

THIRD QUARTER 2020 RESULTS

"Our third quarter results reflect short-term disruptions to our business brought about by the pandemic, while highlighting the strategic importance and long-term growth potential of DSP Group's audio, voice, and connectivity technologies. We successfully delivered record non-GAAP gross margins and reported record-high quarterly revenues in our SmartVoice business. The latter further underscores the positive impact of voice-centric market trends. In particular, our business is directly benefitting from increased adoption of voice user interfaces, a surge in voice call traffic, and demand for intuitive, seamless, and reliable collaboration tools."

Ofer Elyakim, Chief Executive Officer

FINANCIAL HIGHLIGHTS

\$26.0M
REVENUE

\$0.05
EPS (NON-GAAP)

\$13.5M
IoT BUSINESSES REVENUES

51.6%
GROSS MARGIN (NON-GAAP)

IoT BUSINESSES HIGHLIGHTS

SMARTHOME

- SmartHome \$3.7 million, a year-over-year decrease of 3%
- ADT launched Blue by ADT, a line of sensors and hub targeting the DIY security market based on our ULE and SmartVoice solutions
- Deutsche Telekom launched its Speedport Pro Plus, a premium router for Wi-Fi 6 networks integrating our DECT/ULE SoC Unified Communications



UNIFIED COMMUNICATIONS

- Unified Communications segment revenues of \$2.6 million, a year-over-year decrease of 74%
- A Tier-1 OEM launched its top-of-the-line IP phone based on our DVF101 chipset for enhanced communications capabilities
- Yealink launched the W59R professional DECT handset, the first product to integrate the new and advanced LC3Plus audio codec, based on our chipset

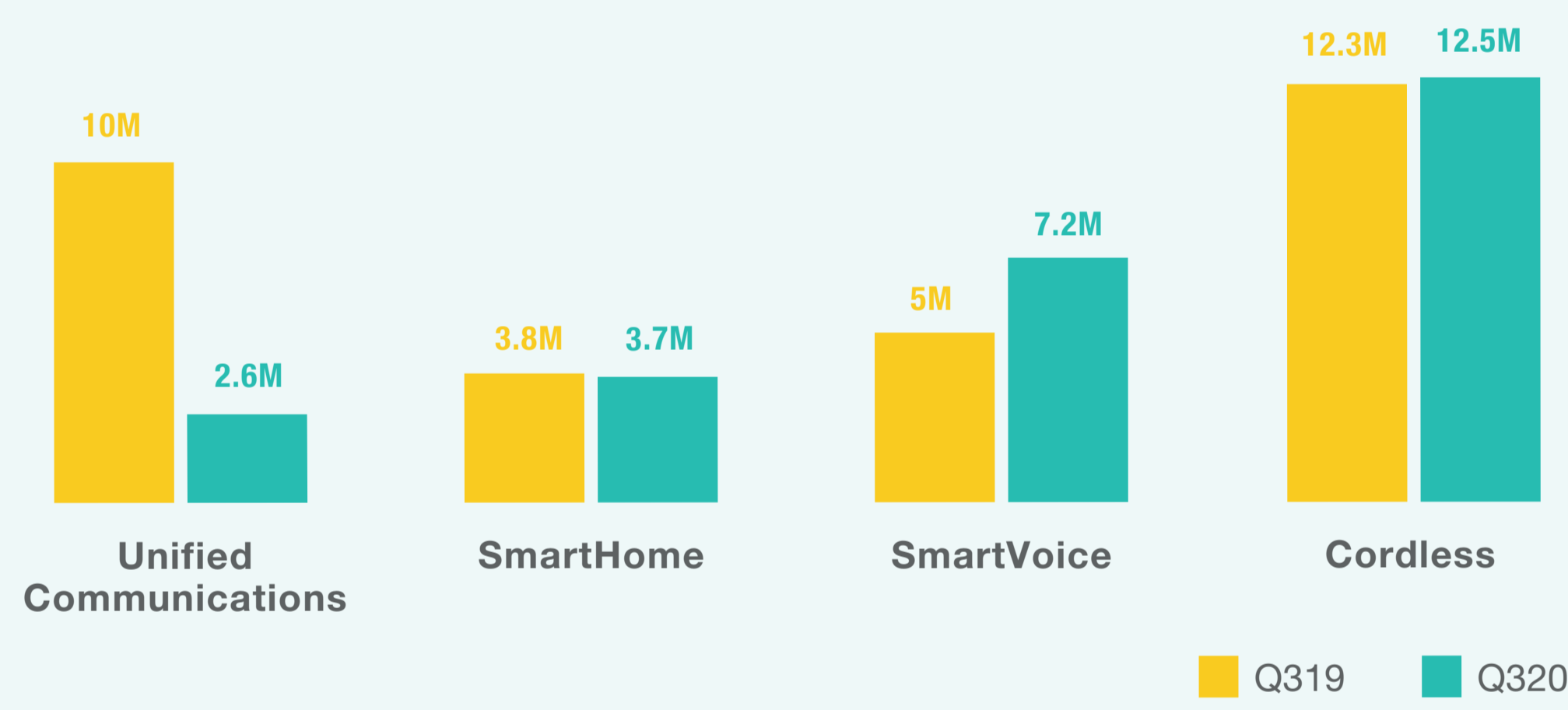


SMARTVOICE

- SmartVoice segment revenues of \$7.2 million, a year-over-year increase of 45%
- GoPro launched its new Hero9 with our SmartVoice technology integrated for always on voice
- Lenovo and a leading mobile OEM launched a number of new tablet products with our SmartVoice solutions supporting multiple simultaneous wake word detection



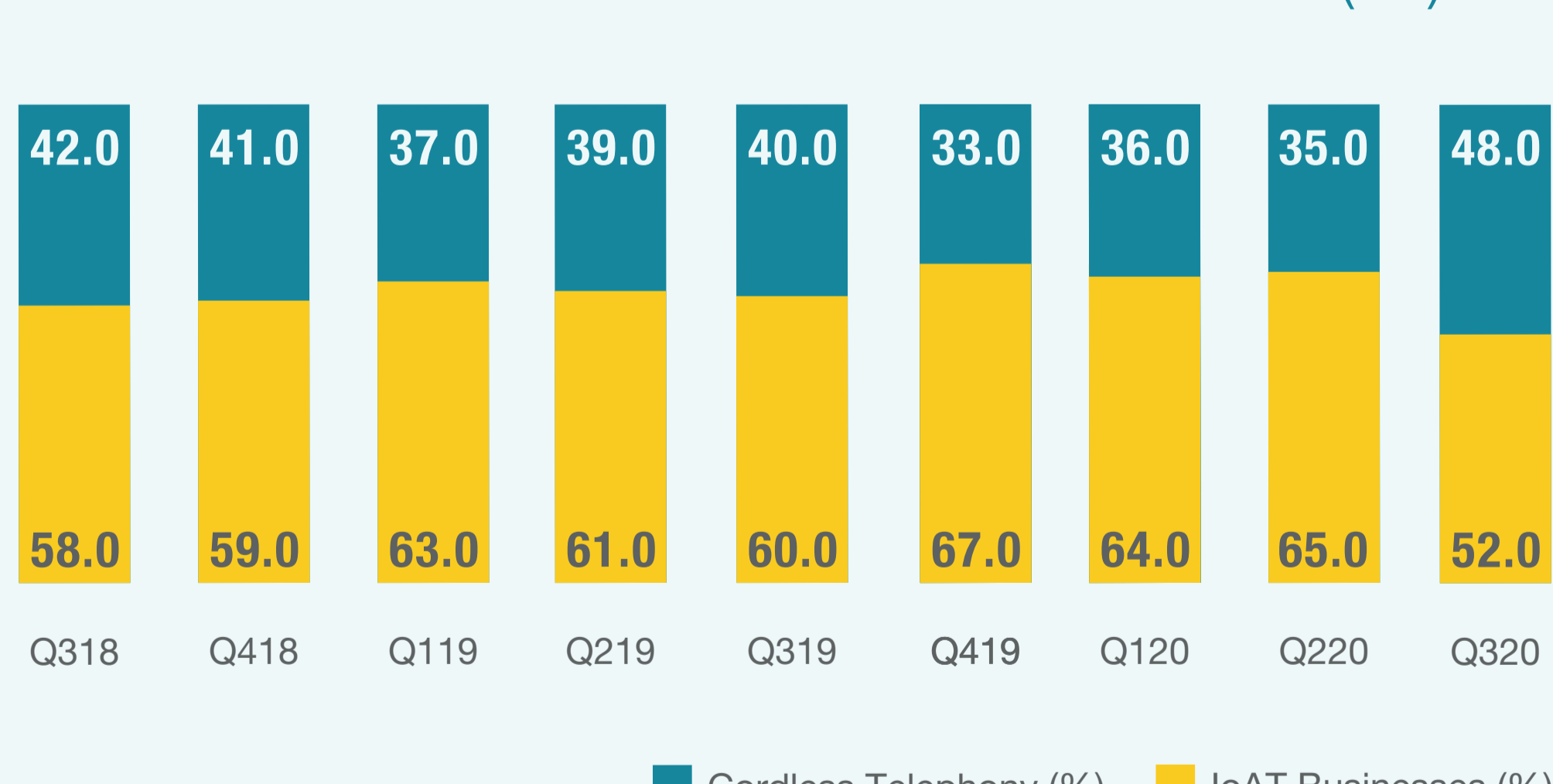
REVENUE BY PRODUCT LINE (\$)



GROSS MARGIN (NON-GAAP)



REVENUE FROM IoT BUSINESSES (%)



FAST FACTS



\$120.1M

Q3 CASH



(\$2.9M)

Q3 OPERATING CASH FLOW



\$1.0M

Q3 OPERATING PROFIT (NON-GAAP)



\$4.78

Q3 CASH PER SHARE