

NOTE 4-BALANCE SHEET COMPONENTS

	December 29, 2019	December 30, 2018
	(in thousands)	
Inventories:		
Raw material	\$ 222	\$ 191
Work-in-process	2,370	2,929
Finished goods	668	716
	<u>\$ 3,260</u>	<u>\$ 3,836</u>
Other current assets:		
Prepaid expenses	\$ 1,296	\$ 1,483
Other	269	292
	<u>\$ 1,565</u>	<u>\$ 1,775</u>
Property and equipment:		
Equipment	\$ 10,694	\$ 10,607
Software	1,789	2,788
Furniture and fixtures	36	42
Leasehold improvements	474	712
	<u>12,993</u>	<u>14,149</u>
Accumulated depreciation and amortization	(12,163)	(12,700)
	<u>\$ 830</u>	<u>\$ 1,449</u>
Capitalized internal-use software:		
Capitalized during the year	\$ 365	—
Accumulated amortization	(32)	—
	<u>\$ 333</u>	<u>—</u>
Accrued liabilities:		
Employee compensation related accruals	713	1,154
Other	420	749
	<u>\$ 1,133</u>	<u>\$ 1,903</u>

The Company recorded depreciation and amortization expense of \$1.2 million, \$1.3 million and \$1.4 million for the fiscal years 2019, 2018 and 2017, respectively. No interest was capitalized for any period presented. Fiscal year 2019 depreciation and amortization of \$1.2 million includes \$32,000 of amortization of capitalized internal-use software.

NOTE 5-BUSINESS ACQUISITION

SensiML Acquisition

On January 3, 2019, the Company entered into a stock purchase agreement, or the Stock Purchase Agreement, with SensiML for the purchase of all of its issued and outstanding common stock in exchange for the Company's common stock, or the SensiML Acquisition.

SensiML has a software toolkit enabling IoT developers to quickly and easily create smart devices, transforming rich sensors into actionable event detectors.

SensiML's Analytics Toolkit is an end-to-end software suite that provides OEMs a straightforward process for developing pattern matching sensor algorithms using machine learning technology that are optimized for ultra-low power consumption. The SensiML Analytics Toolkit enables OEMs to quickly and easily leverage the power of local AI in edge, endpoint and wearable designs without the need for significant Data Science or Firmware Engineering resources.

The results of operations for the Company for the fiscal year ended December 29, 2019 include operating activity for SensiML since its acquisition date of January 3, 2019. For the fiscal year ended December 29, 2019, revenues attributable to SensiML included in the condensed consolidated statement of operations were \$126,000. For the year ended December 29, 2019, charges of \$148,000 were attributable to the amortization of purchased