

Executive Summary



Bricken Technologies



December, 2002

Palo Alto, California

Bricken™ Technologies

EXECUTIVE SUMMARY

Bricken Technologies Corporation (“BTC” or “Company”) was established in 2001 to commercialize the Company's novel and proprietary Iconic Logic™ software algorithms and related silicon architectures. These disruptive technologies are the foundation for several families of innovative reconfigurable semiconductor products that integrate reprogrammable silicon with highly efficient software design and configuration tools. The Company's co-designed silicon/software products provide customers with a total design solution for reconfigurable logic.

BTC products are expected to be highly competitive in most segments of the \$2.1 billion (2001) programmable logic device (PLD) market. PLDs are widely used semiconductor components that are configured for specific functionality by the end customer. BTC's initial customers are expected to be original equipment manufacturers in the communications and storage area network market segments, and also in the computer, industrial, consumer, and medical segments. The principal competitors are Xilinx and Altera.

The Company's initial product is *CoMesh™ (a Computational Mesh)*, an extensible Field Programmable Gate Array (FPGA) product family that is easily customized both for changing market requirements and for specialized market application needs. The CoMesh hierarchical block architecture uses pipelined logic to solve existing FPGA problems of unstable timing and low logic density. The silicon product is supported by a tightly integrated software design tool suite that solves several outstanding electronic design automation (EDA) problems with breakthrough performance capabilities including automated dynamic timing closure, multilevel logic optimization, fully automated formal verification, and silicon configuration that is generated automatically from functional specifications. The Company's product line supports common EDA tool chain and design practices, a wide variety of I/O standards, popular IP cores, and common operating systems and platforms.

BTC will operate as a fabless semiconductor company. The Company expects to sell its Bricken-branded semiconductor products initially directly to OEM and contract manufacturer customers in the United States and through traditional channels abroad. BTC will support its domestic sales efforts and its offshore channel partners with strategic marketing campaigns. BTC will also provide support to its domestic customers and to offshore channel partners, enabling them to support their direct customers.

Principal CoMesh Value Propositions

CoMesh FPGA integrated silicon/software products provide superior competitive advantages including:

- Seamless integration into the design flow
 - Compatible with major EDA design products and practices
 - No new skills or design practices required
 - Backward compatible with existing designs
 - Exceptional push-button ease-of-use
- Fully automated timing closure
 - Consistent timing performance for all designs
 - No timing closure iterations
 - Stable timing performance across design changes
- 2x – 8x the performance for one-third the cost of competitive alternatives

CoMesh Product Features

The CoMesh FPGA product family offers a variety of features including:

- An integrated silicon/software total solution
 - Silicon configuration generated directly from a netlist or HDL functional specification
 - Multilevel logic optimization and synthesis
 - Stable and predictable automated timing
 - Highly efficient routing
 - Fully automated formal verification incorporated in every step of the design process
- The capability to support:
 - Current common tool chain products and design practices
 - All common I/O standards and popular IP cores
 - Common operating systems and platforms

In comparison to the Xilinx Virtex-II, CoMesh provides a consistent 360 MHz processing speed independent of logic configuration, versus the Virtex-II's variable range of 40–200 MHz that changes for different logic configurations. Further, CoMesh offers four times more logic gates per mm² of silicon than the Virtex-II.

Current Development Status

The CoMesh FPGA architecture has been completely simulated and tested in software. A first version of the silicon architecture has been designed at the transistor-level and simulated using SPICE models. A first version of the Iconic Logic Optimizing Compiler is fully implemented and operational. The software performance and the silicon/software co-design have been verified on hundreds of industry standard benchmark circuits. Market research studies are underway.

Intellectual Property

BTC is developing what it expects will be regarded as pioneering intellectual property. The Company has filed several patent applications in the United States and intends to file additional applications in both the United States and in commercially important foreign jurisdictions.

Financing

The Company is seeking a total of \$10 million in a Series A preferred equity financing. Of the \$10 million, \$1 million is seed capital in the form of a Convertible Note financing that includes warrants. BTC intends to use the proceeds of this financing to build engineering, marketing, and sales teams; to develop technical and marketing infrastructure; to accelerate development of semiconductor products and to produce customer samples; to develop and implement marketing and sales programs; to acquire first customers and to develop strategic relationships; and to protect the Company's intellectual property. To date the Company has raised \$500,000.

Summary Financial Information

	Forecast Year				
	1	2	3	4	5
Statement of Operations Items (000's Omitted):					
Revenues	\$ -	\$ 225	\$ 15,500	\$ 65,000	\$ 135,000
Gross Margin	-	(394)	5,425	31,200	87,750
Operating Expenses	3,933	10,822	15,655	25,415	45,225
EBITDA	(3,933)	(11,216)	(10,230)	5,785	42,525
EBIT	(4,097)	(11,798)	(11,536)	1,910	34,417
Net Income (Loss)	\$ <u>(3,934)</u>	\$ <u>(11,309)</u>	\$ <u>(10,838)</u>	\$ <u>3,210</u>	\$ <u>31,188</u>
Balance Sheet Items (000's Omitted):					
Cash and Short-Term Investments	\$ 5,124	\$ 11,118	\$ 17,489	\$ 19,309	\$ 36,062
Accounts Receivable	-	169	4,030	7,475	13,838
Inventory	-	1,125	9,300	11,375	19,238
Total Assets	6,457	15,320	36,206	54,748	96,192
Shareholders' Equity	\$ <u>5,643</u>	\$ <u>14,184</u>	\$ <u>28,095</u>	\$ <u>31,306</u>	\$ <u>62,494</u>
Other Data:					
Gross Margin	-	-	35%	48%	65%
Headcount	33	69	115	200	320
Revenue per Employee (000's Omitted)	\$ -	\$ 3	\$ 135	\$ 325	\$ 422
Capital Expenditures (000's Omitted)	1,015	1,680	3,100	14,300	16,875

Executive Management

Outside Members of the Board of Directors

Advisory Board

CONTACT INFORMATION