

May 18, 2021



# QuickLogic Reports Fiscal 2021 First Quarter Results

SAN JOSE, Calif., May 18, 2021 /PRNewswire/ -- QuickLogic Corporation (NASDAQ: QUIK) ("QuickLogic" or the "Company"), a developer of ultra-low power multi-core voice enabled SoCs, embedded FPGA IP, and Endpoint AI solutions, today announced its financial results for the first quarter of fiscal 2021, ended April 4, 2021.



## Recent Highlights

- Launched SensiML [open source initiative](#) to assert leadership for commercial AI adoption of smart sensing IoT applications
- Announced an [Amazon-qualified reference design](#) for hearables or battery-powered applications to communicate directly with Alexa
- Launched the [SparkFun Thing Plus](#) - QuickLogic EOS S3 Development Kit with SparkFun and Crowd Supply - ideal for adding voice or AI/ML processing to edge IoT devices
- Joined [DARPA Toolbox Initiative](#) to provide Mil/Aero/Defense Grade Programmable Logic
- Partnered with [Silicon Labs](#) to enable rapid development of TinyML applications
- Signed a global distribution agreement with [Mouser Electronics](#)
- Joined the newly formed [Open Source FPGA Foundation](#) as founding and premier member

## Fiscal 2021 First Quarter Financial Results

Total revenue for the first quarter of fiscal 2021 was \$2.2 million, a decrease of 10% compared with the fourth quarter of 2020, and an increase of 4% compared with the first quarter of 2020. New product revenue was approximately \$1.1 million in the first quarter of 2021, an increase of 28% compared with the fourth quarter of 2020, and an increase of 121% compared with the first quarter of 2020. The increases were primarily due to higher revenue from our sensor processing and connectivity products. Mature product revenue was \$1.2 million in the first quarter of 2021, down 30% compared with fourth quarter of 2020, and down 30% compared with the first quarter of 2020.

First quarter 2021 GAAP gross margin was 51.1%, compared with 48.2% in the fourth quarter of 2020, and 51.7% in the first quarter of 2020.

First quarter 2021 non-GAAP gross margin was 52.7%, compared with 51.5% in the fourth quarter of 2020, and 52.2% in the first quarter of 2020.

First quarter 2021 GAAP operating expenses were \$3.8 million, compared with \$4.1 million in fourth quarter of 2020, and \$4.2 million in the first quarter of 2020.

First quarter 2021 non-GAAP operating expenses were \$3.5 million, compared with \$2.9 million in the fourth quarter of 2020, and \$4.1 million in the first quarter of 2020.

First quarter 2021 GAAP net loss was \$1.7 million, or \$0.15 per share, compared with a net loss of \$2.9 million, or \$0.27 per share, in fourth quarter of 2020, and a net loss of \$3.2 million, or \$0.38 per share, in the first quarter of 2020.

First quarter 2021 non-GAAP net loss was \$1.3 million, or \$0.12 per share, compared with a net loss of \$1.7 million, or \$0.15 per share, in fourth quarter of 2020, and a net loss of \$3.1 million, or \$0.37 per share, in the first quarter of 2020.

Included in our results for the first quarter of fiscal 2021, within interest income and other income (expense) is a gain of \$1.2 million from the forgiveness of the PPP loan.

## **Conference Call**

QuickLogic will hold a conference call at 2:30 p.m. Pacific Time / 5:30 p.m. Eastern Time today, May 18, 2021, to discuss its current financial results. The conference call will be webcast at QuickLogic's IR Site Events Page at <https://ir.quicklogic.com/ir-calendar>. To join the live conference, you may dial (877) 407-0792 and international participants should dial (201) 689-8263 by 2:15 p.m. Pacific Time. No Passcode is needed to join the conference call. A recording of the call will be available starting approximately one hour after completion. To access the recording, please call (412) 317-6671 and reference the passcode 13718790. The call recording, which can be accessed by phone, will be archived until Tuesday, May 25, 2021, and the webcast will be available for 12 months on the Company's website.

## **About QuickLogic**

QuickLogic is a fabless semiconductor company that develops low power, multi-core semiconductor platforms and Intellectual Property (IP) for Artificial Intelligence (AI), voice and sensor processing. The solutions include an embedded FPGA IP (eFPGA) for hardware acceleration and pre-processing, and heterogeneous multi-core SoCs that integrate eFPGA with other processors and peripherals. The Analytics Toolkit from the Company's wholly owned subsidiary, SensiML Corporation, completes the end-to-end solution with accurate sensor algorithms using AI technology. The full range of platforms, software tools and eFPGA IP enables the practical and efficient adoption of AI, voice and sensor processing across the multitude of mobile, wearable, hearable, consumer, industrial, edge and endpoint IoT applications. For more information, visit <https://www.quicklogic.com/> and <https://www.quicklogic.com/blog/>.

QuickLogic uses its website ([www.quicklogic.com](http://www.quicklogic.com)), the company blog (<https://www.quicklogic.com/blog/>), corporate Twitter account (@QuickLogic\_Corp), Facebook page (<https://www.facebook.com/QuickLogic>), and LinkedIn page (<https://www.linkedin.com/company/13512/>) 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. Therefore, investors should monitor the Company's website and its social media accounts in addition to following the Company's press releases, SEC filings, public conference calls, and webcasts.

### **Non-GAAP Financial Measures**

QuickLogic reports financial information in accordance with United States Generally Accepted Accounting Principles, or U.S. 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 certain 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 U.S. GAAP. A reconciliation of U.S. 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 U.S. GAAP financial measures and the reconciliation of non-GAAP financial measures with their most directly comparable U.S. GAAP financial measures.

### **Forward Looking Statements**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, expectations regarding our future business, and actual results may differ 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 by competitors; our ability to hire and retain qualified personnel; our ability to capitalize on synergies with our

newly acquired subsidiary SensiML Corporation; changes in product demand or supply; general economic conditions; political events, international trade disputes, natural disasters and other business interruptions that could disrupt supply or delivery of, or demand for, the Company's products; the unpredictable and ongoing impact of the COVID-19 pandemic; and changes in tax rates and exposure to additional tax liabilities. These and other potential factors and uncertainties that could cause actual results to differ materially from the results contemplated or implied 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). In addition, please note that the date of this press release is May 18, 2021, and any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of this date. We undertake no obligation to update these statements as a result of new information or future events.

*QuickLogic and logo are registered trademarks of QuickLogic. All other trademarks are the property of their respective holders and should be treated as such.*

CODE: QUIK-E

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

	Three Months Ended		
	April 4, 2021	March 29, 2020	January 3, 2021
Revenue	\$ 2,240	\$ 2,158	\$ 2,500
Cost of revenue	1,096	1,043	1,294
Gross profit	1,144	1,115	1,206
Operating expenses:			
Research and development	1,887	1,819	2,145
Selling, general and administrative	1,947	1,879	1,798
Restructuring expenses	—	479	129
Total operating expense	3,834	4,177	4,072
Loss from operations	(2,690)	(3,062)	(2,866)
Interest expense	(32)	(80)	(29)
Interest income and other income (expense), net	1,185	(5)	3
Loss before income taxes	(1,537)	(3,147)	(2,892)
Provision for income taxes	152	18	50
Net loss	\$ (1,689)	\$ (3,165)	\$ (2,942)
Net loss per share:			
Basic and Diluted	\$ (0.15)	\$ (0.38)	\$ (0.27)
Weighted average shares:			
Basic and Diluted	11,264	8,362	11,081

Note: Net loss equals to comprehensive loss for all periods presented.

**QUICKLOGIC CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands)  
(Unaudited)

	<u>April 4, 2021</u>	<u>January 3, 2021</u>
<b>ASSETS</b>		
Current assets:		
Cash, cash equivalents and restricted cash	\$ 20,935	\$ 22,748
Accounts receivable, net	1,302	1,688
Inventories	2,490	2,688
Other current assets	1,367	1,066
Total current assets	26,094	28,190
Property and equipment, net	631	548
Capitalized internal-use software, net	1,066	986
Right of use assets	1,661	1,839
Intangible assets, net	833	860
Goodwill	185	185
Other assets	283	280
<b>TOTAL ASSETS</b>	<b>\$ 30,753</b>	<b>\$ 32,888</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Revolving line of credit	\$ 15,000	\$ 15,000
Trade payables	1,375	935
Accrued liabilities	1,546	1,340
Deferred revenue	166	52
Lease liabilities, current	711	685
Total current liabilities	18,798	18,012
Long-term liabilities:		
Notes payable - non-current	—	1,192
Lease liabilities, non-current	1,043	1,197
Other long-term liabilities	230	—
Total liabilities	20,071	20,401
Stockholders' equity:		
Common stock, par value	11	11
Additional paid-in capital	306,769	306,885
Accumulated deficit	(296,098)	(294,409)
Total stockholders' equity	10,682	12,487
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 30,753</b>	<b>\$ 32,888</b>

**QUICKLOGIC CORPORATION**  
**SUPPLEMENTAL RECONCILIATIONS OF US GAAP AND NON-GAAP FINANCIAL MEASURES**  
(in thousands, except per share amounts and percentages)  
(Unaudited)

	Three Months Ended		
	April 4, 2021	March 29, 2020	January 3, 2021
<b>US GAAP loss from operations</b>	\$ (2,690)	\$ (3,062)	\$ (2,866)
Adjustment for stock-based compensation within:			
Cost of revenue	36	12	82
Research and development	157	(464)	597
Selling, general and administrative	175	54	459
Restructuring expenses and asset write-offs (1)	—	479	129
<b>Non-GAAP loss from operations</b>	<b>\$ (2,322)</b>	<b>\$ (2,981)</b>	<b>\$ (1,599)</b>
<b>US GAAP net loss</b>	<b>\$ (1,689)</b>	<b>\$ (3,165)</b>	<b>\$ (2,942)</b>
Adjustment for stock-based compensation within:			
Cost of revenue	36	12	82
Research and development	157	(464)	597
Selling, general and administrative	175	54	459
Restructuring expenses and asset write-offs	—	479	129
<b>Non-GAAP net loss</b>	<b>\$ (1,321)</b>	<b>\$ (3,084)</b>	<b>\$ (1,675)</b>
<b>US GAAP net loss per share, basic and diluted</b>	<b>\$ (0.15)</b>	<b>\$ (0.38)</b>	<b>\$ (0.27)</b>
Adjustment for stock-based compensation	0.03	(0.05)	0.11
Restructuring expenses and asset write-offs	0	0.06	0.01
<b>Non-GAAP net loss per share, basic and diluted</b>	<b>\$ (0.12)</b>	<b>\$ (0.37)</b>	<b>\$ (0.15)</b>
<b>US GAAP gross margin percentage</b>	<b>51.1 %</b>	<b>51.7 %</b>	<b>48.2 %</b>
Adjustment for stock-based compensation included in cost of revenue	1.6 %	0.5 %	3.3 %
<b>Non-GAAP gross margin percentage</b>	<b>52.7 %</b>	<b>52.2 %</b>	<b>51.5 %</b>

**QUICKLOGIC CORPORATION**  
**SUPPLEMENTAL DATA**  
(Unaudited)

	Percentage of Revenue			Change in Revenue	
	Q1 2021	Q1 2020	Q4 2020	Q1 2020 to Q1 2021	Q4 2020 to Q1 2021
<b>COMPOSITION OF REVENUE</b>					
Revenue by product: (1)					
New products	48 %	23 %	33 %	121 %	28 %
Mature products	52 %	77 %	67 %	(30) %	(30) %
Revenue by geography:					
Asia Pacific	34 %	19 %	24 %	85 %	27 %
North America	56 %	44 %	68 %	32 %	(27) %
Europe	10 %	37 %	8 %	(72) %	18 %

New products include all products manufactured on 180 nanometer or smaller semiconductor processes, eFPGA IP license,

(1) QuickAI and SensiML AI software as a service (SaaS) revenue. Mature products include all products produced on semiconductor processes larger than 180 nanometer and includes related royalty revenue.

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