
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 6, 2020

QuickLogic Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

2220 Lundy Avenue, San Jose, CA
(Address of principal executive offices)

000-22671
(Commission
File Number)

77-0188504
(IRS Employer
Identification No.)

95131-1816
(Zip Code)

Registrant's telephone number, including area code (408) 990-4000

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.001 per share	QUIK	The Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Definitive Material Agreement.

On May 6, 2020, QuickLogic Corporation (“QuickLogic”) entered into a loan with Heritage Bank of Commerce as the lender (“Lender”) in an aggregate principal amount of \$1,191,687.77 (the “Loan”) pursuant to the Paycheck Protection Program (the “PPP”) under the Coronavirus Aid, Relief, and Economic Security Act enacted on March 27 (the “CARES Act”), as implemented by the U.S. Small Business Administration.

The Loan is evidenced by a promissory note (the “Note”) dated May 6, 2020, and matures two (2) years from the disbursement date. The Note bears interest at a rate of 1.00% per annum, with the first six (6) months of interest deferred. Principal and interest are payable monthly commencing 6 months after the disbursement date and may be prepaid by the Company at any time prior to maturity with no prepayment penalties. The Note contains customary events of default relating to, among other things, payment defaults or breaches of the terms of the Note. Upon the occurrence of an event of default, the Lender may require immediate repayment of all amounts outstanding under the Note.

Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of loans granted under the PPP. The Loan is subject to forgiveness to the extent proceeds are used for payroll costs, including payments required to continue group health care benefits, and certain rent, utility, and mortgage interest expenses (collectively, “Qualifying Expenses”), pursuant to the terms and limitations of the PPP Loan Forgiveness Guidance. Non-payroll costs shall not exceed 25% of the forgiven amount. The Company intends to use the Loan amount for Qualifying Expenses. However, no assurance is provided that the Company will obtain forgiveness of the Loan in whole or in part. The foregoing description of the Note does not purport to be complete and is qualified in its entirety by reference to the full text of the Note, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Section 2 – Financial Information***Item 2.02 Results of Operation and Financial Condition.***

On May 11, 2020, QuickLogic Corporation (“QuickLogic”) issued a press release regarding its financial results for the fiscal 2020 first quarter ended March 29, 2020. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

This information, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that Section, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

QuickLogic is making reference to non-GAAP financial information in the press release. A reconciliation of GAAP to non-GAAP results is provided in the attached Exhibit 99.1 press release.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure in Item 1.01 of this Current Report on Form 8-K incorporated into this Item 2.03 by reference.

Section 9 – Financial Statements and Exhibits

Item 9.01(d) Exhibits.

The following exhibit is furnished as a part of this report:

10.1 Promissory Note between QuickLogic and Heritage Bank dated May 6, 2020.

99.1 Press release of QuickLogic Corporation reporting financial results for the fiscal 2020 first quarter ended March 29, 2020

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 11, 2020

QuickLogic Corporation

/s/ Suping (Sue) Cheung

Suping (Sue) Cheung

Vice President, Finance and Chief Financial Officer



NOTE

SBA Loan #	83686872-00
SBA Loan Name	QUICKLOGIC CORPORATION
Date	May 06, 2020
Loan Amount	\$1,191,687.77
Interest Rate	1.00%
Borrower Name	QUICKLOGIC CORPORATION
Operating Company	N/A
Lender	Heritage Bank of Commerce

1. PROMISE TO PAY:
In return for the Loan, Borrower promises to pay to the order of Lender the amount of One Million One Hundred Ninety One Thousand Six Hundred Eighty Seven Dollars and Seventy Seven Cents, interest on the unpaid principal balance, and all other amounts required by this Note.

2. DEFINITIONS:
 "Collateral" means any property taken as security for payment of this Note or any guarantee of this Note. "Guarantor" means each person or entity that signs a guarantee of payment of this Note.
 "Loan" means the loan evidenced by this Note.
 "Loan Documents" means the documents related to this loan signed by Borrower, any Guarantor, or anyone who pledges collateral.
 "SBA" means the Small Business Administration, an Agency of the United States of America.

3. PAYMENT TERMS:
 Borrower must make all payments at the place Lender designates. The payment terms for this Note are:

 The interest rate is 1.00% per year. Interest payable with respect to any full calendar month shall be calculated according to the actual number of days in a period as a fraction of a 365-day year. Interest shall begin to accrue on the Loan beginning on the date the funds are disbursed.

 For the first six (6) months following the date the proceeds of this Loan are disbursed to Borrower, no payments (including interest and principal) are required to be made; however, during such six (6) month period interest

will accrue on the Loan in accordance with this Note and Borrower is still obligated to pay such accrued interest ("Deferred Accrued Interest"). The amount owed for the Deferred Accrued Interest shall be included in the eighteen (18) monthly payments described below with each monthly payment including one-eighteenth (1/18) of the amount of the Deferred Accrued Interest. Interest shall not accrue on the Deferred Accrued Interest.

Borrower must pay principal and interest payments of \$67,065.21 ("Installment Payments") every month for eighteen (18) months beginning seven (7) months following the date the loan proceeds are disbursed until two years from date of initial disbursement ("Maturity Date"). Installment Payments must be received by Lender on the fifth calendar day in the month they are due; however, if the due date for an Installment Payment is on a non-business day then the payment shall be received by Lender on the business day following the scheduled due date for an Installment Payment.

Lender will apply each Installment Payment: (i) first to pay interest accrued to the day Lender receives the payment, although with respect to the Deferred Accrued Interest the Installment Payments shall only be applied to one-eighteenth (1/18) of the Deferred Accrued Interest owed for that payment period and any unpaid Deferred Accrued Interest that should have been paid in prior payment periods; (ii) then to bring principal current; (iii) then to any remaining balance to reduce principal.

Loan Prepayment:

Notwithstanding any provision in this Note to the contrary:

Borrower may prepay this Note. Borrower may prepay this Note in any amount and at any time without any prepayment penalty.

However, if Borrower prepays more than 20 percent and the Loan has been sold on the secondary market, Borrower must:

- a. Give Lender written notice;
- b. Pay all accrued interest; and
- c. If the prepayment is received less than 21 days from the date Lender receives the notice, pay an amount equal to 21 days' interest from the date lender receives the notice, less any interest accrued during the 21 days and paid under the subparagraph b. above.

If Borrower does not prepay within 30 days from the date Lender receives the notice, Borrower must give Lender a new notice. After a prepayment is made, all remaining principal and accrued interest on the Loan is due and payable in accordance with this Note.

Loan Forgiveness. Pursuant to the SBA's Interim Final Rule published in the federal register on April 15, 2020 and entitled "Business Loan Program Temporary Changes: Paycheck Protection Program" (73 FR 20811) (the "PPP Initial IFR"), the SBA's Interim Final Rule released on or about April 14, 2020 and entitled "Business Loan Program Temporary Changes; Paycheck Protection Program-Additional Eligibility Criteria and Requirements for Certain Pledges of Loans" (the "PPP Supplemental IFR"), and any additional guidance that the SBA issues on forgiveness of loans made under the Paycheck Protection Program, all of the above as may be amended or supplemented from time to time (collectively the PPP Initial IFR, PPP Supplemental IFR and other guidance described in this sentence are referred to in this Note as the "PPP Loan Forgiveness Guidance"), the principal and accrued interest on the Loan may be forgiven and Borrower shall not owe such amounts if Borrower: (i) uses all of the proceeds of the Loan for forgivable purposes as described in the PPP Loan Forgiveness Guidance (the "Forgivable Purposes"); and (ii) Borrower complies with the requirements specified in the PPP Loan Forgiveness Guidance to qualify for the loan forgiveness (the "Loan Forgiveness Requirements"). However, whatever portion of the proceeds of the Loan not used for Forgivable Purposes and in accordance with limitations imposed in the PPP Loan Forgiveness Guidance, and any interest accrued thereon, shall be due and payable to Lender in accordance with this Note. Additionally, if Borrower fails to satisfy the Loan Forgiveness Requirements then all of the proceeds of the Loan and any interest accrued thereon shall be due and payable to Lender in

accordance with this Note. Borrower represents that Borrower has received and read the PPP Interim Final Rule and agrees to obtain and read any other PPP Loan Forgiveness Guidance. However, Lender is under no obligation to notify Borrower of any PPP Loan Forgiveness Guidance released by the SBA or to provide a copy of such guidance to Borrower.

4. DEFAULT:

Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower or Operating Company:

- A. Fails to do anything required by this Note and other Loan Documents;
- B. Defaults on any other loan with Lender;
- C. Does not preserve, or account to Lender's satisfaction for, any of the Collateral or its proceeds;
- D. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- E. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- F. Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;
- G. Fails to pay any taxes when due;
- H. Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- I. Has a receiver or liquidator appointed for any part of their business or property;
- J. Makes an assignment for the benefit of creditors;
- K. Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- L. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent; or
- M. Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, Lender may:

- A. Require immediate payment of all amounts owing under this Note;
- B. Collect all amounts owing from any Borrower or Guarantor;
- C. File suit and obtain judgment;
- D. Take possession of any Collateral; or
- E. Sell, lease, or otherwise dispose of, any Collateral at public or private sale, with or without advertisement.

6. LENDER'S GENERAL POWERS:

Without notice and without Borrower's consent, Lender may:

- A. Bid on or buy the Collateral at its sale or the sale of another lienholder, at any price it chooses;
- B. Incur expenses to collect amounts due under this Note, enforce the terms of this Note or any other Loan Document, and preserve or dispose of the Collateral. Among other things, the expenses may include payments for property taxes, prior liens, insurance, appraisals, environmental remediation costs, and reasonable attorney's fees and costs. If Lender incurs such expenses, it may demand immediate repayment from Borrower or add the expenses to the principal balance;
- C. Release anyone obligated to pay this Note;
- D. Compromise, release, renew, extend or substitute any of the Collateral; and
- E. Take any action necessary to protect the Collateral or collect amounts owing on this Note.

7.

WHEN FEDERAL LAW APPLIES:

When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

8.

SUCCESSORS AND ASSIGNS:

Under this Note, Borrower and Operating Company include the successors of each, and Lender includes its successors and assigns.

9.

GENERAL PROVISIONS:

- A. All individuals and entities signing this Note are jointly and severally liable.
- B. Borrower waives all suretyship defenses.
- C. Borrower must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.
- E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- F. If any part of this Note is unenforceable, all other parts remain in effect.
- G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor. Borrower also waives any defenses based upon any claim that Lender did not obtain any guarantee; did not obtain, perfect, or maintain a lien upon Collateral; impaired Collateral; or did not obtain the fair market value of Collateral at a sale.

10.

STATE-SPECIFIC PROVISIONS:

None

11.

BORROWER'S NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated under this Note as Borrower.

BORROWER:

QUICKLOGIC CORPORATION

By /s/ Sue Cheung

Sue Cheung, CFO of QUICKLOGIC CORPORATION

**PPP LOAN BORROWER CERTIFICATION AND
ADDENDUM TO LOAN AGREEMENT**

This PPP Loan Borrower Certification and Addendum to Loan Agreement ("Certification and Addendum") is made on May 06, 2020 by QUICKLOGIC CORPORATION, ("Borrower") for the benefit of Heritage Bank of Commerce ("Lender"). This Certification and Addendum forms a part of, and is incorporated into, that certain Business Loan Agreement that, as applicable (the "BL Agreement"): (i) was executed by Borrower in connection with a loan previously made by Lender to Borrower; or (ii) is of even date herewith and executed in connection with the "Loan" (as defined below). This Certification and Addendum shall control to the extent of any conflict between: (i) this Certification and Addendum, and (ii) the BL Agreement or any other "Loan Document" (as defined below).

Borrower is executing this Certification and Addendum in order to induce Lender to make a loan to Borrower for the amount and under the terms stated in the Promissory Note of even date herewith and executed by Borrower (the "Note") issued pursuant to the terms of the Paycheck Protection Program ("PPP") under Sections 1102 and 1106 of the Coronavirus, Aid, Relief, and Economic Security Act enacted March 27, 2020 ("CARES Act") as implemented by the U.S. Small Business Administration ("SBA").

NOTWITHSTANDING ANY PROVISION IN THE BL AGREEMENT OR OTHER LOAN DOCUMENTS TO THE CONTRARY, BORROWER AND LENDER AGREES AS FOLLOWS:

1. **Definitions.** In addition to terms defined elsewhere in this Certification and Addendum, the below definitions apply to this Certification and Addendum,
 - a. "Affiliates" means concerns and entities that are affiliates of each other as described in 13 CFR Section 121.301(f), as may be modified from time to time, and as determined in accordance with the 13 CFR Section 121.103 as may be modified from time to time. However, for purposes of the PPP and this Certification and Addendum, Affiliates do not include Waived Affiliates. A weblink to 13 CFR Sections 121.301 and 121.103 are included in Appendix A to this Certification and Addendum.
 - b. "Business Concern" has the meaning provided in 13 CFR Section 121.105 (as may be amended from time to time). As of April 16, 2020, the definition of "Business Concern" provided in 13 CFR Section 121.105 includes a business entity organized for profit, with a place of business located in the United States, and which operates primarily within the United States or which makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials or labor. A weblink to 13 CFR Section 121.105 is included in Appendix A to this Certification and Addendum.
 - c. "Covered Period" means from February 15, 2020 to June 30, 2020.
 - d. "Loan" means the loan described in the Note.
 - e. "Loan Documents" includes the PPP Borrower Application, this Certification and Addendum, the BL Agreement, the Note, and any other document executed by Borrower in connection with the Loan.
 - f. "PPP FAQs" means the PPP Loans Frequently Asked Questions issued by the U.S. Department of Treasury ("Treasury") in conjunction with the SBA as may be amended or supplemented from time to time. A weblink to the PPP FAQ is included in Appendix A to this Certification and Addendum.
 - g. "PPP Borrower Application" means the Paycheck Protection Borrower Application Form (SBA Form 2483) that Borrower has completed and executed and submitted to Lender to apply for the Loan.
 - h. "PPP Initial IFR" means the SBA's interim final rule published in the federal register on April 15, 2020 and titled "Business Loan Program Temporary Changes; Paycheck Protection Program" (73 FR 20811) and as may be amended or supplemented from time to time. A weblink to the PPP Initial IFR is included in Appendix A to this Certification and Addendum.
 - i. "PPP Supplemental IFR" means the SBA's interim final rule released on or about April 14, 2020 and titled "Business Loan Program Temporary Changes; Paycheck Protection Program – Additional Eligibility

Criteria and Requirements for Certain Pledges of Loans” and as may be amended or supplemented from time to time. A weblink to the PPP Supplemental IFR is included in Appendix A to this Certification and Addendum.

- j. “PPP Releases” means the CARES Act, PPP FAQs, PPP Initial IFR, PPP Supplemental IFR, and any other rules, guidance or releases (as each of the foregoing may be amended or supplemented from time to time) that were previously issued or that will be issued by the SBA or Treasury (either together or separately).
- k. “Small Business Concern” is a small business concern as defined in Section 3 of the Small Business Act (15 USC 632), and subject to SBA’s affiliation rules under 13 CFR 121.301(f) except Waived Affiliates are not subject to SBA’s affiliation rules for purposes of the PPP.
- l. “Waived Affiliates” means any business identified in 15 USC 636(a)(36)(D)(iv) as may be modified from time to time. As of April 16, 2020, the following entities are identified in 15 USC 636(a)(36)(D)(iv): (i) any Business Concern with not more than 500 employees that, as of the date on which the Loan is disbursed, is assigned a North American Industry Classification System (“NAICS”) code beginning with 72; (ii) any Business Concern operating as a franchise that is assigned a franchise identifier code by the SBA; and (iii) any Business Concern that receives financial assistance from a company licensed under section 301 of the Small Business Investment Act of 1958 (15 U.S.C. 681). A weblink to where 15 USC 636(a)(36) may be found is included in Appendix A to this Certification and Addendum.

2. **Certifications.** Borrower hereby certifies and represents each of the below.

- a. Borrower is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the SBA (including, without limitation, the PPP Releases) implementing the PPP under Division A, Title I of the CARES Act (the “Paycheck Protection Program Rule”).
- b. Borrower has determined that Borrower is eligible as described in Section 2.a.above.
- c. (1) Borrower is an independent contractor, “eligible self-employed individual” (as that term is described in the PPP Initial IFR), or sole proprietor; or
(2) Borrower and its Affiliates employ no more than the greater of 500 or fewer employees or (if applicable) the size standard in number of employees established by the SBA in 13 CFR 121.201 for the Borrower’s industry, and Borrower is:
 - A Small Business Concern;
 - A tax-exempt nonprofit organization described in section 501(c)(3) of the Internal Revenue Code (IRC);
 - A tax-exempt veterans organization described in section 501(c)(19) of the IRC;
 - A tribal Business Concern described in section 31(b)(2)(C) of the Small Business Act; or
 - Any other Business Concern; or
- (3) Borrower and its Affiliates during the Covered Period employ not more than 500 employees per physical location of the Business Concern and that is assigned a North American Industry Classification System code beginning with 72 at the time of disbursement of the Loan.
- d. Borrower was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on a Form 1099-MISC.
- e. Current economic uncertainty makes Borrower’s request for the Loan necessary to support the ongoing operations of the Borrower.
- f. The proceeds of the Loan will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments as specified under the Paycheck Protection Program Rule (and including, but not limited to, the PPP Releases); Borrower understands that if the proceeds of the Loan are knowingly used for unauthorized purposes, the federal government may hold Borrower legally liable such as for charges of fraud. Not more than 25 percent of proceeds of the Loan may be used for non-payroll costs.
- g. Borrower has included with the PPP Borrower Application a list of owners of 20% or more of the equity of Borrower (as described in the “Instructions to completing this form” in the PPP Borrower

- Application).
- h. Borrower will provide documentation to Lender verifying the number of full-time equivalent employees on Borrower's payroll as well as the dollar amounts of "payroll costs," "covered mortgage interest payments," "covered rent payments," and "covered utilities" (as those terms are described in the PPP Releases) for the eight week period following the date of the proceeds of the Loan are disbursed.
 - i. Loan forgiveness will be provided for the sum of documented "payroll costs," "covered mortgage interest payments," "covered rent payments," and "covered utilities" (as those terms are described in the PPP Releases), and not more than 25 percent of the forgiven amount may be for non-payroll costs.
 - j. The information provided in the PPP Borrower Application and the information provided in all supporting documents and forms provided by Borrower to Lender are true and accurate in all material respects. Borrower understands that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.
 - k. Neither Borrower or any owner of Borrower are presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this Loan transaction by any Federal department or agency, or presently involved in any bankruptcy.
 - l. Neither Borrower or any owner of Borrower, or any business owned or controlled by any of them, have ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government.
 - m. As part of the PPP Borrower Application, Borrower has provided to Lender a list of any businesses in which Borrower or any owner of Borrower is an owner of any other business, or have common management with, any other business.
 - n. If Borrower has received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020, then that fact was disclosed on the PPP Borrower Application.
 - o. Neither Borrower (if an individual) or any individual owning 20% or more of the equity of the Borrower is subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole.
 - p. Within the last 5 years, for any felony, neither has Borrower (if an individual) or any owner of Borrower: (i) been convicted; (ii) pleaded guilty; (iii) pleaded nolo contendere; (iv) been placed on pretrial diversion; or (v) been placed on any form of parole or probation (including probation before judgment).
 - q. The United States is the principal place of residence for all employees of Borrower included in the Borrower's payroll calculation on the PPP Borrower Application.
 - r. Borrower has read the statements included in the PPP Borrower Application, including the Statements Required by Law and Executive Orders, and understands them.
 - s. Borrower shall comply, whenever applicable, with the civil rights and other limitations in the PPP Borrower Application.
 - t. All proceeds of the Loan will be used only for business-related purposes as specified in the PPP Loan Application and consistent with the Paycheck Protection Program Rule (and including, but not limited to, the PPP Releases).
 - u. Borrower will to the extent feasible, purchase only American-made equipment and products.
 - v. Borrower is not engaged in any activity that is illegal under federal, state or local law.
 - w. Any loan received by the Borrower under Section 7(b)(2) of the Small Business Act between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses loans under the Paycheck Protection Program Rule (and including, but not limited to, the PPP Releases).
 - x. If Borrower is an individual, Borrower authorizes the SBA to request criminal record information about Borrower from criminal justice agencies for the purpose of determining Borrower's eligibility for

programs authorized by the Small Business Act, as amended.

- y. During the period beginning on February 15, 2020 and ending on December 31, 2020, Borrower has not and will not receive another loan under the PPP.
- z. Lender will confirm the eligible loan amount using required documents submitted to Lender. Borrower understands, acknowledges and agrees that the Lender can share any tax information that Borrower has provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA's loan program requirements and all SBA reviews.
- aa. Borrower is not a household employer (i.e., an individual who employ household employees such as nannies or housekeepers).
- bb. The Borrower does not operate an ineligible business under the CARES Act and PPP Releases, 13 CFR Section 120.110 (as may be modified from time to time) and described further in SBA's Standard Operating Procedure ("SOP") 50 10, Subpart B, Chapter 2 (as may be modified from time to time). Ineligible businesses pursuant to the foregoing as of April 16, 2020 include (without limitation) the following (each of which may be more fully described in the SOP):
 - (1) Businesses engaged in lending,
 - (2) Passive businesses,
 - (3) Life insurance companies,
 - (4) Business located in a foreign country or owned by undocumented aliens,
 - (5) Businesses selling through a pyramid plan,
 - (6) Businesses engaged in legal gambling activities,
 - (7) Businesses engaged in any illegal activity under federal, state or local law,
 - (8) Businesses which restrict patronage,
 - (9) Government-owned entities,
 - (10) Businesses engaged in SBA loan packaging,
 - (11) Business in which Lender or associates hold an equity interest,
 - (12) Businesses providing prurient sexual material,
 - (13) Businesses primarily engaged in political or lobbying activities, or
 - (14) Speculative businesses.
- cc. If Borrower claims that another business that is related or affiliated with Borrower is a Waived Affiliate and is thus exempt from the SBA affiliation rules with respect to that business, Borrower hereby acknowledges and agrees that it has made a reasonable, good faith determination that Borrower is eligible for the Loan under the PPP pursuant to the CARES Act, PPP Releases, the applicable SBA size standards and affiliation rules and all other SBA Loan Program Requirements (as defined by SBA) as may be applicable to loans made under the PPP.
- dd. The agent disclosed on the SBA Form 159, if any, is the only agent involved in the Loan transaction. If any such agent exists, the agent and Borrower shall execute the required Form 159.
- ee. All other certifications set forth in the PPP Borrower Application, as may have been amended and as submitted by Borrower to Lender are incorporated herein by reference, are true and correct, and are hereby reaffirmed to Lender and ratified by Borrower as if set forth at length.

3. **Amendment to BL Agreement.** This Certification and Addendum amends and modifies certain provisions of the BL Agreement. Except as expressly changed by this Certification and Addendum, the terms of the BL Agreement with respect to other loans and obligations (other than this Loan) included in the definition of "Loan" provided in the BL Agreement ("Other BL Obligations") remain unchanged and in full force and effect. Acceptance by Lender to this Certification and Addendum does not waive Lender's right to strict performance of the Other BL Obligations under the BL Agreement as changed, nor obligate Lender to make any future change in terms.

In addition to incorporating the remainder of this Certification and Addendum into the BL Agreement, the below changes are made to the BL Agreement.

- a. All references to "Note" in the BL Agreement include, in addition to any other promissory notes included in the definition of "Note" in the BL Agreement, the Note described in this Certification and Addendum.
- b. All references to "Loan" in the BL Agreement include, in addition to any other loans and obligations included in the definition of "Loan" in the BL Agreement, the Loan described in this Certification and Addendum.
- c. The following sections of the BL Agreement do not govern nor apply to the Loan described in this Certification and Addendum: (i) subsections titled "Properties", "Hazardous Substances" and "Lien Priority" under the section titled "REPRESENTATIONS AND WARRANTIES"; (ii) subsections titled "Guaranties", "Loan Proceeds", "Environmental Studies" and "Environmental Compliance and Reports" under the section titled "AFFIRMATIVE COVENANTS"; and (iii) subsections titled "Defective Collateralization" and "Events Affecting Guarantor" under the section titled "DEFAULT".
- d. The following sections of the BL Agreement will only govern and apply to the Loan described in this Certification and Addendum with regard to the portion of the principal of the Loan (and any interest accrued thereon) that does not qualify for loan forgiveness pursuant to Section 4.c. and if the SBA does not honor its guarantee of this Loan: (i) subsections titled "Financial Statements", "Insurance", "Insurance Reports", "Life Insurance", and "Compliance with Governmental Requirements" under the section titled "AFFIRMATIVE COVENANTS"; (ii) section titled "LENDER'S EXPENDITURES"; (iii) subsections titled "Indebtedness and Liens" and "Loans, Acquisitions and Guaranties" under the section titled "NEGATIVE COVENANTS"; and (iv) subsection titled "Attorney's Fees; Expenses" under the section titled "MISCELLANEOUS PROVISIONS".

4. **Other Terms and Conditions.**

- a. Loan Authorization. Borrower shall comply with any additional terms and conditions arising out of any Loan authorization issued by Lender or SBA in connection with the Loan. If so issued, Borrower hereby acknowledges receipt of the Loan authorization.
- b. Default. Borrower acknowledges that if Borrower defaults on the Loan, SBA may be required to pay Lender under the SBA's guarantee of the Loan, and SBA may then seek recovery on the Loan from Borrower (to the extent any balance remains after any loan forgiveness as described in Section 4.c below).
- c. Loan Forgiveness.
 - i. While the PPP Releases provide that the SBA may forgive a portion or all of the principal (and interest accrued thereon) of a loan obtained under the PPP, the Bank does not guarantee or otherwise promise or warrant that the SBA will forgive Borrower's Loan in whole or in part.
 - ii. Should Borrower desire a portion or all of the principal (and interest accrued thereon) of the Loan to be forgiven by the SBA under the PPP, then Borrower must comply with the requirements included in the PPP Releases and must apply for such amounts to be forgiven in accordance with the PPP Releases. Any amount of the principal (and interest accrued thereon) of the Loan not forgiven by the SBA under the PPP is an obligation of Borrower under the Note and must be repaid to Lender in accordance with the terms of the Note.
- d. PPP Releases. Borrower is responsible for obtaining and reading all PPP Releases. Should Borrower need assistance understanding the requirements imposed on Borrower under the PPP Releases, including (without limitation) with respect to Borrower's eligibility for a loan under the PPP or to obtain forgiveness of the principal (and interest accrued thereon) of the Loan, then will take any steps necessary to understand such requirements, such as obtaining the advice of counsel at Borrower's cost. Lender is under no obligation to notify Borrower of any PPP Releases issued the SBA or Treasury, or to provide a copy of such issuances to Borrower.
- e. Reporting Agencies. Lender is required in accordance with the Debt Collection Improvement Act of 1996 and by SBA SOP 50 10 to report information relating to the extension of the Loan to consumer or commercial reporting agencies or bureaus, as appropriate (the "Reporting Agencies"). The Borrower acknowledges this requirement and further, by execution of this Certification and Addendum, agrees

that the Lender may in the future report further information concerning the Loan, including delinquent payments, other Loan defaults, or charge offs to Reporting Agencies. This information may be reflected in reports issued by Reporting Agencies. Further, Borrower acknowledges and agrees that if the Borrower defaults on the SBA-guaranteed Loan and SBA suffers a loss Lender may be required to report any Loan charge offs to the Treasury's delinquent debtordatabases.

- f. Execution. A signed copy of this Certification and Addendum or any other Loan Documents transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of such Loan Document for all purposes. Any party providing an electronic signature agrees to promptly execute and deliver to Lender an original signed copy of such Loan Document upon request.
- g. Costs. To the extent not prohibited by the CARES Act and other PPP Releases, Borrower shall reimburse Lender for all of its out-of-pocket expenses including, without limitation, reasonable counsel fees and expenses, incident to the enforcement of any provision of the Loan Documents.
- h. Cross-collateralization. To the extent not prohibited by the CARES Act and other PPP Releases, in the event the Loan no longer qualifies as loan under the PPP, and SBA decides not to guarantee the Loan, then with respect to any portion not forgiven by the SBA under the PPP (as discussed in Section 4.c above): (i) Borrower's obligations under the Loan Documents shall be subject to any cross-default and cross-collateralization provisions provided in any other agreements or instruments evidencing other loans or extensions previously made or that will be made by Lender to Borrower; and (ii) any guaranty made by any guarantors for any other obligations of Borrower to Lender in connection with other loans or extensions of credit previously made or that will be made by Lender to Borrower shall cover Borrower's obligations under the Loan Documents unless the guaranty is limited by its terms so as to not include Borrower's obligations under the Loan Documents.
- i. Validity of Loan Documents. This Certification and Addendum, other Loan Documents and any other instrument, document or agreement executed and delivered by Borrower in connection herewith will be valid, binding and enforceable in accordance with its terms.

The undersigned officer of the Borrower is duly authorized to execute and deliver this Certification and Addendum, the Note and all other Loan Documents, and the performance by the Borrower of the transactions herein contemplated are and will be within its powers, have been duly authorized by all necessary entity action, and are not and will not be in contravention of any order of court or other agency of government, of law or, if applicable, its organizing or governing documents, or any indenture, agreement or undertaking to which it is a party or by which its property is bound, or be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or undertaking or result in the imposition of any lien, charge or encumbrance of any nature on any of the properties of such Borrower.

IN WITNESS WHEREOF the undersigned have caused this Certification and Addendum to be executed as of the date first set forth herein.

BORROWER:
QUICKLOGIC CORPORATION

By: /s/ Sue Cheung
Sue Cheung, CFO of QUICKLOGIC CORPORATION



QuickLogic Reports Fiscal 2020 First Quarter Results

San Jose, Calif. – May 11, 2020 - 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 2020, ended March 29, 2020.

Recent Highlights

- New Web-Based AutoML Tool from SensiML Makes AI for IoT Easier than Ever
- QuickLogic's eFPGA Technology Qualified on GLOBALFOUNDRIES 22FDX® Platform for IoT and Edge AI Applications
- QuickLogic and Antmicro Partner to Bring Low Power Machine Learning to Endpoint IoT Devices
- SensiML Delivers AI-Based Sensor Algorithms for IoT Endpoints Using NXP's i.MX RT Crossover MCUs
- QuickLogic Names OptimusLogic Authorized Design Partner for Embedded System and Software Development

Fiscal 2020 First Quarter Financial Results

Total revenue for the first quarter of 2020 was \$2.2 million, a decline of 25% compared with the fourth quarter of 2019, and 32% compared with the first quarter of 2019. New product revenue was \$0.5 million in the first quarter of 2020, a decline of 32% compared with the fourth quarter of 2019, and 29% compared with the first quarter of 2019. This sequential decline was due to lower sales of display bridge, connectivity and mature products that were not fully offset by increased EOS S3 revenue. New product revenue accounted for 23% of the total revenue in the first quarter of 2020, compared with 25% in the fourth quarter of 2019, and 22% in the first quarter of 2019. Mature product revenue was \$1.7 million in the first quarter of 2020, down 23% compared with the fourth quarter of 2019, and 33% compared with the first quarter of 2019.

First quarter 2020 GAAP gross margin was 51.7%, down from 64.9% in the fourth quarter of 2019, and 62.0% in the first quarter of 2019.

First quarter 2020 non-GAAP gross margin was 52.2%, down from 65.6% in the fourth quarter of 2019 and 62.8% in the first quarter of 2019. The lower gross margin in the first quarter 2020 was primarily due to product mix and some higher margin mature product revenue moving into Q2.

First quarter 2020 GAAP operating expenses were \$4.2 million, down from \$4.8 million in the fourth quarter of 2019, and \$5.7 million in the first quarter of 2019. The first quarter 2020 GAAP operating expenses include restructuring expenses of \$0.5 million related to the restructuring plan implemented in the first quarter of 2020.

First quarter 2020 non-GAAP operating expenses were \$4.1 million, down from \$4.2 million in the fourth quarter of 2019, and from \$4.8 million compared with the first quarter of 2019.

First quarter 2020 GAAP net loss was \$3.2 million, or \$0.38 per share, compared with a net loss of \$3.1 million, or \$0.37 per share, in the fourth quarter of 2019, and a net loss of \$3.5 million, or \$0.50 per share, in the first quarter of 2019.

First quarter 2020 non-GAAP net loss was \$3.1 million, or \$0.37 per share, compared with a net loss of \$2.4 million, or \$0.29 per share, in the fourth quarter of 2019, and a net loss of \$2.5 million, or \$0.37 per share, in the first quarter of 2019.

Please see the language included in the section below titled Non-GAAP Financial Measures for an explanation of the Company's non-GAAP financial measures.

Conference Call

QuickLogic will hold a conference call at 2:00 p.m. Pacific Daylight Time / 5:00 p.m. Eastern Daylight Time today, May 11, 2020, to discuss its current financial results. The conference call will be webcast at QuickLogic's IR Site Events Page. To join the live conference, you may dial (877) 407-0792 and international participants should dial (201) 689-8263 by 1:50 p.m. Pacific Daylight 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 13702119. The call recording, which can be accessed by phone, will be archived until Monday, May 18, 2020, 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 www.quicklogic.com and <https://www.quicklogic.com/blog/>.

QuickLogic uses its website (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 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 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; our ability to capitalize on synergies with our newly acquired subsidiary SensiML Corporation; changes in product demand or supply; capacity constraints; general economic conditions; political events, international trade disputes, war, terrorism, natural disasters, public health issues, and other business interruptions that could disrupt supply or delivery of, or demand for, the Company's products; 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 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. In addition, please note that the date of this press release is May 11, 2020, 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.

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

Company Contact

Sue Cheung
Chief Financial Officer
(408) 990-4076
Scheung@quicklogic.com

IR Contact

Jim Fanucchi
Darrow Associates, Inc.
(408) 404-5400
ir@quicklogic.com
CODE: QUIK-E

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

	Three Months Ended		
	March 29, 2020	March 31, 2019	December 29, 2019
Revenue	\$ 2,158	\$ 3,194	\$ 2,871
Cost of revenue	1,043	1,215	1,008
Gross profit	1,115	1,979	1,863
Operating expenses:			
Research and development	1,819	3,242	2,754
Selling, general and administrative	1,879	2,446	2,037
Restructuring expenses	479	-	-
Total operating expense	4,177	5,688	4,791
Loss from operations	(3,062)	(3,709)	(2,928)
Interest expense	(80)	(83)	(80)
Interest and other income, net	(5)	48	36
Loss before income taxes	(3,147)	(3,744)	(2,972)
(Benefit from) Provision for income taxes	18	(268)	91
Net loss	<u>\$ (3,165)</u>	<u>\$ (3,476)</u>	<u>\$ (3,063)</u>
Net loss per share:			
Basic and Diluted (1)	<u>\$ (0.38)</u>	<u>\$ (0.50)</u>	<u>\$ (0.37)</u>
Weighted average shares:			
Basic and Diluted (1)	<u>8,362</u>	<u>6,916</u>	<u>8,328</u>

(1) Net loss per share, basic and diluted share numbers are adjusted to reflect 1-for-14 reverse stock split effected on December 23, 2019

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

	March 29, 2020	December 29, 2019 (1)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,898	\$ 21,448
Restricted cash	100	100
Accounts receivable, net	1,376	1,991
Inventories	3,085	3,260
Other current assets	1,285	1,565
Total current assets	24,744	28,364
Property and equipment, net	713	830
Internal-use software	561	333
Right of use assets	2,444	2,370
Intangible assets, net	971	1,008
Goodwill	185	185
Other assets	293	314
TOTAL ASSETS	\$ 29,911	\$ 33,404
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Revolving line of credit	\$ 15,000	\$ 15,000
Trade payables	944	1,003
Accrued liabilities	1,223	1,133
Deferred revenue	95	158
Current portion of capital lease obligations	775	704
Total current liabilities	18,037	17,998
Long-term liabilities:		
Capital lease obligations, less current portion	1,639	1,583
Total liabilities	19,676	19,581
Stockholders' equity:		
Common stock, par value (2)	8	8
Additional paid-in capital (2)	296,650	297,073
Accumulated deficit	(286,423)	(283,258)
Total stockholders' equity	10,235	13,823
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 29,911	\$ 33,404

(1) Derived from the December 29, 2019 audited balance sheet included in the 2019 Annual Report on Form 10-K of QuickLogic Corporation.

(2) Common stock, par value and additional paid-in capital amounts are adjusted to reflect 1-for-14 reverse stock split effected on December 23, 2019.

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

	Three Months Ended		
	March 29, 2020	March 31, 2019	December 29, 2019
US GAAP loss from operations	\$ (3,062)	\$ (3,709)	\$ (2,928)
Adjustment for stock-based compensation within:			
Cost of revenue	12	26	19
Research and development	(464)	655	534
Selling, general and administrative	54	270	101
Restructuring expenses	479	—	—
Adjustment for the write-off of equipment:			
Selling, general and administrative	—	—	2
Non-GAAP loss from operations	\$ (2,981)	\$ (2,758)	\$ (2,272)
US GAAP net loss	\$ (3,165)	\$ (3,476)	\$ (3,063)
Adjustment for stock-based compensation within:			
Cost of revenue	12	26	19
Research and development	(464)	655	534
Selling, general and administrative	54	270	101
Restructuring expenses	479	—	—
Adjustment for the write-off of equipment:			
Selling, general and administrative	—	—	2
Non-GAAP net loss	\$ (3,084)	\$ (2,525)	\$ (2,407)
US GAAP net loss per share (1)	\$ (0.38)	\$ (0.50)	\$ (0.37)
Adjustment for stock-based compensation	(0.05)	0.13	0.08
Restructuring expenses	0.06	—	—
Non-GAAP net loss per share	\$ (0.37)	\$ (0.37)	\$ (0.29)
US GAAP gross margin percentage	51.7 %	62.0 %	64.9 %
Adjustment for stock-based compensation	0.5 %	0.8 %	0.7 %
Non-GAAP gross margin percentage	52.2 %	62.8 %	65.6 %

(1) Net loss per share is adjusted to reflect 1-for-14 reverse stock split effected on December 23, 2019.

QUICKLOGIC CORPORATION
SUPPLEMENTAL DATA
(Unaudited)

	Percentage of Revenue			Change in Revenue	
	Q1 2020	Q1 2019	Q4 2019	Q1 2019 to Q1 2020	Q4 2019 to Q1 2020
COMPOSITION OF REVENUE					
Revenue by product: (1)					
New products	23 %	22 %	25 %	(29) %	(32) %
Mature products	77 %	78 %	75 %	(33) %	(23) %
Revenue by geography:					
Asia Pacific	19 %	45 %	19 %	(72) %	(27) %
North America	44 %	36 %	37 %	(18) %	(10) %
Europe	37 %	19 %	43 %	33 %	(37) %

- (1) New products include all products manufactured on 180 nanometer or smaller semiconductor processes, eFPGA IP license, QuickAI and SensiML AI software as a service (SaaS) revenues. Mature products include all products produced on semiconductor processes larger than 180 nanometer.