GSI TECHNOLOGY

High Performance Components for Leading-Edge Technology

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Doug Schirle, CFO | May 2018

SAFE HARBOR

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GSI TECHNOLOGY OVERVIEW

- 20+ year leadership in innovative performance memory chips
- Largest portfolio of high performance memory products with core competency in Very Fast SRAM and LLDRAM
- Based in Sunnyvale, CA
- $170 million market cap with 21 million shares outstanding; NASDAQ: GSIT
- Insider ownership of 34%

GSI memory products are recognized for very high transaction rates, high density, low latency, high bandwidth, fast clock access times, and low power consumption.

CONSISTENT TRACK RECORD OF EXECUTION

- Leadership team with 20+ years tenure
- Core strengths in hardware design, manufacturing and marketing
- Fabless manufacturing with TSMC using master die design
- Leveraging memory line into high performance Radiation-Hardened line
- Acquired cutting-edge in-place associative computing technology
- Merging AI start-up innovation with robust chip manufacturing

WHAT'S NEW

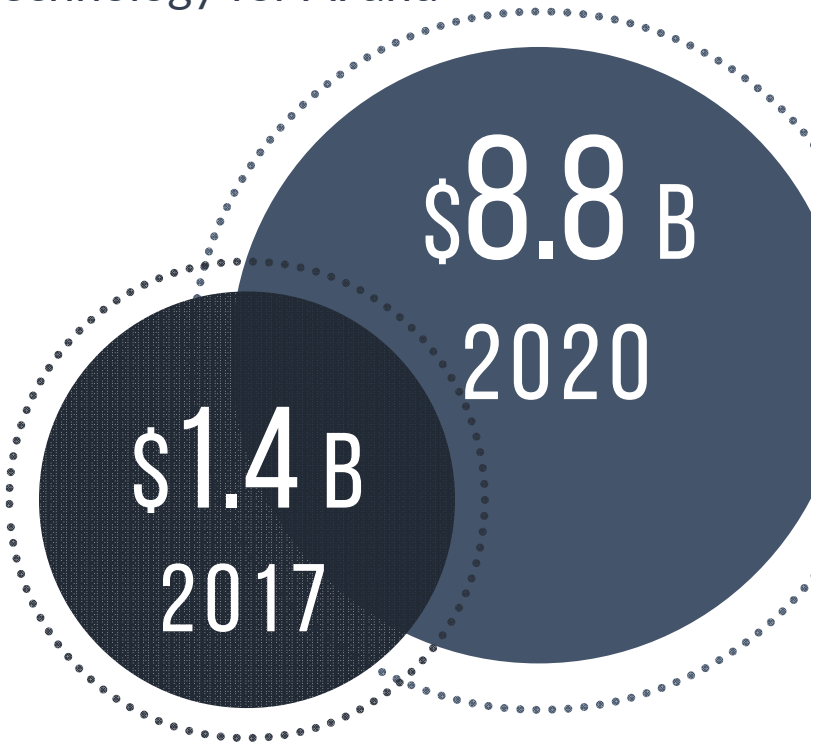
- Company's resources focused on bringing new products to market
- AI acquisition strategically leverages existing core strengths

ADVANCING OUR BUSINESS TO NEW FIELDS

Launching two new product categories in high margin, growth markets:

- Rad-Hard and Rad-Tolerant launches for aerospace and defense in 4Q CY 2018 – high ASP, high margin products
- In-place associative computing (APU) technology for AI and machine learning applications

Global machine learning market forecasted to grow at CAGR of 44.1% by 2020*



** Source: three year CAGR, MarketsandMarkets™, September 2017*

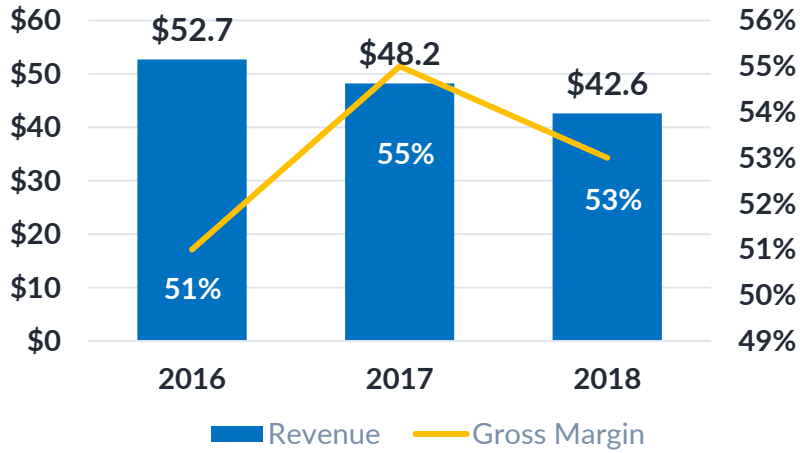
SOLID PLATFORM FOR GROWTH

- Coming off an investment cycle:
  - $5 million acquisition in CY 2015
  - $36 million legal fees
  - Purchased HQ building
  - $61 million of common stock repurchased to date
- Increased ASPs and gross margin in current product line
- Significant liquidity for launch of in-place associative computing technology for AI applications

SUMMARY BALANCE SHEET

($ in millions)	FY 2018 Q4 03/31/2018	FY 2017 Q4 03/31/2017
Cash &Short Term Investments	$58.4	$49.9
Long Term Investments	$7.9	$12.9
Debt	$ 0.0	$ 0.0

REVENUE & GROSS MARGIN PERFORMANCE



*Reflects March 31 fiscal year end

HIGHLY CAPITAL EFFICIENT

- Efficient business model – fabless manufacturer and master die production
- Strong cash generation historically; currently cash flow neutral
- Primary uses of capital for share repurchase and R&D investment for APU

R & D INVESTMENT

- Developing software libraries and hardware design
- $4 million per quarter since CY 2017 (up from $3 million/Q)
- R&D spend continues through CY 2018 at current levels

SHARE REPURCHASE

- Repurchased 12 million shares and returned $60.6 million in capital to stockholders
- Outstanding authorization to purchase up to an additional $4.4 million

STRONG CORE COMPETENCIES

REVENUE GROWTH DRIVERS: SIGMAQUAD™ SIGMADDR™

- Applications in switches, routers, avionics, and military radar
- Broadest product offering across all product categories
- Best industry performance

NEXT GEN SRAM (3RD AND 4TH GENERATION)

- Fastest off-the-shelf SRAM on market
- Higher reliability and lower power consumption
- Higher ASP and gross margin contribution

BEST IN CLASS CAPABILITIES

- SigmaQuad™ SRAMs industry leader for capacity, performance, and unequaled transaction rates
- LLDRAM performance unmatched by commodity DRAM

Uniquely positioned to leverage these capabilities for AI market opportunity

RADIATION HARDENED (RAD-HARD) SRAM

PRODUCT HIGHLIGHTS

- SigmaQuad Radiation Hardened SRAM
- Capabilities and technology unique to GSI's Sigma Quad expertise
- 85% gross margin, +$30K ASP
- One project funded – CY 4Q 2018
- **Introducing Rad Tolerant**

PRIMARY APPLICATIONS/PRODUCT ROLLOUT

- High temperature, high pressure
  - Satellites, missiles
  - High altitude flights
- First product: 288Mb SQII+
- Second product: 144Mb NBT/SB
- Target products: 144Mb SQIV, 144Mb SQIII, APU

IN-PLACE ASSOCIATIVE COMPUTING (APU)

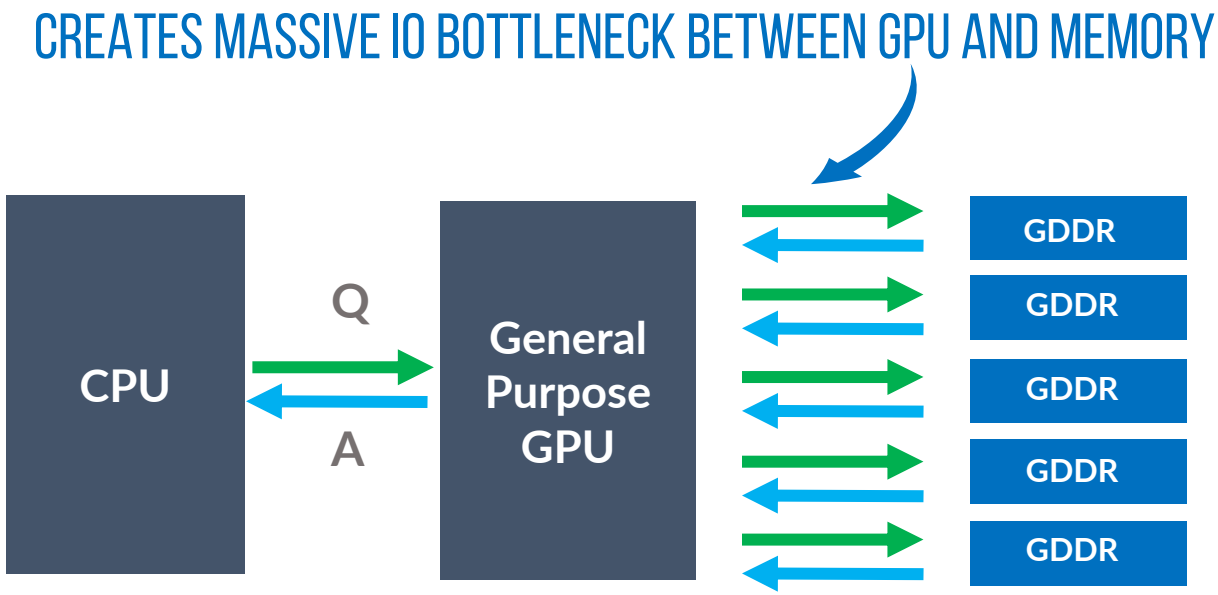
UNIQUE APPROACH COMBINING MEMORY AND LOGIC ONTO APU

- November 2015 acquired MikaMonu Group, developer of in-place associative computing
- GSI's extensive hardware development and manufacturing complements MikaMonu software development capabilities
- Targeting AI applications in machine learning, inference, computer vision, natural language processing (NLP), and recommender systems
- Existing Massive Parallel Processing (MPP) systems that move data back and forth between processor and memory no longer adequate

AI revenue will grow from $643.7 million in 2016 to $36.8 billion by 2025. *Tractica, 2017*

PROCESSING CHALLENGE FOR MPP

- Current solutions use graphic processing units (GPU) originally designed for video games
- Machine learning is pushing the limits of Massive Parallel Processing (MPP)



Results in long query response times, high power consumption and system cost

IN-PLACE ASSOCIATIVE PROCESSING

GSI solution mimics the brain by computing in-place within the APU

- Computation and search occur inside the GSI Associative Processor (APU)
- Response direct from APU removes IO bottleneck and improves performance
- Reduces query response times from hours to seconds
- Significantly reduces power consumption and system cost
- **Scalable – unique feature to GSI APU**

STRONG IP PORTFOLIO FOR APU

ACQUIRED PATENT PORTFOLIO, AND IP IN CY 2015

- U.S.-based patent portfolio - 17 granted and 10 pending
- Future patents will extend to China and Korea
- All related to associative processing for compute and search
- Application libraries to enable hardware functions
- Seamless integration into existing software platforms
- Applications include image processing, Big Data analytics, security, machine learning

GSI'S APU PERFORMANCE ADVANTAGE

Task	Applications	GPU/TPU/IPU/ NERVANA (NVIDIA/GOOGLE/ GRAPHCORE/INTEL)	ASIC	FPGA	APU
High precision floating point	Training				
Low precision	Inference				
Low shot similarity search	Big data search, video search, recommender systems, fake review/news				✓
Attention network	NLP / language translation, Q&A, video search				✓

Performance key: Poor Average Good Extremely high

MULTIPLE APU MARKET OPPORTUNITIES

BIG DATA MARKET - GROWING 30% CAGR*

- Cloud computing applications of data analytics, machine learning, SQL/NoSQL used by recommender systems, data mining, search engines and NLP

COMPUTER VISION MARKET - GROWING 42% CAGR**

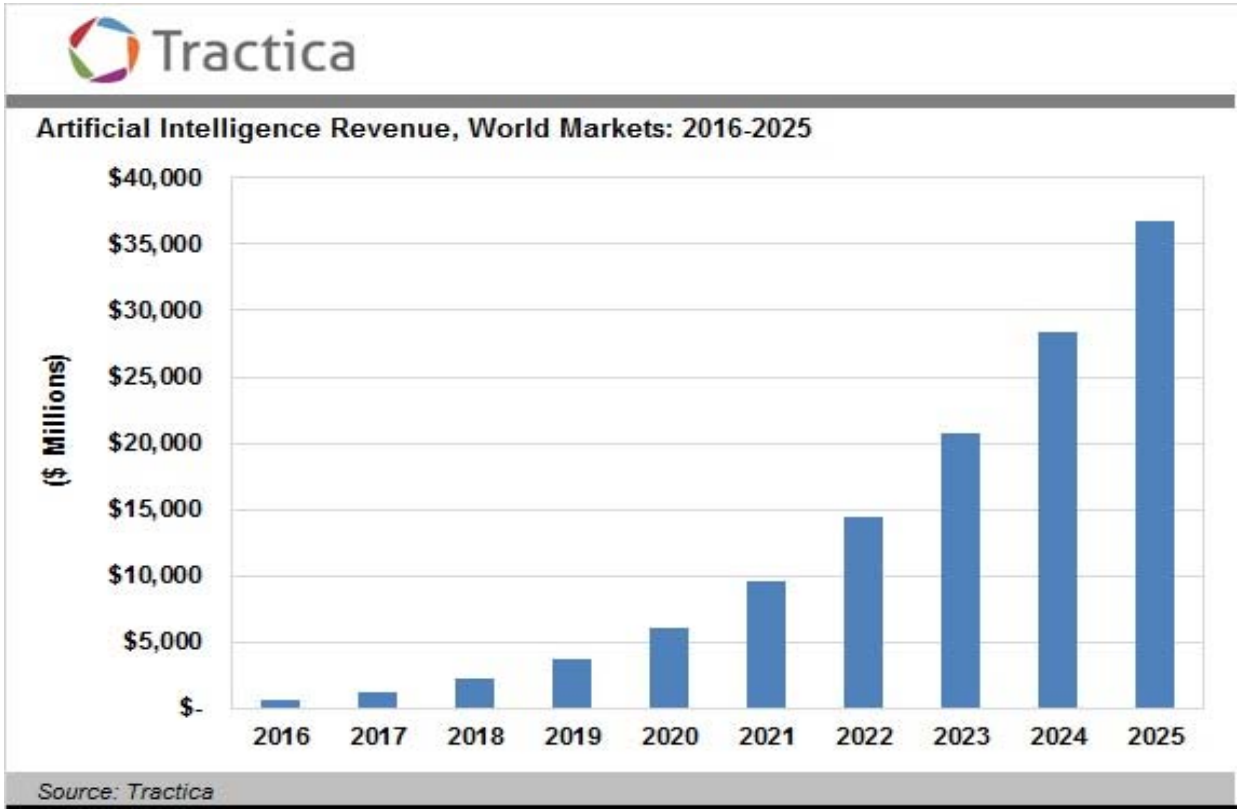
- Safety based automotive applications - Advanced Driver Assistance Systems (ADAS) lane departure warning, collision warning, blind-spot monitoring
- Warehouse robotics, missile guidance
- Amazon, Bosch, Continental, military contractors, Mobileye (Intel)

CYBER SECURITY

- Firewall, antivirus, encryption, web filtering, IDS/IPS, DPI
- Check Point, Cisco, Fortinet, Palo Alto Networks

*Sources: *Goldman Sachs; ** Tractia;*

LARGE HIGH GROWTH MARKETS FOR APU



"From a processor chip perspective, we estimate that AI, and other parallel computing end-markets could grow ten-fold from $1bn in 2016 to over ***$10bn by 2020, at a remarkable 75% CAGR***, again marking the fastest growing application-market in semiconductors. "

BofA Merrill Lynch Global Research

SELF-FUNDING AI START UP

($ IN MILLIONS)	AS OF 03/31/2018
Liquidity: cash, cash equivalents, short-term investments and long-term investments	$66.3
Total assets	$99.5
Debt	$0.0
Shareholder Equity	$86.8
BALANCE SHEET METRICS:	
Working capital	$63.9
Current ratio	9.6

PATH TO FUTURE GROWTH

- Leveraging leadership in performance memory chips to enter new product categories
- New products will drive future top line growth and further gross margin improvement
- Developing APU for very large, high growth markets with milestones in 2018/2019
    - Design released to fab
    - Samples evaluated
    - Product to customers for evaluation
    - Launch

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