



# Investor Presentation

March 2021

# Safe Harbor Statement

## Forward-Looking Statements

This presentation and the accompanying oral presentation contain "forward-looking statements" that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, our results may differ materially from those expressed or implied by such forward-looking statements. All statements relating to events or results that may occur in the future are forward looking statements, including, but not limited to: any projections of addressable market size, market trends and market opportunities, customer growth, design win growth, product availability or technology developments; any statements suggesting future trends for our business; any statements regarding our plans, strategies or objectives with respect to future operations; and any statements regarding future economic conditions. These statements are based on estimates and information available to us at the time of this presentation and are not guarantees of future performance. Actual results could differ materially from our current expectations as a result of many factors, including, but not limited to: market adoption of our products and solutions may be different than we expect; our rate of growth; our ability to predict customer demand for our existing and future products and to secure adequate manufacturing capacity; our ability to manage our growth; our ability to hire, retain and motivate employees; the effects of competition, including price competition; technological, regulatory and legal developments; developments in the economy and financial markets; and the duration and severity of the COVID-19 pandemic and its effects on our business, financial condition, results of operations and cash flows. These factors, together with those set forth under the caption "Risk Factors" in our most recent Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission ("SEC") on November 5, 2020 and in our other filings with the SEC, may cause our actual results, performance or achievements to differ materially and adversely from those anticipated or implied by our forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Although our management believes that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances described in the forward-looking statements will be achieved or occur. Moreover, neither we, nor any other person, assume responsibility for the accuracy and completeness of the forward-looking statements. Any forward-looking statements made by us speak only as of the date on which they are made, and we undertake no obligation to publicly update any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations, except as required by law.



# Company Overview

Leading Provider of Specialty Memory Technology and Products to Mission-Critical Applications from the **Data Center** to **Industrial and IoT End Point** applications

**Headquarters** Chandler, AZ

**Established** 2008

**Listed** NASDAQ: MRAM

**Segment** Semiconductor Memory

**Total 2020 Revenue** \$42M

Diversified Customer Base

**1,300+**

Across multiple markets

In Production over 12 years

**120M+**

MRAM Units shipped

Strong IP Portfolio

**650+**

Patents and applications WW

Focused on differentiated value and long-term growth in stable and growing markets

# Q4 and FY 2020 Highlights And Q1 2021 Outlook

- 2020 revenue increased 12.1% year-over-year to \$42M
- Q4'20 was our second consecutive quarter of positive cash flow from operations
- Q4'20 GAAP gross margin of 52.3%
- First royalty revenue from GlobalFoundries for embedded MRAM on their 22FDX process in Q4'20
- Received \$3M up-front payment for a license related to an 8" Rad-Hard STT-MRAM program, with contract signing expected in Q1
- Q1'21 guidance
  - Revenue \$10.0M to \$10.8M
  - EPS (\$0.12) – (\$0.06)



# Only MRAM Demonstrates The Promise of Universal Memory

## PERSISTENCE

Maintains memory contents without requiring power



## PERFORMANCE

SRAM & DRAM-like performance with low latency



## ENDURANCE

Superior durability supports memory workloads without sophisticated management



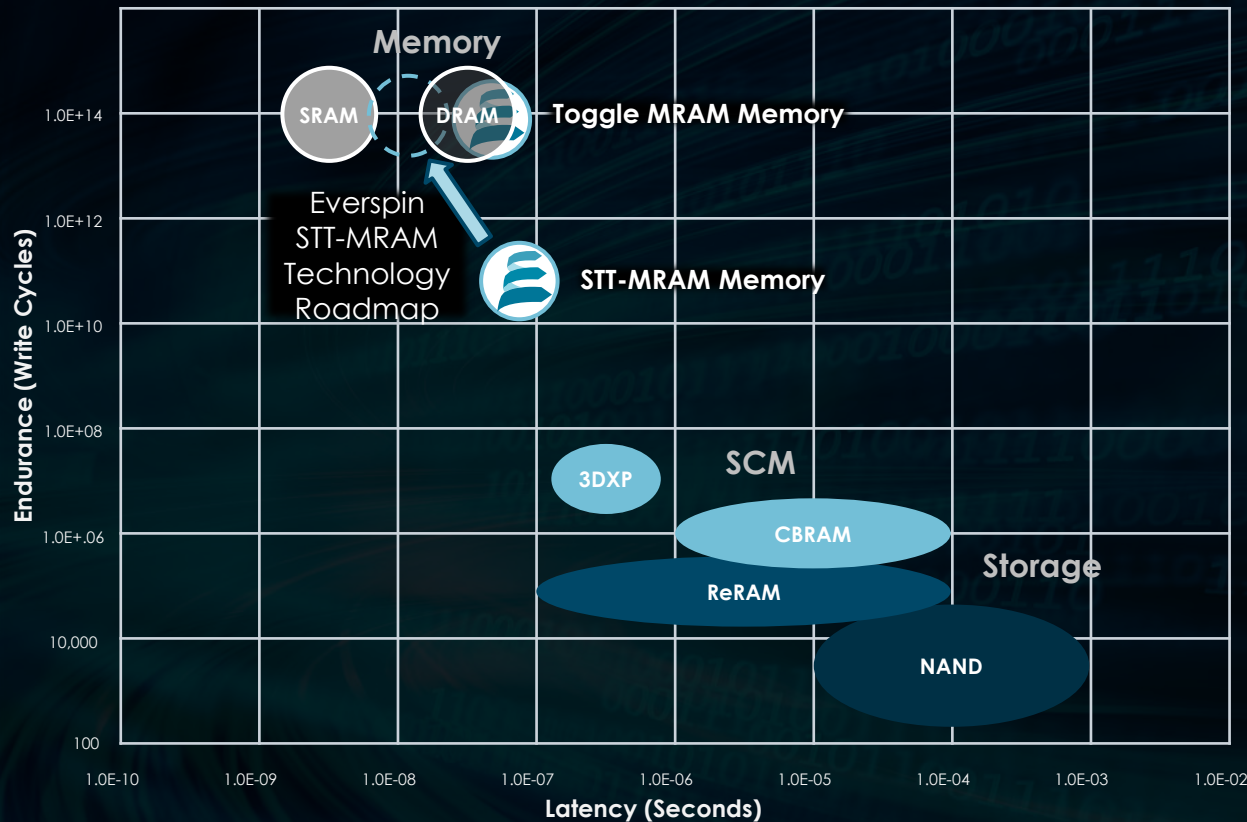
## RELIABILITY

Best-in-class robustness designed and tested for extreme conditions



MRAM as a CPU-attached memory (like SRAM/DRAM) that brings non-volatile capability (like Flash)

# MRAM Brings Native Persistence to Memory Workloads

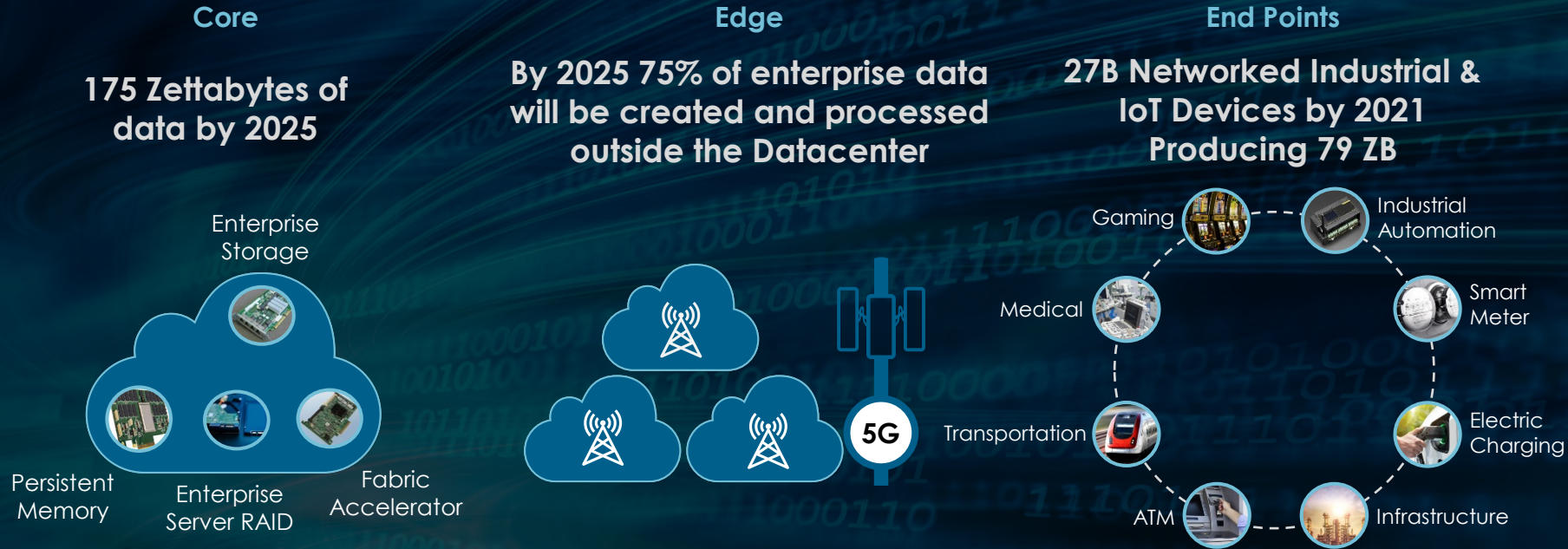


## MRAM COMBINES PERFORMANCE OF MEMORY WITH PERSISTENCE OF STORAGE

- **Persistence:** Months to decades of data retention without power or refresh
- **Performance:** Read/write similar to DRAM
- **Endurance:** Handles memory workloads



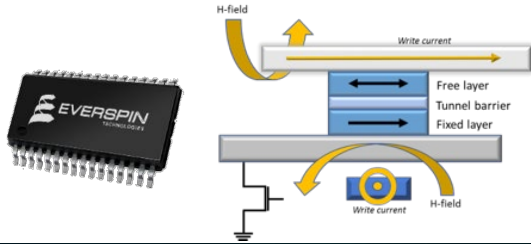
# 5G Opens A Universe of MRAM Applications



5G brings unprecedented bandwidth expected to increase  
Industrial and IoT End Point persistent memory needs and drive lower Core latency in the Data Center

# Product Portfolio Expands End Point Application Opportunity

## Industrial/IoT Toggle MRAM



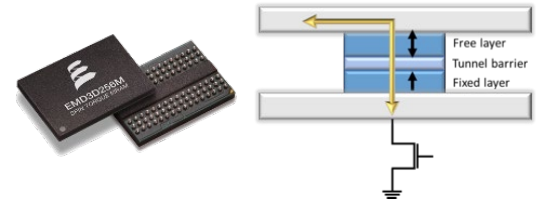
- SPI, QSPI, Parallel I/F
- 128 Kb to 32 Mb
- SRAM-like performance
- 20 years data retention
- -55C to 125C Operating Temp.
- Most robust MRAM

## Industrial/IoT STT-MRAM



- SPI, QSPI, OSPI, xSPI
- 64 Mb to 256 Mb
- SRAM-like performance
- 10 years data retention
- -40C to 85C Operating Temp.
- Most affordable MRAM

## Data Center STT-MRAM



- ST-DDR3, ST-DDR4 I/F
- 256 Mb to 1 Gb
- DRAM-like performance
- 3 months to 10 years DR
- 0C to 85C Operating Temp.
- Highest density MRAM

Our new product development expands the opportunity for STT to existing and new MRAM customers



# MRAM in Industrial & IoT

## Universal Non-Volatile Memory

Bringing robust and simple non-volatility to applications that need to store mission-critical data in CPU attached memory configurations



Industrial Automation



Medical



Network & Infrastructure



Casino Gaming



Transportation



Other Industrial



Solid Reliability

No Battery Servicing or Down Time



Unified Code and Data Memory

Unlimited Endurance



Low System Power Consumption

Simple to integrate to Standard Interfaces



Extended Temperature Operation

Cost Effective



# MRAM in the Data Center

## Lowest Latency Persistent Memory

Addressing the need for assured data integrity in high performance data buffering applications with unmatched endurance and reliability



Enterprise Storage



Enterprise Server RAID



Persistent Memory



Fabric Accelerator



Solid  
Reliability

No Stored  
Energy  
Liability



Larger Buffer  
Improves  
Latency QOS

No Capacitor  
Backed RAM



Optimized  
Interleave For  
Sequential  
Performance

Simplified  
Architecture  
Eliminates Power  
Fail Hardening



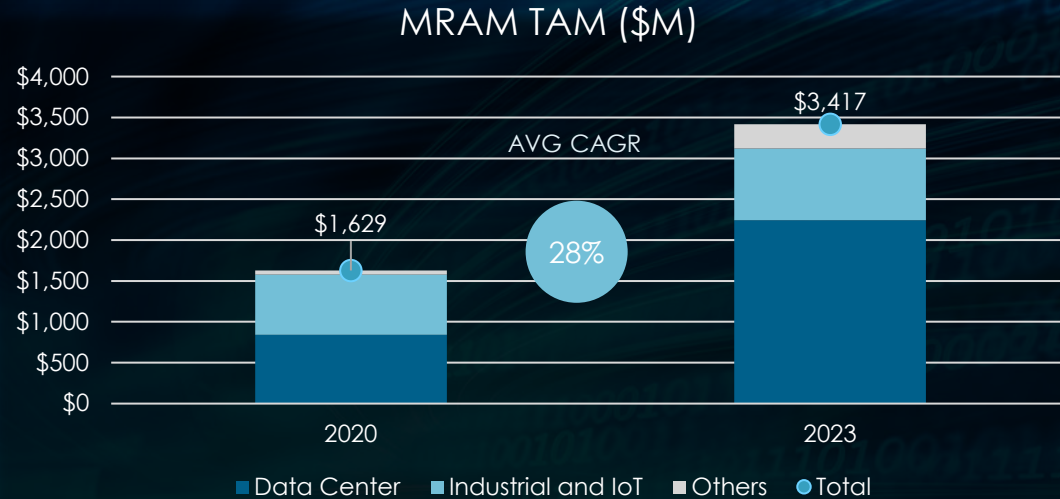
More Physical  
Space For  
Storage  
Capacity

Enable Higher  
Number of  
Streams





# Market Potential In Data Center Core And Industrial/IoT End Points



## KEY SUCCESS FACTORS

- Focus on high value segments that need higher performance and reliability
- STT-MRAM penetration in Data Center Core Applications
- Expand opportunities for MRAM with Industrial/IoT STT-MRAM
- Leverage expanded supply

## CURRENT FOCUS SEGMENTS



Enterprise Storage



Enterprise Server RAID



Industrial Automation



Medical



Network & Infrastructure



Casino Gaming



Other Industrial

## GROWTH OPPORTUNITIES



Persistent Memory



Fabric Accelerator



Mil/Aero



Transportation

# Diversified Top-Tier Customer Base in Significant Markets

| DATA CENTER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | INDUSTRIAL AUTOMATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | MEDICAL                                                                                                                                                                                                                                                     | NETWORK & INFRASTRUCTURE                                                                                                                                                                                                                                                                                                                                 | CASINO GAMING                                                                                                                                                                                                                                                                                                                                            | MIL/AERO & TRANSPORT.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><br><br><br><br> | <br><br><br><br><br> | <br><br> | <br><br><br> | <br><br><br> | <br><br><br><br><br><br> |

Serving some of the most demanding customers in segments with long-term stability



# Everspin IP Delivers Value Through Licensing

## Magnetic Sensors

**ALPS**



## Mil-Aero Toggle MRAM

**Honeywell**

**COBHAM**

## Embedded STT-MRAM



Everspin has successfully licensed MRAM, 3D Magnetic Sensor and TMR Head Sensor (HDD) IP

# The Executive Team

## Darin Billerbeck

Executive Chairman &  
Interim CEO



## Daniel Berenbaum

Chief Financial Officer



## Troy Winslow

VP, Sales & Marketing



## Norm Armour

VP, Operations



## Sanjeev Aggarwal

VP, Technology R&D



TEXAS INSTRUMENTS

## Yong Kim

VP, Product  
Development



Proven Team With Strong Experience In Delivering Market Leading Technology

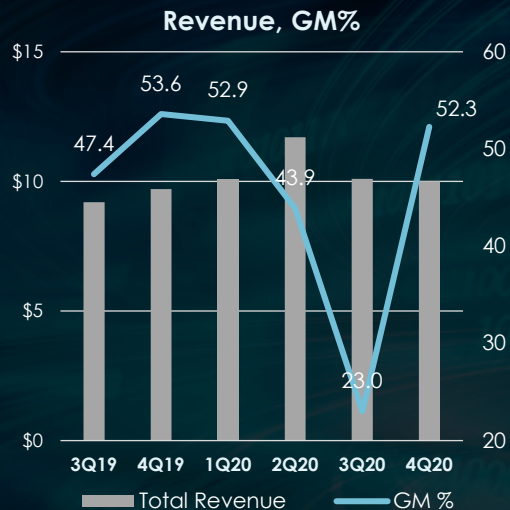


# Corporate Financials

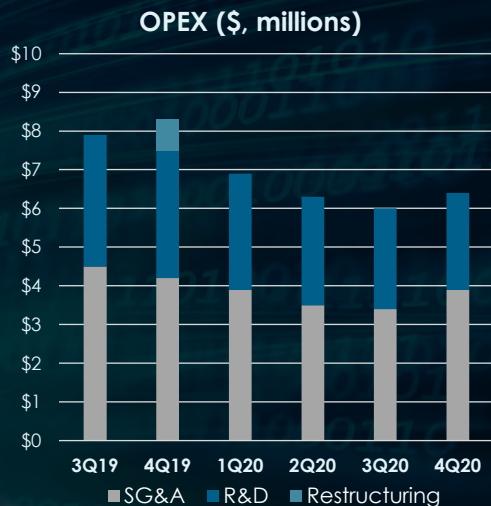
# Key Financial Indicators

As of Q4'2020

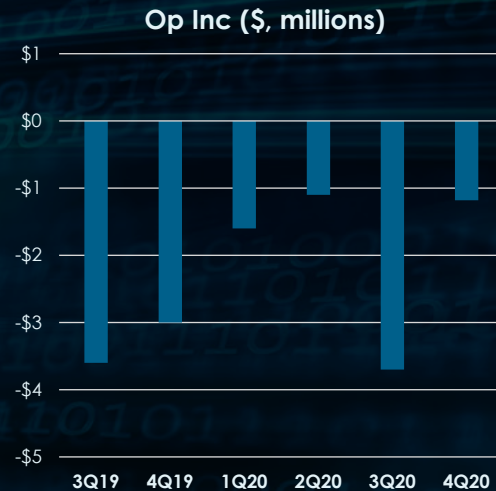
## Gross Margin



## Well Controlled OPEX



## Moving Toward GAAP Profitability



• Q3'20 gross margin reflected a \$1.7M non-cash charge related to excess and obsolete inventory reserve, \$0.4M accelerated depreciation, and a \$0.1M prior period cost adjustment

Everspin is focused on building a sustainable business model



# Income Statement

| (\$M)            | 1Q19    | 2Q19    | 3Q19    | 4Q19    | 1Q20    | 2Q20    | 3Q20    | 4Q20    |
|------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Revenue          | \$10.0  | \$8.6   | \$9.2   | \$9.7   | \$10.1  | \$11.8  | \$10.1  | \$10.0  |
| Gross Profit     | \$4.8   | \$4.0   | \$4.4   | \$5.2   | \$5.4   | \$5.2   | \$2.3   | \$5.2   |
| R&D              | \$4.0   | \$3.5   | \$3.4   | \$3.3   | \$3.0   | \$2.8   | \$2.6   | \$2.5   |
| SG&A             | \$5.0   | \$4.1   | \$4.5   | \$4.1   | \$3.9   | \$3.5   | \$3.5   | \$3.9   |
| Restructuring    |         |         |         | \$0.8   |         |         |         |         |
| Operating Income | (\$4.2) | (\$3.6) | (\$3.6) | (\$3.0) | (\$1.6) | (\$1.1) | (\$3.7) | (\$1.2) |

- Q3'20 results reflect a \$1.7M non-cash charge related to excess and obsolete inventory reserve, \$0.4M accelerated depreciation, and a \$0.1M prior period cost adjustment

# Balance Sheet

| (\$M)              | 1Q19   | 2Q19   | 3Q19   | 4Q19   | 1Q20   | 2Q20   | 3Q20   | 4Q20   |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Cash & Equivalents | \$18.5 | \$15.3 | \$14.8 | \$14.5 | \$14.0 | \$12.9 | \$13.9 | \$14.6 |
| Assets             | \$42.2 | \$37.5 | \$35.1 | \$35.4 | \$34.7 | \$35.1 | \$33.2 | \$32.5 |
| Debt               | \$11.0 | \$9.6  | \$7.7  | \$7.8  | \$7.9  | \$7.9  | \$7.9  | \$7.9  |
| Liabilities        | \$20.8 | \$18.8 | \$17.0 | \$16.9 | \$14.7 | \$14.7 | \$15.3 | \$15.1 |
| Equity             | \$21.4 | \$18.6 | \$18.1 | \$18.5 | \$20.0 | \$20.4 | \$18.0 | \$17.4 |

- Raised an aggregate of \$6.9M in net proceeds from ATM facility in 3Q19 through 1Q20 periods. ATM sales were suspended in March 2020, and the ATM program terminated in November 2020
- Refinanced debt in August 2019 and further amended credit agreement in July 2020, which delays principal payments until January 2021, significantly reducing debt service costs



# Target Operating Model

|                  | 2018   | 2019   | 1Q20   | 2Q20   | 3Q20   | Target Model |
|------------------|--------|--------|--------|--------|--------|--------------|
| Revenue (\$M)    | \$49.4 | \$37.5 | \$10.1 | \$11.8 | \$10.1 | >20% CAGR    |
| Gross Margin %   | 51.3%  | 48.9%  | 52.9%  | 43.9%  | 23.0%  | >50%         |
| R&D              | 48%    | 38%    | 30%    | 23%    | 25%    | 20%          |
| SG&A             | 38%    | 47%    | 39%    | 30%    | 34%    | 17%          |
| Operating Income | (35%)  | (38%)  | (16%)  | (9%)   | (37%)  | >13%         |

- 2018 reflects significant one-time license revenue
- 3Q20 reflects non-cash charge related to excess and obsolete inventory reserve, accelerated depreciation and a prior period cost adjustment

# Key Investor Takeaways

Unique success producing high-value discrete MRAM products over 5 generations of technology

Solid track record of revenue growth, strong margins and cost control building increasing financial stability

Addressing needs of Tier-1 customers in stable and growing markets from Data Centers to Industrial & IoT Edge Devices

Solid Toggle MRAM customer base with growing design wins and growing market opportunity for STT-MRAM with large potential

Strong IP portfolio of over 650 patents and applications generating licensing and royalty revenue

Leadership Team with experience commercializing technology in our target markets



# Appendix



# Foundry Partnerships To Supply The Growing Demand



GLOBALFOUNDRIES®

## Strong Partnership with GF for STT-MRAM

- 40nm 256Mb discrete chip mass production
- 28nm 1Gb discrete chip ramping mass production
- 22nm FDX embedded for GF SOC customers
- Extended JDA for 12nm MRAM development

## Solid Supply Chain for Toggle MRAM

- Long-term Chandler manufacturing operation continues



Established manufacturing partnerships for long term growth

# 5 Global Operation Sites & 8 Regional Offices

