

SECOND QUARTER 2019 RESULTS

"We are pleased to report that revenues from our growth initiatives grew by 12% year over year to \$17.8 million and accounted for 61% of sales. This accomplishment was propelled by record results in our SmartVoice product line, with second quarter revenues growing by 142%, reaching a record of \$5.3 million, and demonstrating the strength and diversity of our product offering in addressing a number of new applications, including cameras, tablets and smart TVs."

Ofer Elyakim, Chief Executive Officer

FINANCIAL HIGHLIGHTS

\$29M
REVENUES

\$0.07
EPS (NON-GAAP)

\$17.8M
GROWTH INITIATIVES
REVENUES

50.1%
GROSS MARGINS
(NON-GAAP)

BUSINESS HIGHLIGHTS

SMARTHOME

- SmartHome \$3.6 million, a year-over-year decrease of 4%
- A leading North America service provider selected ULE for its IoT product offering
- A leading Japanese OEM selected our DECT/ULE solution for wireless Hi-Fi audio streaming
- A North American company selected our DECT/ULE solution for its wireless sensor system diagnosing machinery conditions



UNIFIED COMMUNICATIONS

- Unified Communications segment revenues of \$8.8 million, a year-over-year decrease of 10%
- Initial commercial shipments of our high-volume design win to a Tier-1 OEM customer
- Grandstream Networks launched a new line of carrier-grade IP phones and longer-range IP-DECT products based on our DCX81 and DVF99xx voice processors
- A leading Korean service provider launched a new IP phone based on our DVF99 SoC

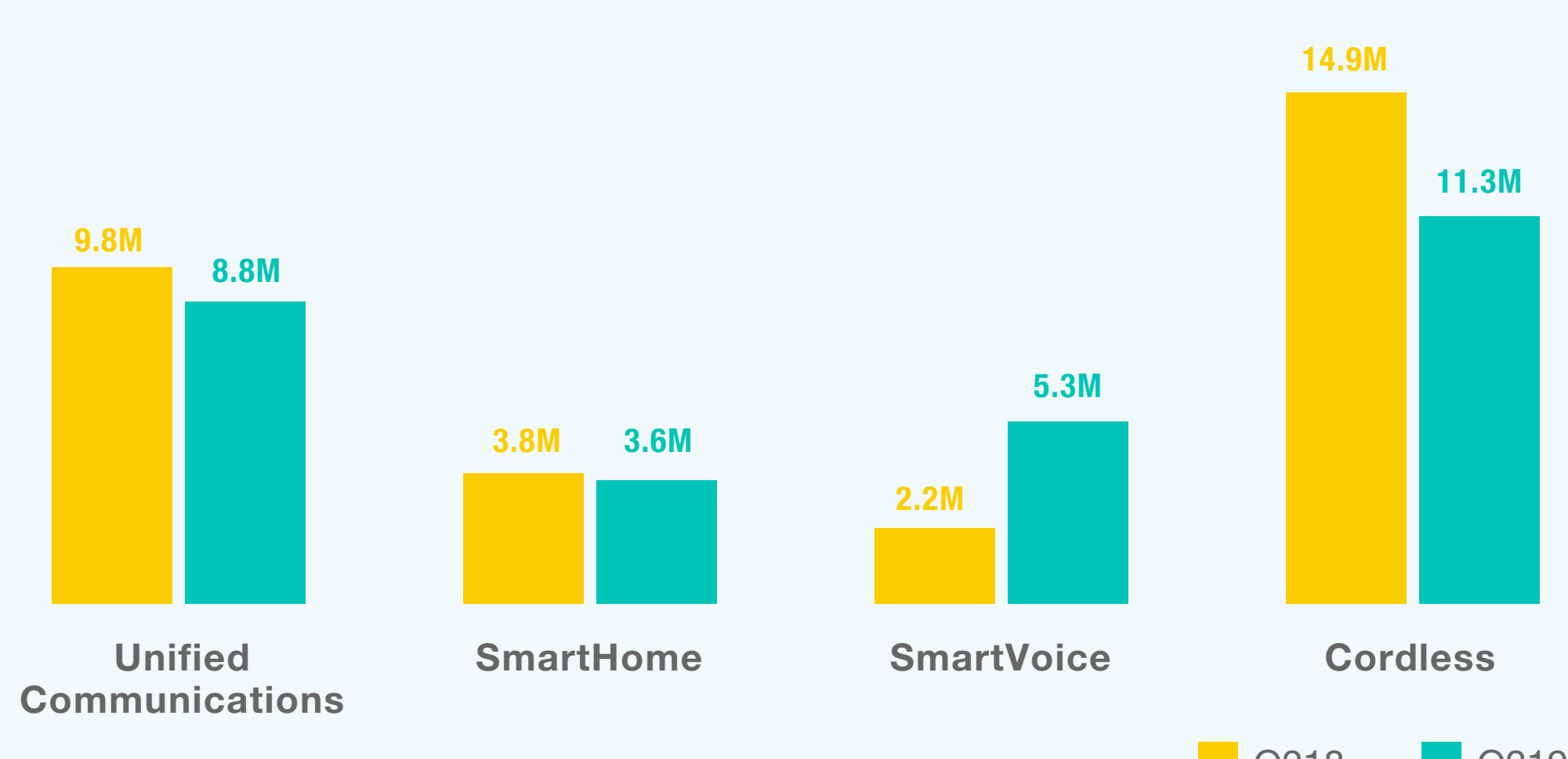


SMARTVOICE

- SmartVoice segment revenues of \$5.3 million, a year-over-year increase of 142%
- Three new innovative devices based on our technologies were certified by Amazon Alexa Voice Services (AVS), bringing the total number of certified products to 16
- 5 new voice enabled tablet products were launched by leading Chinese OEMs
- A leading OEM launched a handsfree voice enabled Smart TV offering based on our SmartVoice solution



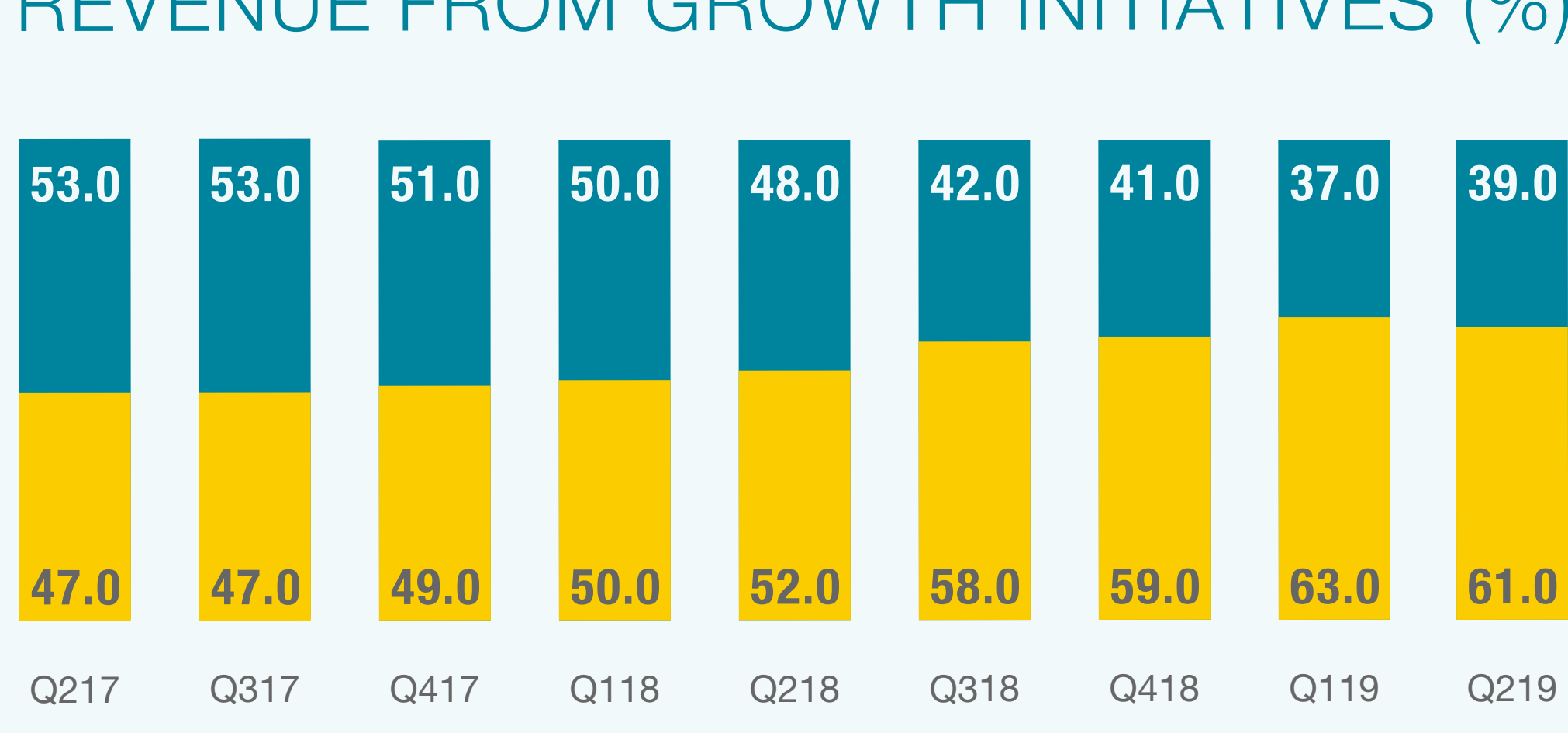
REVENUES BY PRODUCT LINE (\$)



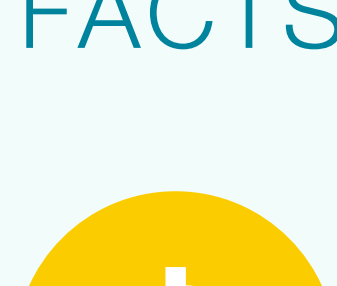
GROSS MARGINS (NON-GAAP)



REVENUE FROM GROWTH INITIATIVES (%)

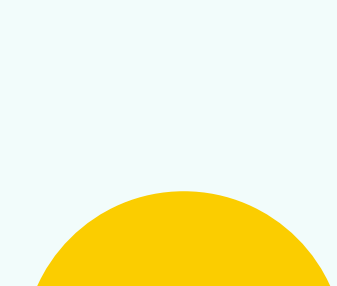


FAST FACTS



\$121.9M

Q2 CASH



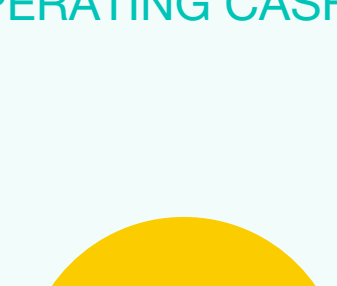
\$3M

Q2 OPERATING CASH FLOW



3.0%

OPERATING MARGIN
(NON-GAAP)



\$5.02

Q2 CASH PER SHARE