

# BRINGING MORE INTELLIGENT SENSING TO MOBILE DEVICES

Benchmark Conference May 2015

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This presentation contains statements that are forward-looking including statements relating to the size of the total addressable market for our products and services, the compound annual growth rate for mobile market sectors, expectations relating to our new products, the time to market for various of our product innovations, expectations relating to our product innovations, our anticipated platform silicon roadmap and the expected timeline related to such roadmap, opportunities for our pipeline and our positioning for long-term, sustainable revenue growth, the benefits of our mobile-specific programmable logic to customers, the benefits of our solutions platforms, our plans with respect to new product revenue growth, our long-term target operating model, our projections related to our revenue, gross margin, expenses, operating income, net income and earnings per share. These forward-looking statements involve risks and uncertainties including but not limited to expectations relating to production targets for our New Products, revenue growth from our new products, our design activity and our ability to convert new design opportunities into customer activity, market acceptance of our customers' products and our expected results. In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These historical and forward-looking non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. QuickLogic's future results could differ materially from the results described in these forward-looking statements. These and other risk factors are detailed in QuickLogic's periodic reports and registration statements filed with the Securities and Exchange Commission. 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.

## Large, High Growth Markets

- Smartphones, Wearables, Tablets, and Mobile Enterprise
- TAM nearly 2B units in 2018

## Top Tier Customer Adoption



## Disruptive Technology

- Lowest power Sensor Processing Solutions enable longer battery life
- Broad spectrum of in-system reprogrammable and non-volatile programmable logic platforms for Smart Connectivity

## Strong Ecosystem



## Corporate

- NASDAQ: QUIK, HQ in Silicon Valley; R&D: Sunnyvale, Bangalore, Toronto
- Field Sales and Support: South Korea, Japan, China, Taiwan, UK
- Employees – 98; Technical Staff – 55

# HIGH GROWTH, HIGH VOLUME FOCUS

**Android  
Smartphones**

**Wearables**

**Android Tablets**

**Mobile  
Enterprise**

**Ultra-low Power  
Sensor Hubs**



**Programmable Smart  
Connectivity**



**Display  
Bridges**



**2018 Unit TAM**

**1.5B**

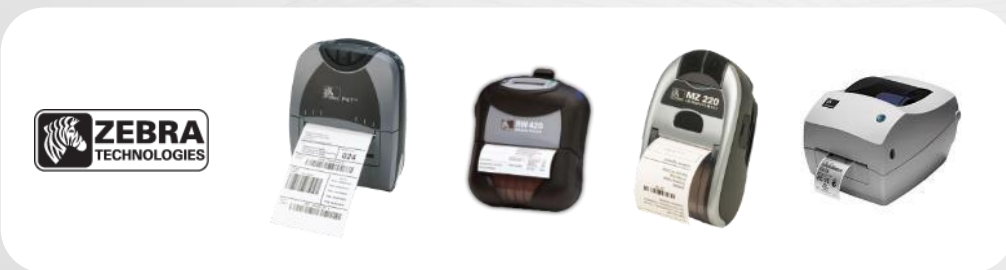
**107M**

**167M**

**100M+**

Sources: IDC Dec 2014 (Smartphones), IDC March 2015 (Wearables), IDC March 2015 (Tablets), Company Estimates (Mobile Enterprise)

# SUCCESS STORIES



# REMARKS FROM Q1'15 EARNINGS CONFERENCE CALL

- We have shipped production quantity sensor hubs to **two wearable OEMs**
- We have begun shipments of display bridge devices to **2 new Samsung tablets**
  - Galaxy Tab 3V & Tab E 7.0
- We expect to ship sensor hub units to support **5 different production design in Q2**
- **Every sensor hub design in our funnel is based on QuickLogic's SenseMe™ algorithms**
- We have nearly **doubled the number of sensor hub engagements**



# FIRST TO MARKET WITH QUICKLOGIC

 Telepathy



**FOXCONN**



**jumpy** The Ultimate Kid Smartwatch.

# CSSP BUSINESS MODEL

- Ultra-low-power in-system reprogrammable logic
- Lowers new platform development costs and risks; accelerates time-to-market
- Platform roadmap supported by customer feedback

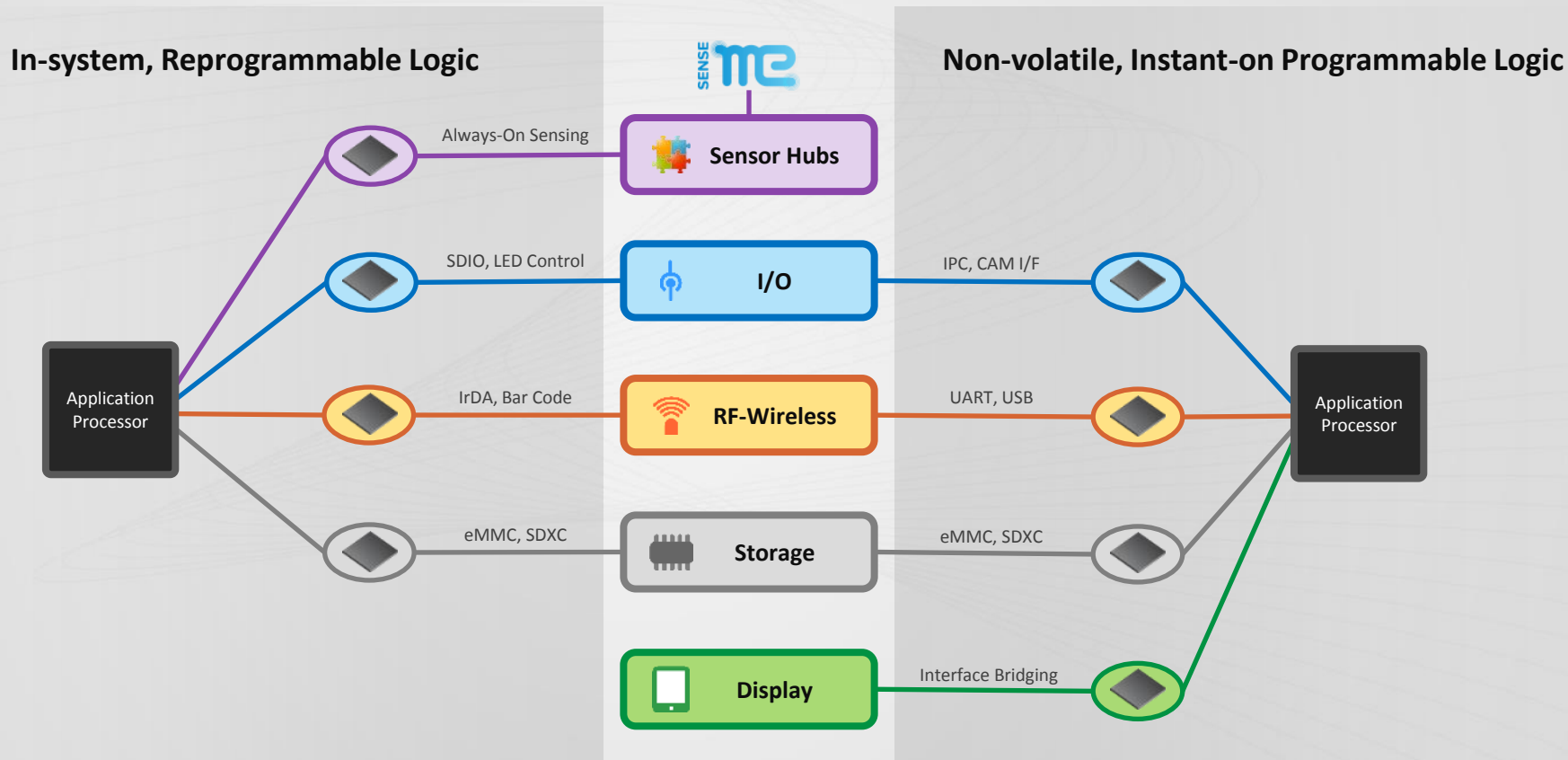


**Flexibility**

**Customers can to tailor our platform to their specific design needs**



# QUICKLOGIC OFFERS THE BEST OF BOTH WORLDS



# THE HEART OF OUR SENSOR PROCESSING SOLUTION

## Flexible Fusion Engine

- Patent Pending Design
- microDSP-like architecture for high efficiency
- In-system reconfigurable for use in different sensor applications
- Integrated into all of our sensor hub platforms
- Significantly better power consumption than traditional microcontroller implementations



# CORNERSTONES OF SENSOR PROCESSING SYSTEM

## Silicon Platforms and Roadmap



ARTICLINK® 3 S1  
ARTICLINK® 3 S2  
ARTICLINK® 3 S2 LP  
ARTICLINK® S3



# SENSOR HUB ROADMAP



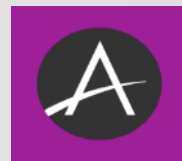
ARGTICLINK® 3 S1



ARGTICLINK® 3 S2



ARGTICLINK® 3 S2 LP



ARGTICLINK® S3



## First samples in Q4 2013

Production in Q1 2014



## First samples in Q3 2014

Production in Q4 2014



## First samples in Q2 2015

Production in Q3 2015

- 75μW active power – lowest in industry
- 100% pin and software compatible



## First samples in Mid-2015

NDA-only



# CORNERSTONES OF SENSOR PROCESSING SYSTEM

## Silicon Platforms and Roadmap



ARTICLINK® 3 S1  
ARTICLINK® 3 S2  
ARTICLINK® 3 S2 LP  
ARTICLINK® S3

## SenseMe™ Sensor Algorithms



Sensor Fusion  
Apps



Gesture  
Recognition



Context  
Classification

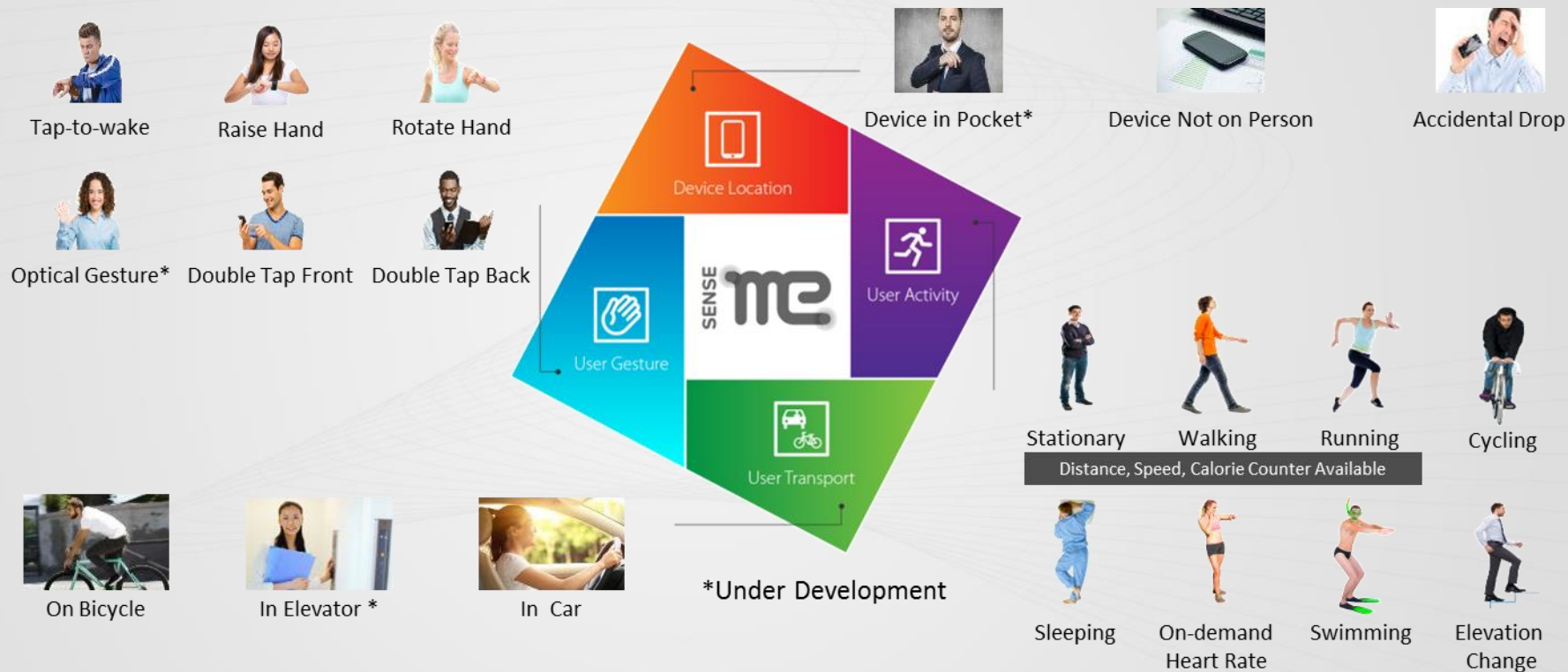


Activity  
Monitoring



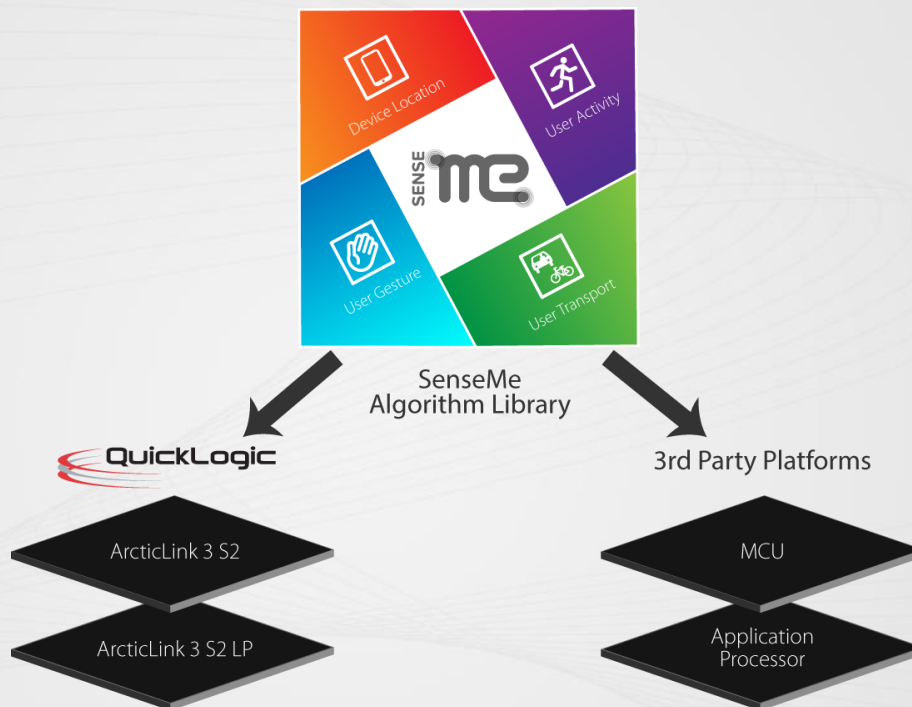
Flexible  
Fusion  
Engine  
PATENT PENDING

# SenseMe SENSOR ALGORITHMS





# FLEXIBLE SENSEME IMPLEMENTATIONS



**Implementation  
Options**

**Available on QuickLogic silicon or licensed for 3<sup>rd</sup> party platforms**

## BEST-IN-CLASS PEDOMETER ACCURACY



97% Accuracy



Leading  
Fitness  
Band

95% Accuracy



Leading  
Fitness  
Smartwatch

87% Accuracy

### Test Results

Test data produced by leading smartphone OEM, verified by QuickLogic

### QuickLogic's Comprehensive Testing

Includes multiple conditions; several device locations, cadence, gender, age, and height

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Monitoring



## Reference Platforms & Design Tools



C-to-FFE  
Compiler

# REFERENCE DESIGNS TO ACCELERATE TIME-TO-MARKET

## Smartphone Evaluation Kits



## Wearable Reference Designs



**TAG**



**TAG-N**

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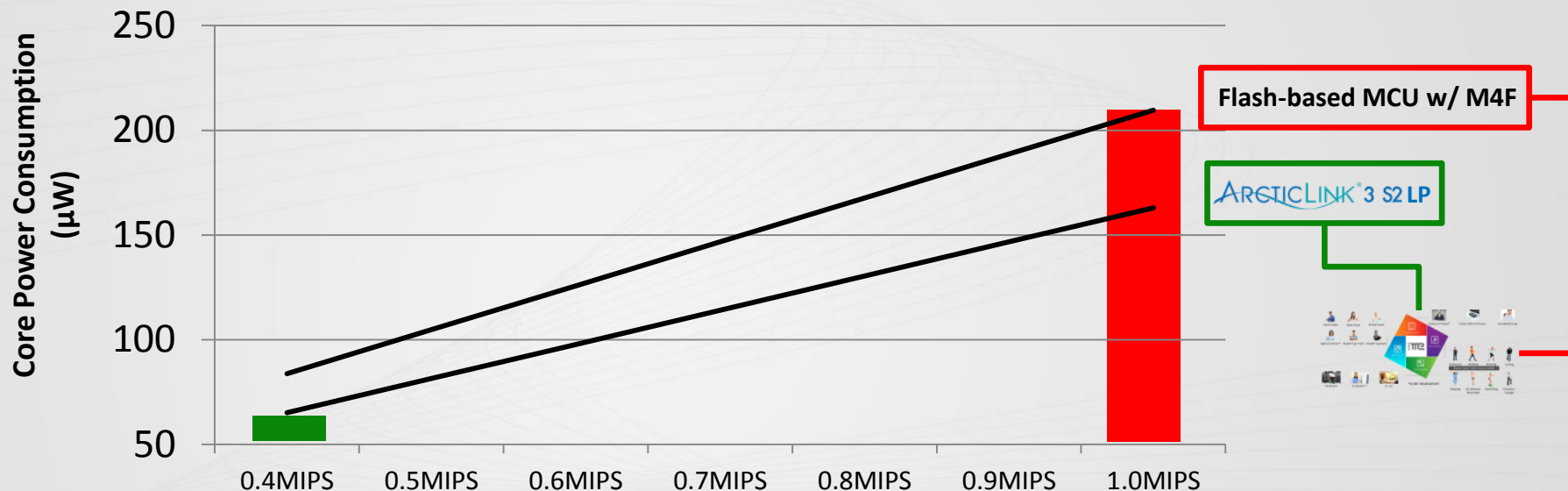


C-to-FFE  
Complier

## QVL & Ecosystem Partners



# TODAY'S FUNDAMENTAL SENSOR HUB TASKS

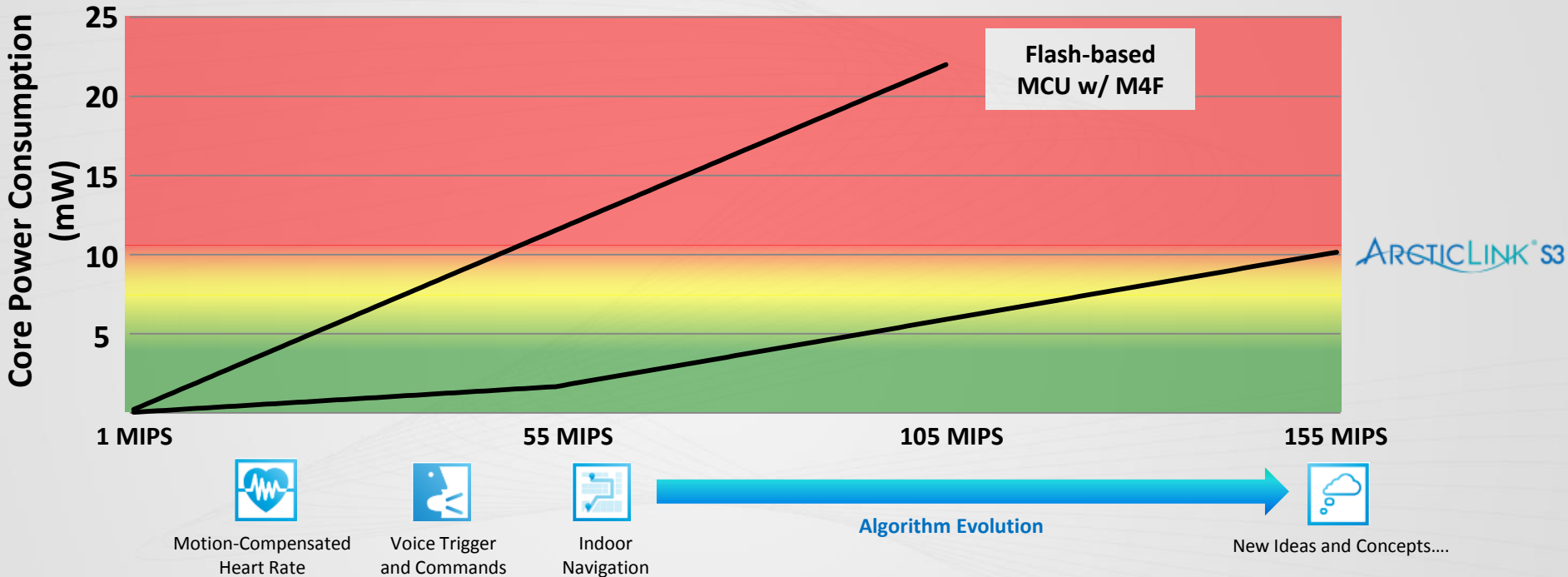


**Power  
Advantage**

**Our sensor processing system can perform all fundamental sensor hub tasks with 60% less MIPS and 70% less power consumption**



# ALGORITHM EVOLUTION DEMANDING MORE MIPS



**Processing**

**The S3 is capable of 50% more MIPS**

**Power**

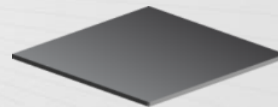
**The S3 consumes 85% less power at 55 MIPS**

## ARCTICLINK S3 ENGAGEMENTS

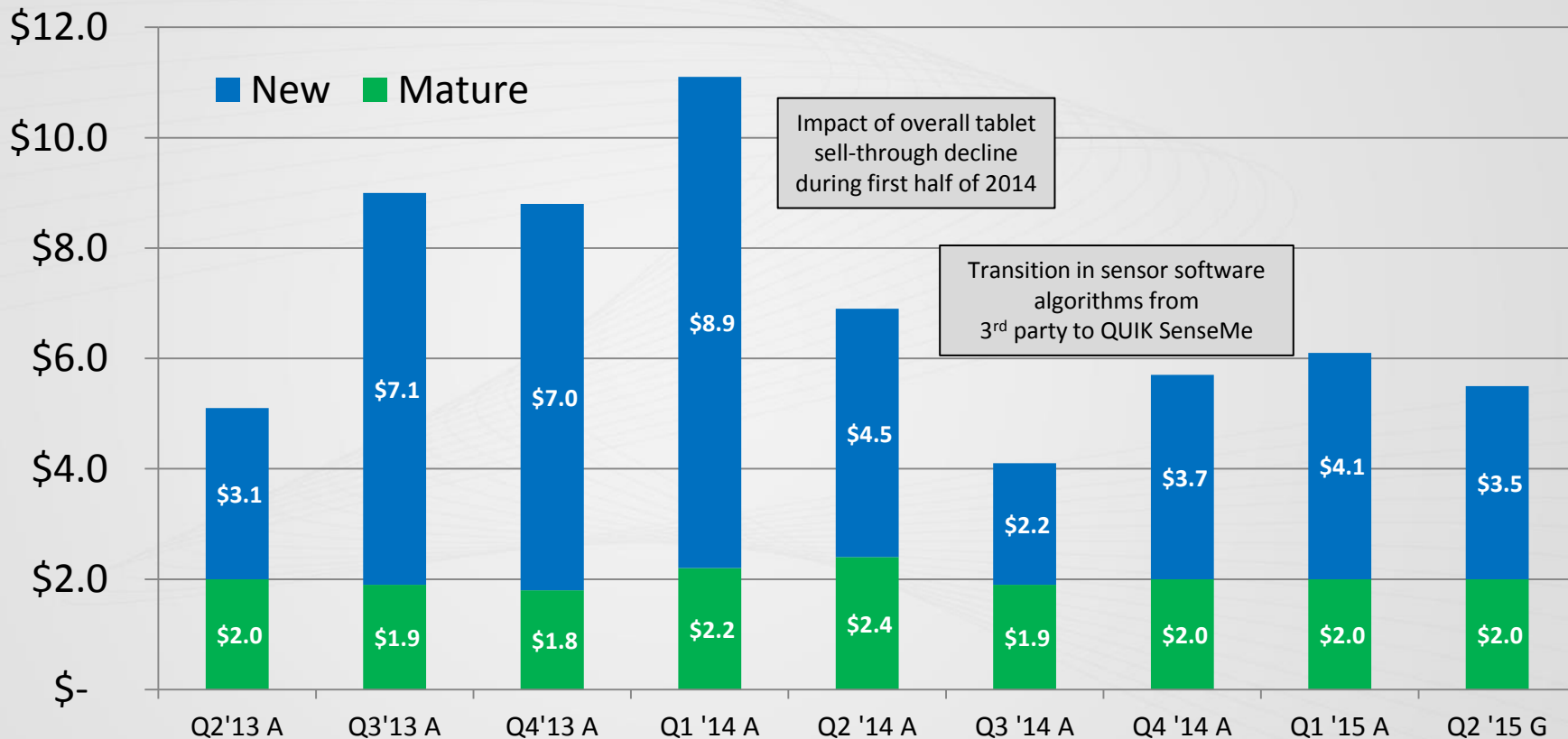
- First Access Requirements:
  - Top-tier OEM
  - Specific, funded project(s)
  - Executive sponsorship
  - Formalized feedback loop with QuickLogic
- Established alpha engagement with a top-five smartphone OEM



ARCTICLINK<sup>®</sup> S3



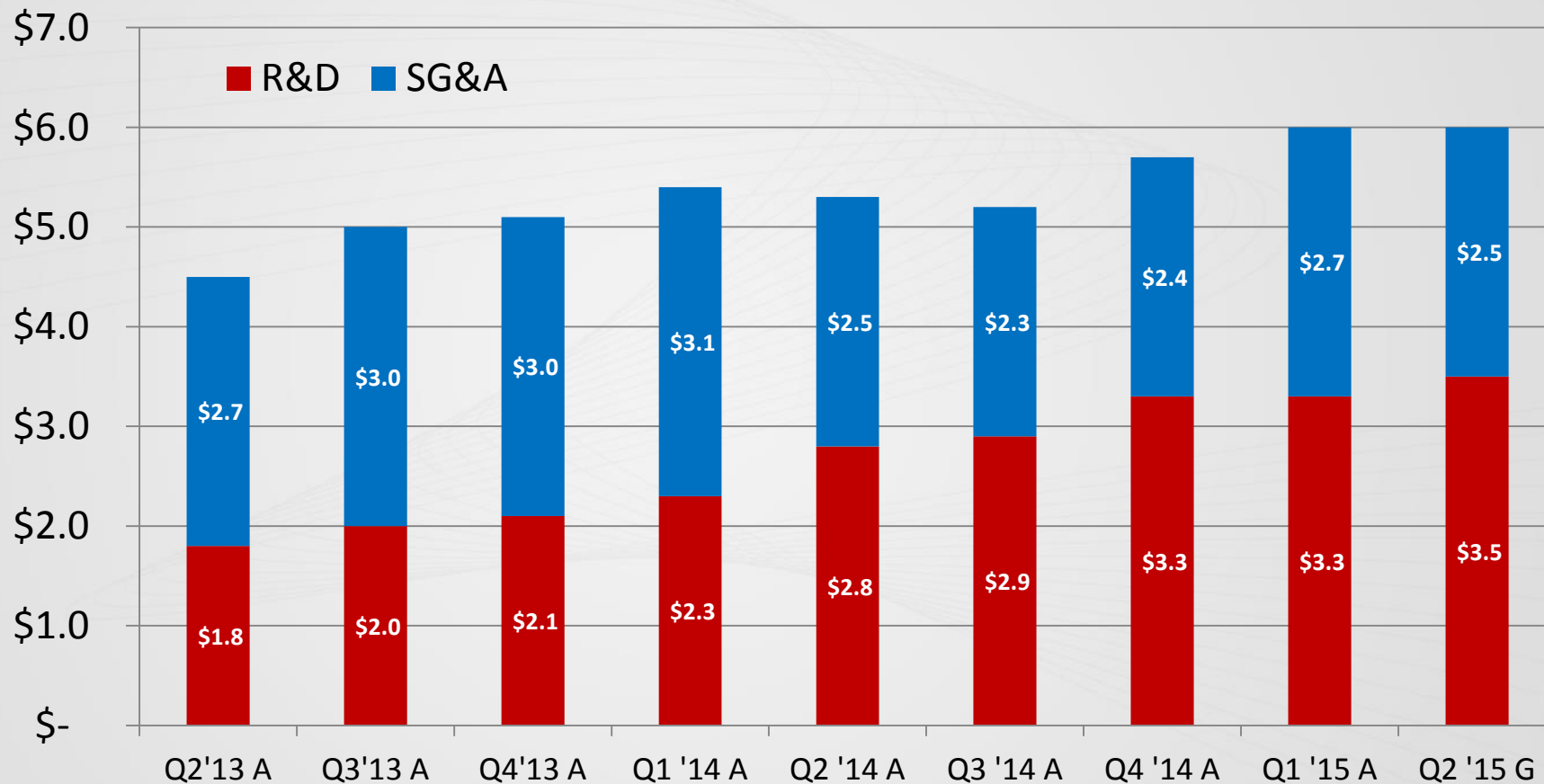
# QUARTERLY REVENUE TREND



# P&L – NON GAAP

Non-GAAP Results Millions (except for EPS)	Q1 '14 Actual	Q2'14 Actual	Q3'14 Actual	Q4'14 Actual	Q1'15 Actual	Q2'15 Guidance
New Product Revenue	\$8.9	\$4.5	\$2.2	\$3.7	\$4.1	\$3.5
Mature Revenue	\$2.2	\$2.3	\$1.9	\$2.0	\$2.0	\$2.0
Total Revenue	\$11.2	\$6.8	\$4.1	\$5.7	\$6.1	\$5.5
Gross Margin %	37%	45%	44%	39%	47%	42%
Research & Development	\$2.3	\$2.8	\$2.9	\$3.3	\$3.3	\$3.5
SG&A	\$3.1	\$2.5	\$2.3	\$2.4	\$2.7	\$2.5
Total Operating Expense	\$5.4	\$5.3	\$5.2	\$5.7	\$6.0	\$6.0
Operating Income (Loss)	(\$1.3)	(\$2.3)	(\$3.4)	(\$3.5)	(\$3.1)	(\$3.7)
Net Income (Loss)	(\$1.4)	(\$2.3)	(\$3.5)	(\$3.6)	(\$3.1)	(\$3.8)
EPS	(\$0.03)	(\$0.04)	(\$0.06)	(\$0.06)	(\$0.06)	(\$0.07)

# NON-GAAP OPERATING EXPENSE TREND



Targets	Mid Term	Long Term
Revenue Growth	Revenue Growth Expectations outpace Spending Growth	
Gross Margin *	Trending to Long Term Model	50%
Operating Margin *	NA	10%+
Cash Flow	Cash Burn Decreasing	Positive Cash Flow

\* Non-GAAP Measures

## Note

**These projections are subject to a number of assumptions, risks, uncertainties and other factors that may cause our actual results to differ materially from such projections**



# BALANCE SHEET & CAPITALIZATION TABLE

(Millions)	FY13 Actual	Q1'14 Actual	Q2'14 Actual	Q3'14 Actual	Q4'14 Actual	Q1'2015 Actual
Cash	\$37.4	\$37.1	\$34.3	\$31.2	\$30.0	\$28.2
Current Assets (less cash)	\$8.7	\$9.5	\$10.7	\$9.5	\$7.7	\$6.1
Total Current Assets	\$46.1	\$46.6	\$45.0	\$40.7	\$37.7	\$34.3
<b>Total Assets</b>	<b>\$49.1</b>	<b>\$49.4</b>	<b>\$48.3</b>	<b>\$43.9</b>	<b>\$41.1</b>	<b>\$37.5</b>
Total Current Liabilities	\$8.3	\$6.3	\$6.0	\$3.8	\$4.3	\$3.8
<b>Total Liabilities *</b>	<b>\$8.5</b>	<b>\$6.6</b>	<b>\$6.2</b>	<b>\$5.1</b>	<b>\$5.6</b>	<b>\$5.1</b>
<b>Shareholders Equity</b>	<b>\$40.6</b>	<b>\$42.8</b>	<b>\$42.1</b>	<b>\$38.8</b>	<b>\$35.5</b>	<b>\$32.4</b>

\* Includes \$1M borrowing from SVB \$10M Line of Credit

Capitalization Table Highlights		
Common Stock Outstanding	56.2M	as of 3/29/2015
Market Cap	\$136M	as of 3/29/2015 (200 day avg price \$2.42)
Options Outstanding	5.8M	as of 3/29/2015 (weighted avg price \$2.66)
RSUs Outstanding	0.7M	as of 3/29/2015
Warrants	1.9M	@ \$2.15, expire 5/2015
Warrants	2.3M	@ \$2.98, expire 6/2017
Total Warrants Outstanding	4.2M	as of 3/29/2015

- Targeting a 1Bu+, high growth mobile consumer market where risk of integration is low
- Disruptive, patented low power, in-system programmable logic optimized for mobile
- Highly differentiated sensor processing solutions enable significantly longer battery life