

FIRST QUARTER 2020 RESULTS

“The COVID-19 outbreak presents an unprecedented global challenge affecting every aspect of our lives. Ensuring the safety and well-being of our employees, partners and communities are our top priorities as we continue to serve our customers and build value for our stockholders. Despite short-term issues caused by the COVID-19 pandemic, we generated revenues of \$28.2 million, in line with the original guidance range we provided. We are also successfully maintaining gross margins of over 50%, which highlights the added value we are bringing to our customers in each of our growth initiatives, namely Unified Communications, SmartVoice and SmartHome. Our innovative technical solutions are well-positioned to play a significant role in the technological trends that are accelerating as a result of the pandemic and we are proud that DSP Group has the technologies and products to help our customers transition to a safer and more productive environment, both at the office and at home.”

Ofer Elyakim, Chief Executive Officer

FINANCIAL HIGHLIGHTS

\$28.2M
REVENUES

(\$0.04)
EPS (NON-GAAP)

\$18.2M
GROWTH INITIATIVES
REVENUES

51.4%
GROSS MARGINS
(NON-GAAP)

GROWTH INITIATIVES HIGHLIGHTS

SMARTHOME

- SmartHome segment revenues of \$4 million, a year-over-year decrease of 5%
- Korea Telecom selected our ULE technology for its new smart small business IoT offering
- British Telecom launched its digital voice offering leveraging our DECT/ULE solution to offer its subscribers wireless HD voice experience



UNIFIED COMMUNICATIONS

- Unified Communications segment revenues of \$10.2 million, a year-over-year increase of 9%
- A tier one networking OEM selected our DECT solution for an innovative headset product to be launched in the coming months
- Sangoma launched its Sangoma H10 Wireless Headset based on our DECT solution

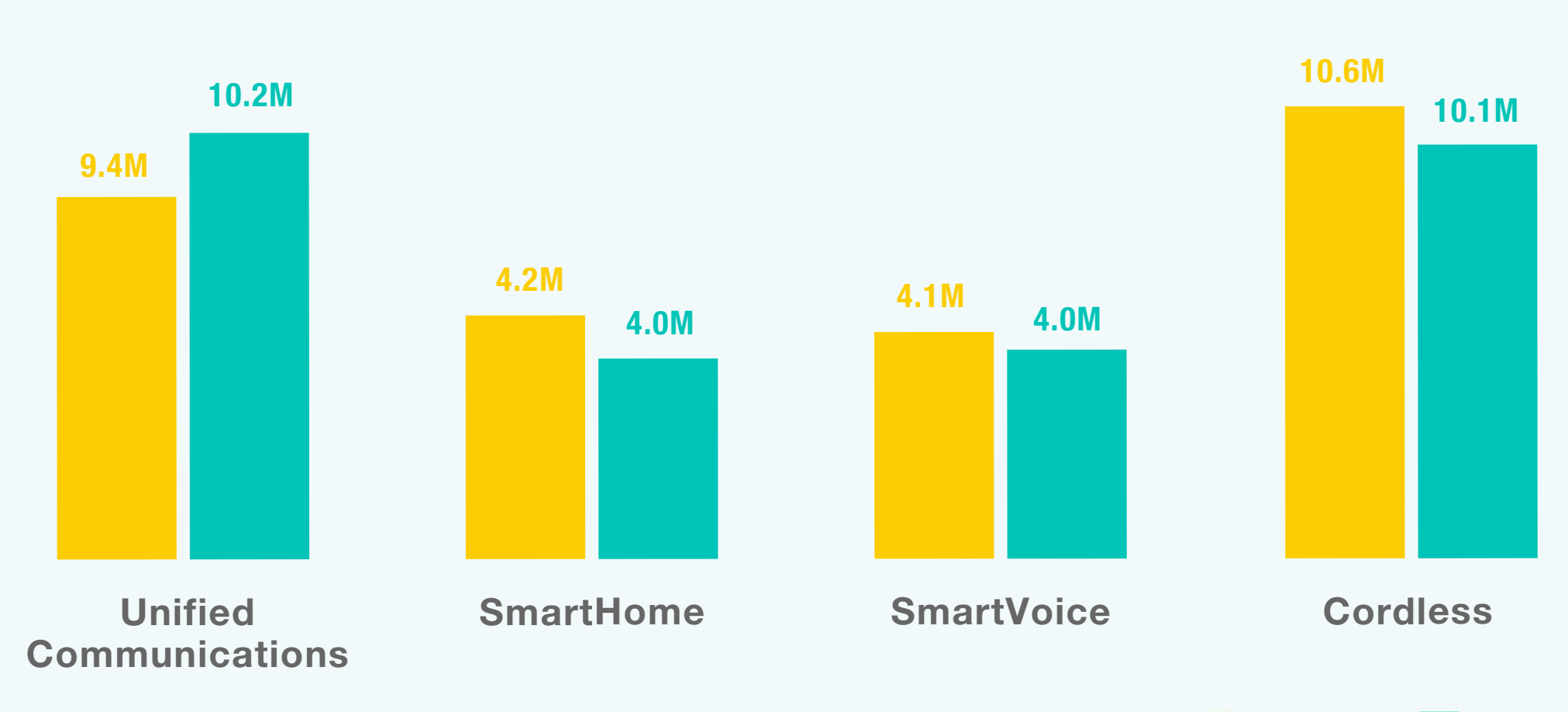


SMARTVOICE

- SmartVoice segment revenues of \$4 million, a year-over-year decrease of 4%
- A tier one platform company integrated our SmartVoice technology into its newly launched TWS earbuds
- Lenovo, BBK, and a leading mobile OEM launched a number of new tablet products based on our SmartVoice solutions supporting multiple simultaneous wake word detection



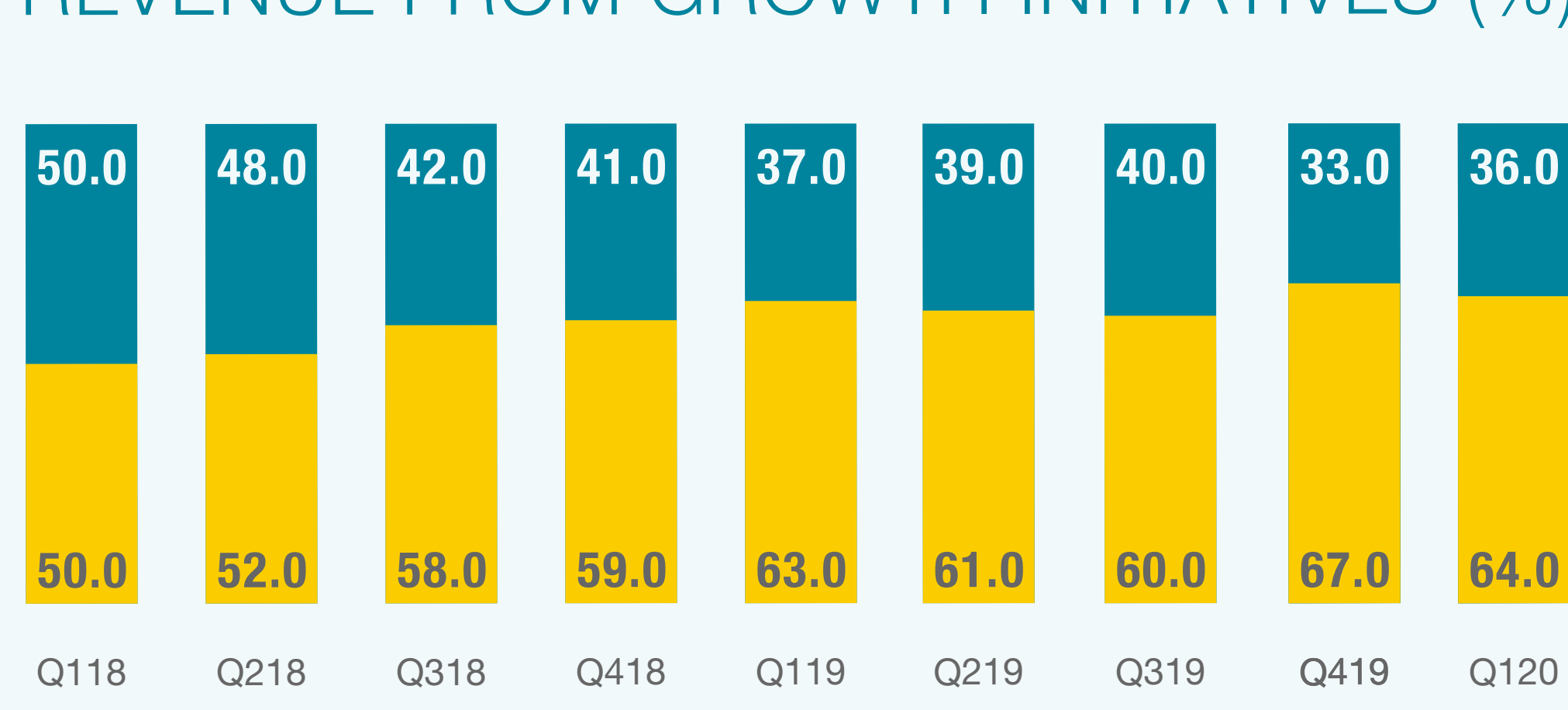
REVENUES BY PRODUCT LINE (\$)



GROSS MARGINS (NON-GAAP)



REVENUE FROM GROWTH INITIATIVES (%)



FAST FACTS



\$128.4M

Q1 CASH



\$0.9M

Q1 OPERATING CASH FLOW



(\$1.5M)

Q1 OPERATING PROFIT
(NON-GAAP)



\$5.50

Q1 CASH PER SHARE