ (0.03)	 \$ (0.04)	 \$ (0.03)

Totals may not equal due to rounding

GAAP to Non-GAAP Reconciliation

(\$ in thousands, except per share data)

	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19
Non-GAAP operating loss	\$ (2,711)	\$ (2,578)	\$ (2,758)	\$ (3,740)	\$ (3,445)
Adjustments:					
Stock-based compensation	(516)	(474)	(951)	(791)	(748)
FA impairment and/or write-off	-	-	-	(2)	-
GAAP operating loss	\$ (3,227)	\$ (3,052)	\$ (3,709)	\$ (4,533)	\$ (4,193)
Non-GAAP net loss	\$ (2,744)	\$ (2,591)	\$ (2,525)	\$ (3,841)	\$ (3,523)
Adjustments:					
Stock-based compensation	(516)	(474)	(951)	(791)	(748)
FA impairment and/or write-off	-	-	-	(2)	-
GAAP net loss	\$ (3,260)	\$ (3,065)	\$ (3,476)	\$ (4,634)	\$ (4,271)
Non-GAAP net loss per share	\$ (0.03)	\$ (0.03)	\$ (0.03)	\$ (0.04)	\$ (0.03)
Adjustment for stock-based compensation	-	-	(0.01)	(0.01)	(0.01)
GAAP net loss per share	\$ (0.03)	\$ (0.03)	\$ (0.04)	\$ (0.05)	\$ (0.04)
Non-GAAP gross margin %	50.5%	52.6%	62.8%	49.8%	48.9%
Adjustment for stock-based compensation	(0.8%)	(0.9%)	(0.8%)	(0.8%)	(0.7%)
GAAP gross margin %	49.7%	51.7%	62.0%	49.0%	48.2%