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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the quarterly period ended: March 31, 2025
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the transition period from to

Commission file number: 000-49842

Ceva, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**77-0556376** **(I.R.S. Employer Identification No.)**
15245 Shady Grove Road, Suite 400, Rockville, MD 20850 **(Address of Principal Executive Offices)**	**20850** **(Zip Code)**

(240)-308-8328
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.001 per share	CEVA	Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of “large accelerated filer”, “accelerated filer”, “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one).

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock as of the latest practicable date: 23,916,361 of common stock, $0.001 par value, as of May 5, 2025.

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FORWARD-LOOKING STATEMENTS

FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA

This Quarterly Report contains forward-looking statements that involve risks and uncertainties, as well as assumptions that if they materialize or prove incorrect, could cause the results of Ceva to differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Forward-looking statements are generally written in the future tense and/or are preceded by words such as "will," "may," "should," "could," "expect," "suggest," "believe," "anticipate," "intend," "plan," or other similar words. Forward-looking statements include the following:

- Our belief that we power the connectivity, sensing and inference capabilities in today's most advanced smart edge products across large, diversified markets covering the consumer Internet-of-Things (IoT), automotive, industrial and infrastructure markets, and that such markets represent significant opportunities for growth that together with the mobile and personal computing (PC) markets, will represent a $5 billion total addressable market by 2027 based on our research;

- Our belief that we have the broadest portfolio of comprehensive wireless communications and sensing and Edge AI IP platforms and embedded software solutions that address some of the most important megatrends, including 5G expansion, generative AI, embedded AI, industrial automation and vehicle electrification, and our belief in the continued interest in our IP portfolio due to these trends, in both traditional and new areas;

- Our belief that our Bluetooth, Wi-Fi, Ultra Wide Band (UWB) and cellular IoT IP allow us to address the high volume IoT industrial, consumer and smart home markets, and our expectation that the overall addressable market size for this IP will be more than 16.5 billion devices annually by 2029 based on research from ABI Research;

- Our belief that Wi-Fi represents a significant royalty revenue opportunity in connection with our leading market position in licensing Wi-Fi 6 and our leadership position in Wi-Fi 7 IP;

- Our belief that our PentaG2 platform, including the recently announced Ceva-XC22 multi-thread DSP, ensures we offer one of the most comprehensive baseband processor IP platforms in the industry today, and that our 5G IP provides newcomers and incumbents with a customizable solution to address the need for 5G, 5G Advanced and other communications in data centers and infrastructure, and our expectation that we will expand our market share in wireless communication IP and generate a meaningful, long-term royalty stream in the years to come;

- Our belief that the high-volume consumer audio markets, including True Wireless Stereo (TWS) earbuds, smartwatches, AR and VR headsets, and other wearable assisted devices, offer an incremental growth segment for our Bluetooth, Audio AI DSPs and software IP, and our belief in the capabilities of our RealSpace Spatial Audio & Head Tracking Solution and ClearVox voice input software to enhance the user experience and offer premium features;

- Our belief that our SensPro2 sensor hub AI DSP family can address the growing demand for efficient, high-performance signal processing in sensor-based applications across various industries for applications such as smartphones, automotive safety (ADAS), autonomous driving, drones, robotics, security and surveillance, augmented reality (AR) and virtual reality (VR), natural language processing and voice recognition, which enables us to address the transformation in devices enabled by these applications and expand our footprint and content in smartphones, drones, consumer cameras, surveillance, ADAS, voice-enabled devices and industrial IoT applications;

- Statements regarding third-party estimates of industry growth and future market conditions, including research from Bloomberg Intelligence which forecasts that hardware revenue associated with computer vision AI products and conversational AI devices will reach $58 billion and $110 billion, respectively, by 2032, indicating the size of the market opportunity;

- Our belief that our newest generation family of AI neural processing units (NPUs) present a highly efficient and high-performance architecture to enable generative and classic AI on any device including communication gateways, optically connected networks, cars, notebooks and tablets, AR/VR headsets, smartphones, and any other cloud or edge use case from the edge all the way to the cloud, and that more than 6 billion Edge AI hardware units will ship annually by 2030 based on research from Research and Markets;

- Our belief that AI is rapidly making its way into IoT devices, and that our recently announced NeuPro-Nano family of AI NPUs present a compelling position to add a cost- and power-efficient processor to microcontroller units and SoC designs to handle the complete AI workloads on-device, and that based on research from ABI Research, by 2030, over 50% of TinyML shipments will be powered by dedicated TinyML hardware, representing billions of devices annually;

- Our belief that our sensor fusion and spatial audio application software allows us to address an important technology piece used in personal computers, robotics, TWS earbuds, smart TVs and many other smart sensing IP products, in addition to our existing portfolio for camera-based computer vision and AI processing, and microphone-based sound processing;

- Our belief that our customers can benefit from our capabilities as a one-stop-shop for processing many types of sensors;

- Our belief that we are well positioned for long-term growth in shipments and royalty revenues derived from smart edge products as a result of our focus on silicon and software IP solutions that enable products to connect, sense and infer data;

- Our belief that our ubiquitous technology and collaborative business model present a significant and secular growth prospect as digital transformation continues to drive industries to become connected and intelligent;

- Our intention to continue to capitalize on the semiconductor momentum with our portfolio of technologies to enable three main use cases associated with smart edge devices – connect, sense and infer, and to focus on four main markets which include consumer IoT, automotive, industrial and infrastructure, and our belief that such markets are large, diversified and represent the greatest opportunities for long-term growth;

- Any statements or guidance regarding sales trends and financial results for 2025 and other future periods, including our lowered revenue guidance for 2025, our expectations with respect to future customers, contracts, revenues and expenses, regarding our customer pipeline, that we expect our licensing and related revenues business will continue to expand into new markets and use cases for industrial IoT (IIoT) and consumer IoT devices, that we expect our connectivity products to continue to show strength in royalties in 2025, that we remain optimistic about the long-term potential of our royalty business supported by continued demand and steady market optimism, that a significant portion of our future revenues will continue to be generated by a limited number of customers in part due to consolidation in the semiconductor industry, that international customers will continue to account for a significant portion of our revenues for the foreseeable future, that an increasing portion of our new customers and revenues will be derived from international customers generally and sales to Asia Pacific in particular, and that we can expand our customer base and revenues in Europe and the U.S.;

- Our expectations around the impact of elevated geopolitical tensions, volatility and uncertainty with respect to international trade policies, including tariffs, export controls or other trade measures on our business, our customers, the markets in which we compete and the global economy;

- Our belief that our cash and cash equivalents, short-term bank deposits and marketable securities, along with cash from operations, will provide sufficient capital to fund our operations for at least the next 12 months; and

- Our belief that fluctuations in high interest rates within our investment portfolio will not have a material effect on our financial position on an annual or quarterly basis.

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties. The forward-looking statements contained in this report are based on information that is currently available to us and expectations and assumptions that we deem reasonable at the time the statements were made. We do not undertake any obligation to update any forward-looking statements in this report or in any of our other communications, except as required by law. All such forward-looking statements should be read as of the time the statements were made and with the recognition that these forward-looking statements may not be complete or accurate at a later date.

Many factors may cause actual results to differ materially from those expressed or implied by the forward-looking statements contained in this report. These factors include, but are not limited to, those risks set forth in Part II – Item 1A – "Risk Factors" of this Form 10-Q.

This report contains market data prepared by third party research firm. Actual market results may differ from their projections.

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

U.S. dollars in thousands, except share and per share data

	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 18,814	$ 18,498
Short-term bank deposits	2,053	2,029
Marketable securities	137,481	143,117
Trade receivables (net of allowance for credit losses of $2,626 at both March 31, 2025 and December 31, 2024)	40,819	37,209
Prepaid expenses and other current assets	17,818	15,488
Total current assets	216,985	216,341
Long-term assets:		
Severance pay fund	7,132	7,161
Deferred tax assets, net	1,171	1,456
Property and equipment, net	6,578	6,877
Operating lease right-of-use assets	5,281	5,811
Goodwill	58,308	58,308
Intangible assets, net	1,669	1,877
Investments in marketable equity securities	258	312
Other long-term assets	12,609	10,805
Total long-term assets	93,006	92,607
Total assets	$ 309,991	$ 308,948
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade payables	$ 2,527	$ 1,125
Deferred revenues	2,954	3,599
Accrued expenses and other payables	5,514	6,243
Accrued payroll and related benefits	16,131	16,964
Operating lease liabilities	2,003	2,598
Total current liabilities	29,129	30,529
Long-term liabilities:		
Accrued severance pay	7,395	7,365
Operating lease liabilities	2,829	2,963
Other accrued liabilities	1,506	1,535
Total long-term liabilities	11,730	11,863
Stockholders' equity:		
Preferred Stock: $0.001 par value: 5,000,000 shares authorized; none issued and outstanding	—	—
Common Stock: $0.001 par value: 45,000,000 shares authorized; 23,915,220 and 23,756,255 shares issued at March 31, 2025 and December 31, 2024, respectively. 23,915,220 and 23,626,865 shares outstanding at March 31, 2025 and December 31, 2024, respectively	24	24
Additional paid in-capital	262,857	259,891
Treasury stock at cost (0 and 129,390 shares of common stock at March 31, 2025, and December 31, 2024, respectively)	—	(3,222)
Accumulated other comprehensive loss	(1,108)	(1,330)
Retained earnings	7,359	11,193
Total stockholders' equity	269,132	266,556
Total liabilities and stockholders' equity	$ 309,991	$ 308,948

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS (UNAUDITED)

U.S. dollars in thousands, except per share data

	Three months ended March 31, 2025	Three months ended March 31, 2024
Revenues:		
Licensing and related revenue	$ 15,042	$ 11,414
Royalties	9,203	10,658
Total revenues	24,245	22,072
Cost of revenues	3,487	2,503
Gross profit	20,758	19,569
Operating expenses:		
Research and development, net	17,609	17,991
Sales and marketing	3,449	2,816
General and administrative	3,933	3,572
Amortization of intangible assets	149	150
Total operating expenses	25,140	24,529
Operating loss	(4,382)	(4,960)
Financial income, net	2,100	1,257
Remeasurement of marketable equity securities	(54)	(60)
Loss before taxes on income	(2,336)	(3,763)
Income tax expense	991	1,685
Net loss	$ (3,327)	$ (5,448)
Basic and diluted net loss per share	$ (0.14)	$ (0.23)
Weighted-average shares used to compute net loss per share (in thousands):		
Basic and diluted	23,764	23,508

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)

U.S. dollars in thousands

	Three months ended March 31,	
	2025	**2024**
Net loss:	$ (3,327)	$ (5,448)
Other comprehensive income (loss) before tax:		
Available-for-sale securities:		
Changes in unrealized gains	658	200
Reclassification adjustments for gains included in net loss	—	(4)
Net change	658	196
Cash flow hedges:		
Changes in unrealized losses	(286)	(195)
Reclassification adjustments for gains included in net loss	(80)	(380)
Net change	(366)	(575)
Other comprehensive income (loss) before tax	292	(379)
Income tax expense related to components of other comprehensive income (loss)	70	12
Other comprehensive income (loss), net of taxes	222	(391)
Comprehensive loss	$ (3,105)	$ (5,839)

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)

U.S. dollars in thousands, except share data

Three months ended March 31, 2025	Common stock: Number of shares outstanding	Common stock: Amount	Additional paid-in capital	Treasury stock	Accumulated other comprehensive income (loss)	Retained earnings	Total stockholders' equity
Balance as of January 1, 2025	23,626,865	$ 24	$ 259,891	$ (3,222)	$ (1,330)	$ 11,193	$ 266,556
Net loss	—	—	—	—	—	(3,327)	(3,327)
Other comprehensive income, net	—	—	—	—	222	—	222
Equity-based compensation	—	—	4,323	—	—	—	4,323
Issuance of common stock upon exercise of stock-based awards	158,965	—	1,358	—	—	—	1,358
Issuance of treasury stock upon exercise of stock-based awards	129,390	—	(2,715)	3,222	—	(507)	—
Balance as of March 31, 2025	23,915,220	$ 24	$ 262,857	$ —	$ (1,108)	$ 7,359	$ 269,132

Three months ended March 31, 2024	Common stock: Number of shares outstanding	Common stock: Amount	Additional paid-in capital	Treasury stock	Accumulated other comprehensive income (loss)	Retained earnings	Total stockholders' equity
Balance as of January 1, 2024	23,440,848	$ 23	$ 252,100	$ (5,620)	$ (2,329)	$ 20,167	$ 264,341
Net loss	—	—	—	—	—	(5,448)	(5,448)
Other comprehensive loss, net	—	—	—	—	(391)	—	(391)
Equity-based compensation	—	—	3,571	—	—	—	3,571
Purchase of treasury stock	(56,872)	—	—	(1,278)	—	—	(1,278)
Issuance of treasury stock upon exercise of stock-based awards	197,546	1	(2,744)	4,370	—	(73)	1,554
Balance as of March 31, 2024	23,581,522	$ 24	$ 252,927	$ (2,528)	$ (2,720)	$ 14,646	$ 262,349

(*) Amount less than $1.

The accompanying notes are an integral part of the consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

U.S. dollars in thousands

	Three months ended March 31, 2025	Three months ended March 31, 2024
Cash flows from operating activities:		
Net loss	$ (3,327)	$ (5,448)
Adjustments required to reconcile net loss to net cash used in operating activities:		
Depreciation	651	700
Amortization of intangible assets	208	278
Equity-based compensation	4,323	3,571
Realized gain on sale of available-for-sale marketable securities	—	(4)
Accretion of discount on available-for-sale marketable securities	(249)	(191)
Unrealized foreign exchange (gain) loss	(574)	165
Remeasurement of marketable equity securities	54	60
Changes in operating assets and liabilities:		
Trade receivables, net	(3,473)	(3,003)
Prepaid expenses and other assets	(3,712)	(3,194)
Operating lease right-of-use assets	530	274
Accrued interest on bank deposits	(24)	(106)
Deferred tax, net	215	358
Trade payables	1,361	433
Deferred revenues	(645)	(539)
Accrued expenses and other payables	(1,113)	(973)
Accrued payroll and related benefits	(842)	510
Operating lease liability	(850)	(235)
Accrued severance pay, net	63	(6)
Net cash used in operating activities	(7,404)	(7,350)
Cash flows from investing activities:		
Purchase of property and equipment	(311)	(904)
Proceeds from the sale of Intrinsix	—	540
Asset acquisition	—	(753)
Investment in available-for-sale marketable securities	(29,117)	(12,653)
Proceeds from maturity of available-for-sale marketable securities	35,660	14,080
Proceeds from sale of available-for-sale marketable securities	—	4,789
Net cash provided by investing activities	6,232	5,099
Cash flows from financing activities:		
Purchase of treasury stock	—	(1,278)
Proceeds from exercise of stock-based awards	1,358	1,554
Net cash provided by financing activities	1,358	276
Effect of exchange rate changes on cash and cash equivalents	130	(90)
Increase (decrease) in cash and cash equivalents	316	(2,065)
Cash and cash equivalents at the beginning of the period	18,498	23,287
Cash and cash equivalents at the end of the period	$ 18,814	$ 21,222
Supplemental information of cash-flow activities:		
Cash paid during the period for:		
Income and withholding taxes	$ 1,703	$ 873
Non-cash transactions:		
Property and equipment purchases incurred but unpaid at period end	$ 41	$ 200
Right-of-use assets obtained in the exchange for operating lease liabilities	$ 87	$ 303

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(in thousands, except share data)

NOTE 1: BUSINESS

The financial information in this quarterly report includes the results of Ceva, Inc. and its subsidiaries (the "Company" or "Ceva").

Ceva is the leader in innovative silicon and software intellectual property ("IP") solutions that enable smart edge products to connect, sense, and infer data more reliably and efficiently. With a broad portfolio of comprehensive wireless communications and processor IP platforms and embedded software solutions for the deployment of artificial intelligence ("AI") algorithms and models directly onto local edge devices ("Edge AI"), Ceva powers the connectivity, sensing, and inference capabilities in today's most advanced smart edge products across consumer internet of things ("IoT"), automotive, industrial, infrastructure, mobile and personal computing ("PC") markets. Since 2003, more than 19 billion of the world's most innovative smart edge products from AI-infused smartwatches, IoT devices and wearables to autonomous vehicles, 5G mobile networks and more have been shipped with Ceva IP, with approximately 2 billion shipped in 2024 alone.

Ceva is a trusted partner to many of the leading semiconductor and original equipment manufacturer ("OEM") companies servicing not just Ceva's largest target growth and incumbent markets, but also a wide variety of other end markets and applications, including smart-home, surveillance, robotics and medical. Ceva's customers incorporate Ceva's IP into application-specific integrated circuits and application-specific standard products that they manufacture, market and sell.

Ceva's wireless communications, sensing and edge AI technologies are at the heart of some of today's most advanced smart edge products. Our comprehensive portfolio includes:

- Advanced wireless connectivity solutions: Bluetooth, Wi-Fi, Ultra-Wideband, and 5G-Advanced platform IP for ubiquitous and robust communication;
- Scalable edge AI capabilities: neural processing unit IP to enable AI, on-device; and
- Sensor fusion processors, and embedded application software that make devices smarter and more responsive.

Ceva licenses its portfolio of wireless communications and scalable edge AI IP to its customers, breaking down barriers to entry and enabling them to bring new cutting-edge products to market faster, more reliably, efficiently and economically.

NOTE 2: BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The interim condensed consolidated financial statements have been prepared according to U.S. Generally Accepted Accounting Principles ("U.S. GAAP").

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2025, are not necessarily indicative of the results that may be expected for the year ending December 31, 2025. For further information, reference is made to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

The significant accounting policies applied in the annual consolidated financial statements of the Company as of December 31, 2024, contained in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 27, 2025, have been applied consistently in these unaudited interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED (UNAUDITED)

(in thousands, except share data)

Concentration of credit risk:

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents, bank deposits, marketable securities, foreign exchange contracts and trade receivables. The Company invests its surplus cash in cash deposits and marketable securities in financial institutions and has established guidelines relating to diversification and maturities to maintain safety and liquidity of the investments.

The majority of the Company's cash and cash equivalents are invested in high grade certificates of deposits with major U.S., European and Israeli banks. Generally, cash and cash equivalents and bank deposits may be redeemed on demand and therefore minimal credit risk exists with respect to them. Nonetheless, deposits with these banks exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits or similar limits in foreign jurisdictions, to the extent such deposits are even insured in such foreign jurisdictions. Generally, these cash equivalents may be redeemed upon demand, and therefore management believes that they bear a lower risk. The short-term bank deposits are held in financial institutions that management believes are institutions with high credit standing and, accordingly, minimal credit risk from geographic or credit concentration. Furthermore, the Company holds an investment portfolio consisting principally of corporate bonds. The Company has the ability to hold such investments until recovery of temporary declines in market value or maturity.

The Company's trade receivables are geographically diverse, mainly in the Asia Pacific region, and also in the United States and Europe. Concentration of credit risk with respect to trade receivables is limited by credit limits, ongoing credit evaluation and account monitoring procedures. The Company performs ongoing credit evaluations of its customers. The Company makes estimates of expected credit losses based upon its assessment of various factors, including historical experience, the age of the trade receivable balances, credit quality of its customers, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect its ability to collect from customers.

As of March 31, 2025, the allowance for credit losses amounted to $2,626. During the three-month period ending on that date, the Company did not record any further allowance for credit losses.

The Company has no off-balance-sheet concentration of credit risk.

Accounting Standards Recently Issued, Not Yet Adopted by the Company

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"), which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-09.

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosure (Subtopic 220-40), Disaggregation of Income Statement Expenses, which requires disclosure of disaggregated information about certain expense captions presented in the Consolidated Statements of Operations as well as disclosure about selling expense. The guidance will be effective for the Company for annual periods beginning January 1, 2027 and interim periods beginning January 1, 2028, with early adoption permitted. It could be applied either prospectively or retrospectively. The Company is currently evaluating the impact on its financial statement disclosures.

Use of Estimates

The preparation of the interim condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions. The Company's management believes that the estimates, judgments and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED (UNAUDITED)

(in thousands, except share data)

NOTE 3: ACQUISITION

In January 2024, the Company acquired a privately held, Greece-based radio frequency design company (now operating under the name "*Ceva Technologies Single Member Private Company*"). Under the terms of the purchase agreement, the Company agreed to pay an aggregate of approximately $753 paid at closing and approximately $2,100 contingent on continued employment and certain performance milestones. During the first quarter of 2025, the Company paid $425 toward this contingent amount. The Company has accounted for the acquisition as an asset acquisition. As such, the total purchase consideration was allocated to the assets acquired.

NOTE 4: REVENUE RECOGNITION

Under Accounting Standards Codification ("ASC") No. 606, "Revenue from Contracts with Customers" ("ASC 606"), an entity recognizes revenue when or as it satisfies a performance obligation by transferring intellectual property ("IP") licenses or services to the customer, either at a point in time or over time. The Company recognizes most of its revenues at a point in time upon delivery when the customer accepts control of the IP. The Company recognizes revenue over time on significant license customization contracts that are in the scope of ASC 606 by using cost inputs to measure progress toward completion of its performance obligations.

Revenues that are derived from the sale of a licensee's products that incorporate the Company's IP are classified as royalty revenues. Royalty revenues are recognized during the quarter in which the sale of the product incorporating the Company's IP occurs. Royalties are calculated either as a percentage of the revenues received by the Company's licensees on sales of products incorporating the Company's IP or on a per unit basis, as specified in the agreements with the licensees. When the Company does not receive actual sales data from the customer prior to the finalization of its financial statements, royalty revenues are recognized based on the Company's estimation of the customer's sales during the quarter.

The following table includes estimated revenue expected to be recognized in future periods related to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The estimated revenues do not include amounts of royalties or unexercised contract renewals:

	Remainder of 2025	2026	2027 and thereafter
Licensing and related revenues	$ 10,793	$ 3,119	$ 93

Disaggregation of revenue:

The following table provides information about disaggregated revenue by primary geographical, use cases for the Company's technology portfolio, and timing of revenue recognition:

	Three months ended March 31, 2025 (unaudited)			Three months ended March 31, 2024 (unaudited)		
	Licensing and related revenues	Royalties	Total	Licensing and related revenues	Royalties	Total
Geography						
United States	$ 2,415	$ 1,204	$ 3,619	$ 383	$ 2,155	$ 2,538
Europe and Middle East	506	978	1,484	601	911	1,512
Asia Pacific	12,121	7,021	19,142	10,417	7,592	18,009
Other	—	—	—	13	—	13
Total	$ 15,042	$ 9,203	$ 24,245	$ 11,414	$ 10,658	$ 22,072
Use cases for the Company's technology portfolio						
Connect (baseband for handset and other devices, Bluetooth,	$ 13,513	$ 6,932	$ 20,445	$ 10,067	$ 7,939	$ 18,006

Wi-Fi and NB-IoT)						
Sense & Infer (sensor fusion, audio, sound, imaging, vision and AI)	1,529	2,271	3,800	1,347	2,719	4,066
Total	$ 15,042	$ 9,203	$ 24,245	$ 11,414	$ 10,658	$ 22,072
Timing of revenue recognition						
Products transferred at a point in time	$ 11,390	$ 9,203	$ 20,593	$ 9,453	$ 10,658	$ 20,111
Products and services transferred over time	3,652	—	3,652	1,961	—	1,961
Total	$ 15,042	$ 9,203	$ 24,245	$ 11,414	$ 10,658	$ 22,072

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED (UNAUDITED)

(in thousands, except share data)

Contract balances:

The following table provides information about trade receivables, unbilled receivables and contract liabilities from contracts with customers:

	March 31, 2025	December 31, 2024
Currents assets (classified under "Trade receivables"):		
Trade receivables	$ 15,088	$ 15,969
Unbilled receivables (associated with licensing and related revenue)	17,274	8,266
Unbilled receivables (associated with royalties)	8,457	12,974
Total current assets	40,819	37,209
Long-term assets (classified under "Other long-term assets"):		
Unbilled receivables (associated with licensing and related revenue)	2,668	2,583
Deferred revenues (short-term contract liabilities)	2,954	3,599

The Company receives payments from customers based upon contractual payment schedules; trade receivables are recorded when the right to consideration becomes unconditional, and an invoice is issued to the customer. Unbilled receivables associated with licensing and other include amounts related to the Company's contractual right to consideration for completed performance objectives not yet invoiced. Unbilled receivables associated with royalties are recorded as the Company recognizes revenues from royalties earned during the quarter, but not yet invoiced, either by actual sales data received from customers, or, when applicable, by the Company's estimation. Contract liabilities (deferred revenue) include payments received in advance of performance under the contract and are realized with the associated revenue recognized under the contract.

During the three months ended March 31, 2025, the Company recognized $1,114 that was included in deferred revenues (short-term contract liability) balance at January 1, 2025.

NOTE 5: LEASES

The Company leases substantially all of its office space and vehicles under operating leases. The Company's leases have original lease periods expiring between 2025 and 2034. Many leases include one or more options to renew. The Company does not assume renewals in its determination of the lease term unless the renewals are deemed to be reasonably certain. Lease payments included in the measurement of the lease liability comprise the following: the fixed non-cancelable lease payments, payments for optional renewal periods where it is reasonably certain the renewal period will be exercised, and payments for early termination options unless it is reasonably certain the lease will not be terminated early.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED (UNAUDITED)

(in thousands, except share data)

The following is a summary of weighted average remaining lease terms and discount rates for all of the Company's operating leases:

	March 31, 2025 (Unaudited)
Weighted average remaining lease term (years)	4.58
Weighted average discount rates	3.89%

Total operating lease cost and cash payments for operating leases were as follows:

	Three months ended March 31,	
	2025 (unaudited)	2024 (unaudited)
Operating lease cost	$ 710	$ 663
Cash payments for operating leases	989	622

Maturities of lease liabilities are as follows:

The remainder of 2025	$ 1,725
2026	1,082
2027	808
2028	445
2029	327
2030 and thereafter	840
Total undiscounted cash flows	5,227
Less imputed interest	395
Present value of lease liabilities	$ 4,832

During March 2025, the Company signed an operating lease agreement for new offices in Israel, resulting in an additional lease commitment of approximately $9,900. As of March 31, 2025, the lease has not yet commenced. The lease is expected to commence during 2025, and will remain in effect until December 30, 2035, with an option to extend the lease for an additional period of up to 5 years, subject to the conditions of the lease agreement.

NOTE 6: MARKETABLE SECURITIES

The following is a summary of available-for-sale marketable securities:

	March 31, 2025 (Unaudited)			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Available-for-sale - matures within one year:				
Corporate bonds	$ 39,596	$ 51	$ (310)	$ 39,337
Available-for-sale - matures after one year through three years:				
Corporate bonds	98,714	335	(905)	98,144
Total	$ 138,310	$ 386	$ (1,215)	$ 137,481

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED (UNAUDITED)

(in thousands, except share data)

	December 31, 2024			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Available-for-sale - matures within one year:				
Corporate bonds	$ 61,113	$ 41	$ (146)	$ 61,008
Available-for-sale - matures after one year through three years:				
Corporate bonds	83,491	221	(1,603)	82,109
Total	$ 144,604	$ 262	$ (1,749)	$ 143,117

The following table presents gross unrealized losses and fair values for those investments that were in an unrealized loss position as of March 31, 2025, and December 31, 2024, and the length of time that those investments have been in a continuous loss position:

	Less than 12 months		12 months or greater	
	Fair value	Gross unrealized loss	Fair value	Gross unrealized loss
As of March 31, 2025 (unaudited)	$ 24,160	$ (97)	$ 37,121	$ (1,118)
As of December 31, 2024	$ 28,762	$ (160)	$ 61,996	$ (1,589)

As of March 31, 2025, the allowance for credit losses was not material.

The following table presents gross realized gains and losses from sale of available-for-sale marketable securities:

	Three months ended March 31,	
	2025 (unaudited)	2024 (unaudited)
Gross realized gains from sale of available-for-sale marketable securities	$ —	$ 9
Gross realized losses from sale of available-for-sale marketable securities	$ —	$ (5)

NOTE 7: FAIR VALUE MEASUREMENT

FASB ASC No. 820, “Fair Value Measurements and Disclosures” defines fair value, establishes a framework for measuring fair value. Fair value is an exit price, representing the amount that would be received for selling an asset or paid for the transfer of a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. A three-tier fair value hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value:

Level I	Unadjusted quoted prices in active markets that are accessible on the measurement date for identical, unrestricted assets or liabilities;
Level II	Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
Level III	Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED (UNAUDITED)

(in thousands, except share data)

The Company measures its marketable securities, investments in marketable equity securities and foreign currency derivative contracts at fair value. The carrying amount of cash, cash equivalents, short-term bank deposits, trade receivables, other accounts receivable, trade payables and other accounts payables approximate fair value due to the short-term maturity of these instruments. Investments in marketable equity securities are classified within Level I as the securities are traded in an active market. Marketable securities and foreign currency derivative contracts are classified within Level II as the valuation inputs are based on quoted prices and market observable data of similar instruments.

The table below sets forth the Company's assets and liabilities measured at fair value by level within the fair value hierarchy. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Description	March 31, 2025 (unaudited)	Level I (unaudited)	Level II (unaudited)	Level III (unaudited)
Assets:				
Marketable securities:				
Corporate bonds	$ 137,481	$ —	$ 137,481	$ —
Investments in marketable equity securities	258	258	—	—
Liabilities:				
Foreign exchange contracts	366	—	366	—

Description	December 31, 2024	Level I	Level II	Level III
Assets:				
Marketable securities:				
Corporate bonds	$ 143,117	$ —	$ 143,117	$ —
Investments in marketable equity securities	312	312	—	—

NOTE 8: GEOGRAPHIC INFORMATION AND MAJOR CUSTOMER DATA

The Company operates as one operating segment. Operating segments are defined as components of an enterprise for which separate financial information is regularly evaluated by the Company's chief operating decision maker ("CODM"), which is the Company's chief executive officer, in deciding how to allocate resources and assess performance. The Company's CODM evaluates the Company's financial information and resources and assesses the performance of these resources on a consolidated basis. There is no expense or asset information that are supplemental to those disclosed in these interim condensed consolidated financial statements, that are regularly provided to the CODM. The allocation of resources and assessment of performance of the operating segment is based on consolidated net income as shown in our interim condensed consolidated statements of loss. The CODM considers net income in the annual forecasting process and reviews actual results when making decisions about allocating resources. Since the Company operates as one operating segment, financial segment information, including profit or loss and asset information, can be found in these interim condensed consolidated financial statements.

a. Summary information about geographic areas:

	Three months ended March 31,	
	2025 (unaudited)	2024 (unaudited)
Revenues based on customer location:		
United States	$ 3,619	$ 2,538
Europe and Middle East	1,484	1,512
Asia Pacific (1)	19,142	18,009
Other	—	13
	$ 24,245	$ 22,072
(1) China	$ 16,066	$ 13,592

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED (UNAUDITED)

(in thousands, except share data)

	March 31, 2025 (unaudited)	December 31, 2024
Long-lived assets by geographic region:		
Israel	$ 6,095	$ 6,788
France	1,823	1,916
United States	1,646	1,716
Greece	1,037	984
Other	1,258	1,284
	$ 11,859	$ 12,688

b. Major customer data as a percentage of total revenues:

The following table sets forth the customers that represented 10% or more of the Company's total revenues in each of the periods set forth below:

	Three months ended March 31,	
	2025 (unaudited)	2024 (unaudited)
Customer A	24%	14%
Customer B	*)	15%

*) Less than 10%

c. Major customer data as a percentage of total trade receivable:

The following table sets forth the customers that represented 10% or more of the Company's total trade receivable in each of the periods set forth below:

	March 31, 2025 (unaudited)	31 December, 2024
Customer A	28%	24%
Customer B	11%	*)
Customer C	*)	12%

*) Less than 10%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED (UNAUDITED)

(in thousands, except share data)

NOTE 9: FINANCIAL INCOME, NET

	Three months ended March 31,	
	2025 (unaudited)	2024 (unaudited)
Interest income	$ 1,251	$ 1,255
Gain (loss) on available-for-sale marketable securities, net	—	4
Amortization of discount (premium) on available-for-sale marketable securities, net	249	191
Foreign exchange gain (loss), net	600	(193)
Total	$ 2,100	$ 1,257

NOTE 10: NET LOSS PER SHARE OF COMMON STOCK

Basic net income (loss) per share is computed based on the weighted average number of shares of common stock outstanding during each period. Diluted net income (loss) per share is computed based on the weighted average number of shares of common stock outstanding during each period, plus dilutive potential shares of common stock considered outstanding during the period, in accordance with FASB ASC No. 260, "Earnings Per Share."

	Three months ended March 31,	
	2025 (unaudited)	2024 (unaudited)
Numerator:		
Net loss	$ (3,327)	$ (5,448)
Denominator (in thousands):		
Basic and diluted weighted-average common stock outstanding	23,764	23,508
Basic and diluted net loss per share	$ (0.14)	$ (0.23)

The total number of shares related to outstanding equity-based awards was 1,843,440 and 1,560,454 for the three months ended March 31, 2025 and 2024, respectively, and in each case was excluded from the calculation of diluted net loss per share.

NOTE 11: COMMON STOCK AND STOCK-BASED COMPENSATION PLANS

The Company has historically granted a mix of stock options, stock appreciation rights ("SARs") capped with a ceiling and restricted stock units ("RSUs") to employees and non-employee directors of the Company and its subsidiaries under the Company's equity plans and provides the right to purchase common stock pursuant to the Company's 2002 employee stock purchase plan to employees of the Company and its subsidiaries. As of March 31, 2025, and December 31, 2024, there were no outstanding or exercisable SARs left.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED (UNAUDITED)

(in thousands, except share data)

The options granted under the Company's stock incentive plans have been granted at the fair market value of the Company's common stock on the grant date. Options granted to employees under stock incentive plans generally vest at a rate of 25% of the shares underlying the option after one year and the remaining shares vest in equal portions over the following 36 months, such that all shares are vested after four years. A summary of the Company's stock option activities and related information for the three months ended March 31, 2025, are as follows:

	Number of options	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
Outstanding as of December 31, 2024	84,025	$ 22.45	2.7	$ 765
Granted	—	—		
Exercised	(13,000)	19.43		
Forfeited or expired	—	—		
Outstanding as of March 31, 2025 (unaudited)	71,025	$ 23.00	2.9	$ 228
Exercisable as of March 31, 2025 (unaudited)	48,689	$ 24.07	1.6	$ 117

As of March 31, 2025, there was $216 of unrecognized compensation expense related to unvested stock options. This amount is expected to be recognized over a weighted-average period of 1.9 years.

An RSU award is an agreement to issue shares of the Company's common stock at the time the award or a portion thereof vests. RSUs granted to employees generally vest in three equal annual installments starting on the first anniversary of the grant date. RSUs granted to non-employee directors, which has historically been granted on or about July 1 of each year, will be made following a director's election or re-election to the Board at the Company's annual meeting, and fully vest on the first-year anniversary of the grant date instead of over a two-year period.

On February 10, 2025, the Compensation Committee of the Board (the "Committee") granted 34,612, 15,575, 13,844 and 13,844 RSUs, effective as of February 14, 2025, to each of the Company's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Operating Officer ("COO") and Chief Commercial Officer ("CCO"), respectively, pursuant to the Company's 2011 Stock Incentive Plan (the "2011 Plan"). The RSU awards vest 33.4% on February 14, 2026, 33.3% on February 14, 2027 and 33.3% on February 14, 2028.

Also, on February 10, 2025, the Committee granted 51,918, 10,383, 9,229 and 9,229 performance-based stock units ("PSUs"), effective as of February 14, 2025, to each of the Company's CEO, CFO, COO and CCO, respectively, pursuant to the 2011 Plan. The performance goals for the PSUs with specified weighting are as follows:

Weighting	Goals
50%	Vesting of the full 50% of the PSUs occurs if the Company achieves the 2025 license and related revenue target approved by the Board (the "2025 License Revenue Target"). The vesting threshold is achievement of 90% of the 2025 License Revenue Target. If the Company's achievement of the 2025 License Revenue Target is above 90% but less than 99% of the 2025 License Revenue Target, 91% to 99% of the eligible PSUs would be subject to vesting. If the Company's actual result exceeds 100% of the 2025 License Revenue Target, every 1% increase of the 2025 License Revenue Target, up to 110%, would result in an increase of 7% of the eligible PSUs for the Company's CFO, COO and CCO and an increase of 10% of the eligible PSUs for the Company's CEO.
25%	Vesting of the full 25% of the PSUs occurs if the Company achieves positive total shareholder return whereby the return on the Company's stock for 2025 is greater than the S&P Semiconductors Select Industry index (the "S&P index"). The vesting threshold is if the return on the Company's stock for 2025 is at least 90% of the S&P index. If the return on the

	Company's stock, in comparison to the S&P index, is above 90% but less than 99% of the S&P index, 91% to 99% of the eligible PSUs would be subject to vesting. If the return on the Company's stock exceeds 100% of the S&P index, every 1% increase in comparison to the S&P index, up to 110%, would result in an increase of 7% of the eligible PSUs for the Company's CFO, COO and CCO and an increase of 10% of the eligible PSUs for the Company's CEO.
25%	Vesting of the full 25% of the PSUs occurs if the Company achieves positive total shareholder return whereby the return on the Company's stock for 2025 is greater than the Russell 2000 index (the "Russell index"). The vesting threshold is if the return on the Company's stock for 2025 is at least 90% of the Russell index. If the return on the Company's stock, in comparison to the Russell index, is above 90% but less than 99% of the Russell index, 91% to 99% of the eligible PSUs would be subject to vesting. If the return on the Company's stock exceeds 100% of the Russell index, every 1% increase in comparison to the Russell index, up to 110%, would result in an increase of 7% of the eligible PSUs for the Company's CFO, COO and CCO and an increase of 10% of the eligible PSUs for the Company's CEO.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED (UNAUDITED)

(in thousands, except share data)

Accordingly, assuming maximum achievement of the performance goals set forth above, PSUs representing an additional 100%, meaning an additional 51,918, would be eligible for vesting of the Company's CEO, and an additional 70%, meaning an additional 7,268, 6,460 and 6,460, would be eligible for vesting for each of the Company's CFO, COO and CCO, respectively.

Subject to achievement of the thresholds the above performance goals for 2025, the PSUs vest 33.4% on February 14, 2026, 33.3% on February 14, 2027, and 33.3% on February 14, 2028.

A summary of the Company's RSU and PSU activities and related information for the three months ended March 31, 2025, are as follows:

	Number of RSUs and PSUs	Weighted Average Grant-Date Fair Value
Unvested as of December 31, 2024	1,603,508	$ 21.01
Granted	426,957	25.56
Vested	(213,628)	26.92
Forfeited or expired	(44,422)	17.63
Unvested as of March 31, 2025 (unaudited)	1,772,415	$ 22.83

As of March 31, 2025, there was $27,392 of unrecognized compensation expense related to unvested RSUs and PSUs. This amount is expected to be recognized over a weighted-average period of 1.6 years.

The following table shows the total equity-based compensation expense included in the interim condensed consolidated statements of loss:

	Three months ended March 31,	
	2025 (unaudited)	2024 (unaudited)
Cost of revenue	$ 159	$ 203
Research and development, net	2,466	2,007
Sales and marketing	566	365
General and administrative	1,132	996
Total equity-based compensation expense	$ 4,323	$ 3,571

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED (UNAUDITED)

(in thousands, except share data)

The fair value for rights to purchase shares of common stock under the Company's employee stock purchase plan was estimated on the date of grant using the following assumptions:

	Three months ended March 31	
	2025 (unaudited)	**2024 (unaudited)**
Expected dividend yield	0%	0%
Expected volatility	41% - 48%	46%
Risk-free interest rate	4.2% - 4.4%	5.3%
Contractual term of up to (months)	6	6

NOTE 12: DERIVATIVES AND HEDGING ACTIVITIES

The Company follows the requirements of FASB ASC No. 815," Derivatives and Hedging" which requires companies to recognize all of their derivative instruments as either assets or liabilities in the statement of financial position at fair value. The accounting for changes in fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging transaction and further, on the type of hedging transaction. For those derivative instruments that are designated and qualify as hedging instruments, a company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation. Due to the Company's global operations, it is exposed to foreign currency exchange rate fluctuations in the normal course of its business. The Company's treasury policy allows it to offset the risks associated with the effects of certain foreign currency exposures through the purchase of foreign exchange forward or option contracts ("Hedging Contracts"). The policy, however, prohibits the Company from speculating on such Hedging Contracts for profit. To protect against the increase in value of forecasted foreign currency cash flow resulting from salaries paid in currencies other than the U.S. dollar during the year, the Company instituted a foreign currency cash flow hedging program. The Company hedges portions of the anticipated payroll of its non-U.S. employees denominated in the currencies other than the U.S. dollar for a period of one to twelve months with Hedging Contracts. Accordingly, when the dollar strengthens against the foreign currencies, the decline in present value of future foreign currency expenses is offset by losses in the fair value of the Hedging Contracts. Conversely, when the dollar weakens, the increase in the present value of future foreign currency expenses is offset by gains in the fair value of the Hedging Contracts. These Hedging Contracts are designated as cash flow hedges.

For derivative instruments that are designated and qualify as a cash flow hedge (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the gain or loss on the derivative instrument is reported as a component of other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. As of March 31, 2025, the notional principal amount of the Hedging Contracts to sell U.S. dollars held by the Company was $16,950. There were no open Hedging Contracts as of December 31, 2024.

The fair value of the Company's outstanding derivative instruments is as follows:

	March 31, 2025 (unaudited)	**December 31, 2024**
Derivative liabilities:		
Derivatives designated as cash flow hedging instruments:		
Foreign exchange option contracts	$ 96	$ —
Foreign exchange forward contracts	270	—
Total	$ 366	$ —

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED (UNAUDITED)

(in thousands, except share data)

The increase (decrease) in unrealized gains (losses) recognized in "accumulated other comprehensive gain (loss)" on derivatives, before tax effect, is as follows:

	Three months ended March 31, 2025 (unaudited)	Three months ended March 31, 2024 (unaudited)
Derivatives designated as cash flow hedging instruments:		
Foreign exchange option contracts	$ (96)	$ —
Foreign exchange forward contracts	(190)	(195)
	$ (286)	$ (195)

The net (gains) losses reclassified from "accumulated other comprehensive gain (loss)" into income are as follows:

	Three months ended March 31, 2025 (unaudited)	Three months ended March 31, 2024 (unaudited)
Derivatives designated as cash flow hedging instruments:		
Foreign exchange option contracts	$ —	$ —
Foreign exchange forward contracts	(80)	(380)
	$ (80)	$ (380)

The Company recorded in cost of revenues and operating expenses a net gain of $80 and $380 during the three months ended March 31, 2025 and 2024, respectively, related to its Hedging Contracts.

NOTE 13: ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following tables summarize the changes in accumulated balances of other comprehensive income (loss), net of taxes:

	Three months ended March 31, 2025 (unaudited)			Three months ended March 31, 2024 (unaudited)		
	Unrealized gains (losses) on available-for-sale marketable securities	Unrealized gains (losses) on cash flow hedges	Total	Unrealized gains (losses) on available-for-sale marketable securities	Unrealized gains (losses) on cash flow hedges	Total
Beginning balance	$ (1,330)	$ —	$ (1,330)	$ (3,317)	$ 988	$ (2,329)
Other comprehensive income (loss) before reclassifications	588	(286)	302	188	(195)	(7)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(80)	(80)	(4)	(380)	(384)
Net current period other comprehensive income (loss)	588	(366)	222	184	(575)	(391)
Ending balance	$ (742)	$ (366)	$ (1,108)	$ (3,133)	$ 413	$ (2,720)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED (UNAUDITED)

(in thousands, except share data)

The following table provides details about reclassifications out of accumulated other comprehensive income (loss):

Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)		Affected Line Item in the Statements of Income (Loss)
	Three months ended March 31,		
	2025 (unaudited)	2024 (unaudited)	
Unrealized gains (losses) on cash flow hedges	$ 2	$ 8	Cost of revenues
	67	324	Research and development
	3	9	Sales and marketing
	8	39	General and administrative
	80	380	Total, before income taxes
	—	—	Income tax expense (benefit)
	80	380	Total, net of income taxes
Unrealized gains (losses) on available-for-sale marketable securities	—	4	Financial income (loss), net
	—	—	Income tax benefit
	—	4	Total, net of income taxes
	$ 80	$ 384	Total, net of income taxes

NOTE 14: SHARE REPURCHASE PROGRAM

The Company did not repurchase any shares of common stock during the first quarter of 2025. During the three months ended March 31, 2024, the Company repurchased 56,872 shares of common stock at an average purchase price of $22.48 per share for an aggregate purchase price of $1,278. As of March 31, 2025, 1,024,781 shares of common stock remained available for repurchase pursuant to the Company's share repurchase program.

The repurchases of common stock are accounted for as treasury stock, and result in a reduction of stockholders' equity. When treasury shares are reissued, the Company accounts for the reissuance in accordance with FASB ASC No. 505-30, "Treasury Stock" and charges the excess of the repurchase cost over issuance price using the weighted average method to retained earnings. The purchase cost is calculated based on the specific identification method. In the case where the repurchase cost over issuance price using the weighted average method is lower than the issuance price, the Company credits the difference to additional paid-in capital.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion together with the unaudited financial statements and related notes appearing elsewhere in this quarterly report. This discussion contains forward-looking statements that involve risks and uncertainties. Any or all of our forward-looking statements in this quarterly report may turn out to be wrong. These forward-looking statements can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors which could cause actual results to differ materially include those set forth under in Part II – Item 1A – "*Risk Factors,*" *as well as those discussed elsewhere in this quarterly report. See* "*Forward-Looking Statements.*"

The financial information presented in this quarterly report includes the results of Ceva, Inc. and its subsidiaries.

BUSINESS OVERVIEW

Headquartered in Rockville, Maryland, we are the leader in innovative silicon and software IP solutions that enable smart edge products to connect, sense, and infer data more reliably and efficiently. Commanding 67% of the wireless connectivity market share based on IP design revenues in 2023, according to IPnest, we believe we have the industry's broadest portfolio of comprehensive wireless communications and Edge AI IP platforms and embedded software solutions. We power the connectivity, sensing, and inference capabilities in today's most advanced smart edge products across four large, diversified markets with significant opportunity for long-term growth, covering consumer IoT, automotive, industrial and infrastructure, as well as the mobile and PC markets where we have well established customers and presence Based on our research, we believe that these sectors will represent a $5 billion total addressable market by 2027. Since 2003, more than 19 billion of the world's most innovative smart edge products from AI-infused smartwatches, IoT devices and wearables to autonomous vehicles, 5G mobile networks and more have been shipped with Ceva IP, with approximately 2 billion products shipped in 2024 alone.

For more than three decades, we have been a trusted partner to hundreds of leading semiconductor and original equipment manufacturer (OEM) companies servicing not just our largest target growth and incumbent markets, but also a wide variety of other end markets and applications, including smart-home, surveillance, robotics and medical. Our transformative semiconductor IP and embedded software offerings are incorporated by customers into application-specific integrated circuits (ASICs) and application-specific standard products (ASSPs) to enable power-efficient, intelligent, secure and connected devices that connect, sense, and infer - the three critical pillars of the rapidly evolving era of AI-enabled smart edge technology.

Our wireless communications, sensing and edge AI technologies are at the heart of some of today's most advanced smart edge products. Our comprehensive portfolio includes:

- Advanced wireless connectivity solutions: Bluetooth, Wi-Fi, Ultra-Wideband (UWB), and 5G-Advanced platform IP for ubiquitous and robust communication;
- Scalable Edge AI capabilities: neural processing unit (NPU) IP to enable AI, on-device; and
- Sensor fusion processors and embedded application software that make devices smarter and more responsive.

We license our portfolio of wireless communications and scalable Edge AI IP to our customers, breaking down barriers to entry and enabling them to bring new cutting-edge products to market faster, more reliably, efficiently and economically.

Ceva is committed to being a responsible and respected global corporate citizen and a more sustainable company in the countries where we have operations and employees. We adhere to our Code of Business Conduct and Ethics and emphasize and focus on environmental controls, resource conservation and recycling and the welfare of our employees.

We believe our portfolio of wireless communications, sensing and Edge AI technologies address some of the most important megatrends, including 5G expansion, generative AI, embedded AI, industrial automation and vehicle electrification. We continue to experience strong interest across our IP portfolio due to these trends, in both traditional and new areas. In the first quarter of 2025, we concluded eleven IP licensing deals for a range of wireless and smart sensing use cases, including notable strategic licensing deals for our Wi-Fi 7 IP with two of our current highest volume customers. We also signed significant agreements for our NeuPro-M Edge AI NPU with an automotive semiconductor company for their next-generation ADAS solutions and for our RealSpace spatial audio software to be integrated into PC headsets for a leading PC OEM.

We believe the following key elements represent significant growth drivers for the company:

- Our broad Bluetooth, Wi-Fi, UWB and cellular IoT IP allow us to address the high volume IoT industrial, consumer and smart home markets. Our addressable market size for Bluetooth, Wi-Fi, UWB and cellular IoT is expected to be more than 16.5 billion devices annually by 2029 based on research from ABI Research. In the first quarter of 2025, we signed multiple licensing deals for our range of wireless connectivity IP, including a Wi-Fi 7 deal with one of our current highest volume customers, a Wi-Fi 6 / BLE combo deal with a top 10 MCU player and new Bluetooth deals with two of our leading audio customers. Moreover, we believe that Wi-Fi continues to present a significant royalty revenue opportunity, given our leading market position in licensing Wi-Fi 6 with more than 40 customers to date and leadership position in Wi-Fi 7 IP.

- We believe our PentaG2 platform and digital signal processors (DSPs) for 5G mobile broadband and 5G RedCap is one of the most comprehensive baseband IP platforms in the industry today and provides newcomers and incumbents with a comprehensive solution to address the need for 5G processing for fixed wireless access, satellite communications and a range of connected devices such as robots, cars, smart cities and other devices for industrial applications. Indicative of the demand for our 5G IP, in the first quarter of 2025, we signed a deal with an existing customer for their next generation cellular IoT modem targeting the industrial market. In relation to 5G royalties, we reached a notable milestone in the first quarter, we receiving the first royalty report from a leading U.S. OEM using our technology in their in-house 5G modem. We anticipate this customer will significantly expand our market share in wireless communication IP and generate a meaningful, long-term royalty stream in the years to come.

- Our PentaG RAN platform for 5G RAN, including the recently announced Ceva-XC22 multi-thread DSP, ensures we offer one of the most comprehensive baseband processor IP platforms in the industry today. Our 5G IP provides newcomers and incumbents with a customizable solution to address the need for 5G, 5G Advanced and other communications in data centers and infrastructure.

- The high-volume consumer audio markets, including True Wireless Stereo (TWS) earbuds, smartwatches, AR and VR headsets, and other wearable assisted devices, offer an incremental growth segment for us for our Bluetooth, Audio AI DSPs and software IP. For OEMs to better address this market, our RealSpace Spatial Audio & Head Tracking Solution and ClearVox voice input software are available to enhance the user experience and offer premium features. In the first quarter, we signed a licensing deal for our RealSpace spatial audio software, which will be integrated into professional headsets and other audio devices from a leading PC OEM.

- Our SensPro2 sensor hub AI DSP family is designed to address the growing demand for efficient, high-performance signal processing in sensor-based applications across various industries and applications such as smartphones, automotive safety (ADAS), autonomous driving (AD), drones, robotics, security and surveillance, augmented reality (AR) and virtual reality (VR), natural language processing (NLP) and voice recognition. Research from Bloomberg Intelligence forecasts that hardware revenue associated with computer vision AI products and conversational AI devices will reach $58 billion and $110 billion, respectively by 2032, indicating the size of the market opportunity. This sensor hub AI DSP enables us to address the transformation in devices enabled by these applications, and expand our footprint and content in smartphones, drones, consumer cameras, surveillance, automotive ADAS, voice-enabled devices and industrial IoT applications.

- Transformer and classic neural networks are increasingly being deployed in a wide range of devices to make these devices “smarter.” Our newest generation family of NeuPro-M AI NPUs present a highly efficient and high-performance architecture to enable generative and classic AI on any device including communication gateways, optically connected networks, cars, notebooks and tablets, AR/VR headsets, smartphones, and any other cloud or edge use case from the edge all the way to the cloud. Per research from Research and Markets, more than 6 billion Edge AI hardware units will ship annually by 2030, illustrating the huge potential of the market. In the first quarter of 2025, we signed an agreement for our NeuPro-M edge AI NPU with Nextchip, an automotive semiconductor manufacturer, for their next-generation ADAS solutions.

- AI is rapidly making its way into IoT devices, thanks in part to the emergence of embedded AI, including tiny machine learning (TinyML) models, which enable small AI networks to be embedded in Artificial Intelligence of Things (AIoT) devices for sensing use cases including sound, vision, vibration and health monitoring. Our recently announced NeuPro-Nano family of AI NPUs present a compelling proposition to add a cost- and power-efficient processor to microcontroller units and SoC designs to handle the complete AI workloads, on-device. Per ABI Research, by 2030, over 50% of TinyML shipments will be powered by dedicated embedded AI hardware such as NeuPro-Nano, representing billions of devices annually.

- Our sensor fusion and spatial audio application software allows us to address an important technology piece used in personal computers, robotics, TWS earbuds, smart TVs and many other smart sensing IP products, in addition to our existing portfolio for camera-based computer vision and AI processing, and microphone-based sound processing. MEMS-based inertial and environmental sensors are used in an increasing number of devices, including robotics, smartphones, laptops, tablets, TWS earbuds, spatial audio headsets, remote controls and many other consumer and industrial devices. Our innovative and proven MotionEngine software supports a broad range of merchant sensor chips and is processor-agnostic to address the requirements of any OEM or semiconductor company that wishes to enhance their customer user experience. The MotionEngine software has already shipped in more than 400 million devices, indicative of its market traction and excellence. Along with our SensPro sensor hub AI DSPs, our licensees now benefit from our capabilities as a one-stop-shop for processing many types of sensors.

As a result of our focus on silicon and software IP solutions that enable products to connect, sense, and infer data, we believe we are well positioned for long-term growth in shipments and royalty revenues derived from smart edge products. Royalty rates from these products comprise a range of ASPs, from high volume Bluetooth and Wi-Fi to high value sensor fusion and base station RAN. The royalty ASP of our other products will be in between the two ranges.

CURRENT TRENDS

We believe that with digital transformation being a long-term trend that continues to drive industries to become connected and intelligent, our ubiquitous technology and collaborative business model present a significant and secular growth prospect. We intend to continue to capitalize on the semiconductor momentum with our portfolio of technologies to enable three main use cases associated with smart edge devices: connect, sense and infer. We focus on four main markets, which are consumer IoT, automotive, industrial and infrastructure, which we believe are large, diversified and represent the greatest opportunities for long-term growth. We will also continue to serve the mobile and PC markets where we have established customers and market presence. We believe our key customers are keenly receptive to our products roadmap around connect, sense and infer, and that they are willing to expand the scope of engagements with us as our roadmap aligns with their technology needs. Furthermore, we anticipate that we complement our strong presence in the APAC region by further expanding our customer base and revenues in Europe and the U.S., as evidenced by our increasingly diversified revenue split by geography from 2022 through 2024.

Our strategy returned us to year-over-year revenue growth in 2024, with overall revenue growing 10% over 2023, outperforming the 4% to 8% we expected at the beginning of 2024. In 2025, we expect our licensing and related revenues business will continue to expand into new markets and use cases for industrial IoT (IIoT) and consumer IoT devices, offering connectivity platforms, sensing platforms and software, AI solutions (including AI engines, NPUs and software) and more. On royalties, we expect our connectivity products to continue to also show growth in 2025, particularly related to our Bluetooth, Wi-Fi and cellular IoT business lines which enjoyed record shipments in 2024 and from an in-house 5G modem powered by our cellular DSP from a leading U.S. mobile OEM that launched its first smartphone based on the modem in the first quarter of 2025.

However, the global economy continues to be impacted by macroeconomic conditions, including as a volatile interest rate environment, ongoing inflation and recent changes in legislation and regulations, including enacted and proposed tariffs and other trade policies, have introduced additional uncertainty in the global economy. In periods of perceived or actual unfavorable economic conditions, our customers or potential customers could delay or re-evaluate their decisions to initiate various projects which in turn could result in a delay or cessation of engagement or other business activities with us, and which could result in lower licensing revenues. In addition, lower consumer demand may result in lower royalty revenues as our customers ship fewer units. These factors may make it difficult for us to forecast and plan future budgetary decisions or business activities accurately. Accordingly, while we do not currently expect our IP solutions will themselves be subject to tariffs, the indirect impact on consumer demand, among other factors, has increased the uncertainty about the year. Given these evolving dynamics, as well as our lower than anticipated revenues for the first quarter, we are adopting a more cautious outlook, and have lowered our revenue guidance for the 2025 fiscal year from around a high-single digits range to a low-single digits range for growth over 2024 annual revenues.

Instability in the Middle East

Our operations in Israel remain largely unaffected by the war between Israel and Hamas that began on October 7, 2023 and escalated to conflicts with Lebanon and Hezbollah, and we continue to drive our business and support our customers globally. However, a portion of our employees in Israel have been or are called to active reserve duty and additional employees may be called in the future, if needed. The Company has executed its business continuity plan with respect to those employees. It is possible that some of our operations in the region may be disrupted if this continues for a significant period of time or if the situation further deteriorates.

RESULTS OF OPERATIONS

Total Revenues

Total revenues were $24.2 million for the first quarter of 2025, representing an increase of 10% as compared to the corresponding period in 2024. The increase in total revenues for the first quarter of 2025 was due to higher licensing and related revenues, offset by lower royalty revenues, as further described below.

Our five largest customers accounted for 56% of our total revenues for the first quarter of 2025, as compared to 45% for the comparable period in 2024. One customer accounted for 24% of our total revenues for the first quarter of 2025, as compared to two customers that accounted for 14% and 15% of our total revenues for the first quarter of 2024. Sales to UNISOC (formerly Spreadtrum Communications, Inc. and RDA Corporation) represented 24% and 14% of our total revenues for the first three months of 2025 and 2024, respectively. Generally, the identity of our customers representing 10% or more of our total revenues varies from period to period, especially with respect to our IP licensing customers as we generate licensing revenues generally from new customers on a quarterly basis. With respect to our royalty revenues, two royalty paying customers represented 10% or more of our total royalty revenues for the first quarter of 2025 and collectively represented 30% of our total royalty revenues for the first quarter of 2025. Two royalty paying customers represented 10% or more of our total royalty revenues for the first quarter of 2024 and collectively represented 41% of our total royalty revenues for the first quarter of 2024. We expect that a significant portion of our future revenues will continue to be generated by a limited number of customers. The concentration of our customers is explainable in part by consolidation in the semiconductor industry.

The following table sets forth use cases for Ceva technology portfolio as percentages of our total revenues for each of the periods set forth below:

	First Quarter 2025	First Quarter 2024
Connect (baseband for handset and other devices, Bluetooth, Wi-Fi and NB-IoT)	84%	82%
Sense & Infer (sensor fusion, audio, sound, imaging, vision and AI)	16%	18%

Licensing and Related Revenues

Licensing and related revenues were $15.0 million for the first quarter of 2025, representing an increase of 32%, as compared to the corresponding period in 2024. The increase in licensing and related revenues for the first quarter of 2025 was primarily due to the growing adoption of connectivity and inferencing technologies, which are the foundation pillars to our corporate strategy of innovation and market leadership in wireless connectivity, sensing and Edge AI technologies. On the connectivity front, we reinforced our industry leadership by securing several strategic agreements with key Bluetooth and Wi-Fi customers, solidifying our position in their long-term roadmaps by incorporating our new Wi-Fi 7 and Bluetooth 7 IP.

The second pillar enabling Edge AI is the inferencing use case. We signed a significant deal for our high-performance NeuPro-M edge AI NPU with a Korean automotive semiconductor company, for their next-generation ADAS solutions.

As for the sensing use case, we secured multiple deals, most notably an agreement for our RealSpace spatial audio software, which will be integrated into professional headsets and other audio devices from a leading PC OEM. This marks a significant milestone, as it validates the quality and robustness of our spatial audio software solution.

During the quarter, eleven IP licensing agreements were concluded, targeting a wide range of end markets and applications, including Edge AI NPU for automotive ADAS, Wi-Fi 7 connectivity for AIoT, Bluetooth 6 and Wi-Fi 6 for combo connectivity products, 5G cellular IoT for industrial devices, audio for consumer devices and spatial audio for PC headsets. Two of the deals signed were with first-time customers.

Licensing and related revenues accounted for 62% of our total revenues for the first quarter of 2025, as compared to 52% for the comparable period of 2024.

Royalty Revenues

Royalty revenues were $9.2 million for the first quarter of 2025, representing a decrease of 14%, as compared to the corresponding period in 2024. The first quarter of 2024 included revenue of $1.0 million following the resolution of a royalty audit. Excluding this amount, the first quarter of 2025 would have been down by 5% as compared to the comparable period of 2024. Royalty revenues accounted for 38% of our total revenues for the first quarter of 2025, as compared to 48% for the comparable period of 2024. Despite a combination of soft low-cost smartphone shipments and an industrial customer experiencing a slower product ramp-up than in the prior year, shipment volume remained strong. While overall revenues declined for these reasons, we remain optimistic about the long-term potential of our royalty business, supported by continued demand and steady market adoption. Moreover, we received the first royalty report from a leading U.S. OEM using our technology in their in-house 5G modem. We anticipate this customer will significantly expand our market share in wireless communication IP and generate a meaningful, long-term royalty stream in the years to come. Our customers reported sales of 420 million chipsets incorporating our technologies for the first quarter of 2025, an increase of 13% from the corresponding period in 2024 for actual shipments reported.

The five largest royalty-paying customers accounted for 50% of our total royalty revenues for the first quarter of 2025, as compared to 58% for the comparable period of 2024.

Geographic Revenue Analysis

	First Quarter 2025			First Quarter 2024		
	(in millions, except percentages)					
United States	$	3.6	15%	$	2.6	11%
Europe and Middle East	$	1.5	6%	$	1.5	7%
Asia Pacific (1)	$	19.1	79%	$	18.0	82%
Other	$	—	—	$	0.0	0%
(1) China	$	16.1	66%	$	13.6	62%

Due to the nature of our license agreements and the associated potential large individual contract amounts, the geographic split of revenues both in absolute dollars and percentage terms generally varies from quarter to quarter.

Cost of Revenues

Cost of revenues was $3.5 million for the first quarter of 2025, as compared to $2.5 million for the comparable period of 2024. Cost of revenues accounted for 14% of our total revenues for the first quarter of 2025, as compared to 11% for the comparable period of 2024. The increase for the first quarter of 2025 principally reflected higher strategically beneficial customization work associated with the strategic 5G-Advanced deals we signed in the second half of 2024. Included in cost of revenues for the first quarter of 2025 was a non-cash equity-based compensation expense of $159,000, as compared to $203,000 for the comparable period of 2024.

Gross Margin

Gross margin for the first quarter of 2025 was 86%, as compared to 89% for the comparable period of 2024. The decrease for the first quarter of 2025 mainly reflected higher cost of revenues as set forth above, offset by higher total revenues.

Operating Expenses

Total operating expenses were $25.1 million for the first quarter of 2025, as compared to $24.5 million for the comparable period of 2024. The net increase for the first quarter of 2025 principally reflected higher salaries and employee-related costs, higher professional services costs and higher non-cash equity-based compensation expenses, partially offset by higher allocation of customization work for our licensees to cost of revenues.

Research and Development Expenses, Net

Total research and development expenses, net were $17.6 million for the first quarter of 2025, as compared to $18.0 million for the comparable period of 2024. The decrease for the first quarter of 2025 principally reflected higher allocation of customization work for our licensees to cost of revenues, partially offset by higher non-cash equity-based compensation expenses. Included in research and development expenses for the first quarter of 2025 were non-cash equity-based compensation expenses of $2,466,000, as compared to $2,007,000 for the comparable period of 2024. Research and development expenses as a percentage of our total revenues were 73% for the first quarter of 2025, as compared to 82% for the comparable period of 2024. The percentage decrease for the first quarter of 2025, as compared to the comparable period of 2024, was mainly due to higher revenues.

The number of research and development personnel was 325 at March 31, 2025, as compared to 331 at March 31, 2024.

Sales and Marketing Expenses

Our sales and marketing expenses were $3.4 million for the first quarter of 2025, as compared to $2.8 million for the comparable period of 2024. The increase for the first quarter of 2025 principally reflected higher salaries and employee-related costs, mainly due to a greater number of personnel, as well as higher non-cash equity-based compensation expenses. Included in sales and marketing expenses for the first quarter of 2025 were non-cash equity-based compensation expenses of $566,000, as compared to $365,000 for the comparable period of 2024. Sales and marketing expenses as a percentage of our total revenues were 14% for the first quarter of 2025, as compared to 13% for the comparable period of 2024.

The total number of sales and marketing personnel was 34 at March 31, 2025, as compared to 28 at March 31, 2024.

General and Administrative Expenses

Our general and administrative expenses were $3.9 million for the first quarter of 2025, as compared to $3.6 million for the comparable period of 2024. The increase for the first quarter of 2025 primarily reflected higher professional services costs. Included in general and administrative expenses for the first quarter of 2025 were non-cash equity-based compensation expenses of $1,132,000, as compared to $996,000 for the comparable period of 2024. General and administrative expenses as a percentage of our total revenues were 16% for the first quarter of both 2025 and 2024.

The number of general and administrative personnel was 47 at March 31, 2025, as compared to 46 at March 31, 2024.

Amortization of Intangible Assets

Our amortization charges were $0.1 million for the first quarter of both 2025 and 2024. The amortization charges for the first quarter of 2025 and 2024 were incurred in connection with the amortization of intangible assets associated with the acquisitions of the Hillcrest Labs and VisiSonics business.

Financial Income, Net (in millions)

	First Quarter 2025	First Quarter 2024
Financial income, net	$ 2.10	$ 1.26
of which:		
Interest income and gains and losses from marketable securities, net	$ 1.50	$ 1.45
Foreign exchange gain	$ 0.60	$ (0.19)

Financial income, net, consists of interest earned on investments, gains and losses from sale of marketable securities, accretion (amortization) of discounts (premiums) on marketable securities and foreign exchange movements.

The slight increase in interest income and gains and losses from marketable securities, net, during the first quarter of 2025 principally reflected higher yields, partially offset by lower combined bank deposits and marketable securities balances held.

We review our monthly expected major non-U.S. dollar denominated expenditures and look to hold equivalent non-U.S. dollar cash balances to mitigate currency fluctuations. However, our Euro cash balances increase significantly on a quarterly basis beyond our Euro liabilities, mainly from applicable French research tax credits, which are generally refunded every three years. This has resulted in a foreign exchange gain of $0.60 million for the first quarter of 2025, as compared to a foreign exchange loss of $0.19 million for the comparable period of 2024.

Remeasurement of Marketable Equity Securities

We recorded a loss of $54,000 for the first quarter of 2025, as compared to a loss of $60,000 for the comparable period of 2024, related to remeasurement of marketable equity securities, which we hold at fair value. Over time, other income (expense), net, may be affected by market dynamics and other factors. Equity values generally change daily for marketable equity securities and upon the occurrence of observable price changes or upon impairment of marketable equity securities. In addition, volatility in the global economic climate and financial markets could result in a significant change in the value of our investments.

Provision for Income Taxes

Our income tax expenses was $1.0 million for the first quarter of 2025, as compared to $1.7 million for the comparable period of 2024. The decrease for the first three months of 2025 primarily reflected lower withholding tax expenses in our Israeli subsidiary for which we will not be able to obtain a refund from the tax authorities, and lower tax expenses on income generated in our French subsidiary (under the French IP Box regime).

We are subject to income and other taxes in the United States and in numerous foreign jurisdictions. Our domestic and foreign tax liabilities are dependent on the jurisdictions in which profits are determined to be earned and taxed. Additionally, the amount of taxes paid is subject to our interpretation of applicable tax laws in the jurisdictions in which we operate. A number of factors influence our effective tax rate, including changes in tax laws and treaties as well as the interpretation of existing laws and rules. Federal, state, and local governments and administrative bodies within the United States, and other foreign jurisdictions have implemented, or are considering, a variety of broad tax, trade, and other regulatory reforms that may impact us. For example, the Tax Cuts and Jobs Act (the "U.S. Tax Reform") enacted on December 22, 2017 resulted in changes in our corporate tax rate, our deferred income taxes, and the taxation of foreign earnings. It is not currently possible to accurately determine the potential comprehensive impact of future changes, but these changes could have a material impact on our business and financial condition.

We have significant operations in Israel and operations in France and the Republic of Ireland. A substantial portion of our taxable income is generated in Israel and France, as well as potentially in the U.S. due to GILTI and the requirement to capitalize research and development expenditures under IRC Section 174 over 5 years if sourced from the U.S. and over 15 years if sourced internationally. Although our Israeli, French and Irish subsidiaries are taxed at rates substantially lower than U.S. tax rates, the tax rates in these jurisdictions could nevertheless result in a substantial increase as a result of withholding tax expenses with respect to which we are unable to obtain a refund from the relevant tax authorities.

Our Irish subsidiary qualified for a 12.5% tax rate on its trade. Interest income generated by our Irish subsidiary is taxed at a rate of 25%.

Our French subsidiary is entitled to a tax benefit of 10% applied to specific revenues under the French IP Box regime. The French IP Box regime applies to net income derived from the licensing, sublicensing or sale of several IP rights such as patents and copyrighted software, including royalty revenues. This elective regime requires a direct link between the income benefiting from the preferential treatment and the research and development expenditures incurred and contributing to that income. Qualifying income may be taxed at a favorable 10% CIT rate (plus social surtax, hence 10.3% in total). Income not eligible for a tax benefit under the French IP Box regime is taxed at a regular rate of 25%.

Our Israeli subsidiary is entitled to various tax benefits as a technological enterprise. In December 2016, the Economic Efficiency Law (Legislative Amendments for Applying the Economic Policy for the 2017 and 2018 Budget Years), 2016, which includes the Amendment to the Law for the Encouragement of Capital Investments, 1959 (Amendment 73) (the "Amendment"), was published. The Amendment, among other things, prescribes special tax tracks for technological enterprises, which are subject to rules that were issued by the Minister of Finance in April 2017.

The tax track under the Amendment, which is applicable to our Israeli subsidiary, is the "Technological Preferred Enterprise". Technological Preferred Enterprise is an enterprise for which total consolidated revenues of its parent company and all subsidiaries are less than 10 billion New Israeli Shekel (NIS). A Technological Preferred Enterprise, as defined in the Amendment, that is located in the center of Israel (where our Israeli subsidiary is currently located), is taxed at a rate of 12% on profits deriving from IP. Any dividends distributed to "foreign companies", as defined in the Amendment, deriving from income from technological enterprises will be taxed at a rate of 4%.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

We believe that the assumptions and estimates associated with revenue recognition, equity-based compensation and credit losses have the greatest potential impact on our consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

See our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 27, 2025, for a discussion of additional critical accounting policies and estimates. There have been no changes in our critical accounting policies as compared to what was previously disclosed in the Annual Report on Form 10-K for the year ended December 31, 2024.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2025, we had approximately $18.8 million in cash and cash equivalents, $2.0 million in bank deposits, and $137.5 million in marketable securities, totaling $158.3 million, as compared to $163.6 million at December 31, 2024. The decrease for the first three months of 2025 principally reflected cash used in operating activities.

Out of total cash, cash equivalents, bank deposits and marketable securities of $158.3 million, $134.3 million was held by our foreign subsidiaries. Our intent is to permanently reinvest earnings of our foreign subsidiaries and our current operating plans do not demonstrate a need to repatriate foreign earnings to fund our U.S. operations. However, if these funds were needed for our operations in the United States, we would be required to accrue and pay taxes to repatriate these funds. The determination of the amount of additional taxes related to the repatriation of these earnings is not practicable, as it may vary based on various factors such as the location of the cash and the effect of regulation in the various jurisdictions from which the cash would be repatriated.

During the first three months of 2025, we invested $29.1 million of cash in marketable securities with maturities up to 36 months from the balance sheet date. In addition, during the same period, marketable securities were redeemed for cash amounting to $35.7 million. All of our marketable securities are classified as available-for-sale. The purchase and sale or redemption of available-for-sale marketable securities are considered part of investing cash flow. Available-for-sale marketable securities are stated at fair value, with unrealized gains and losses reported in accumulated other comprehensive income (loss), a separate component of stockholders' equity, net of taxes. Realized gains and losses on sales of investments, as determined on a specific identification basis, are included in the interim condensed consolidated statements of loss. The amount of credit losses recorded for the first three months of 2025 was immaterial. For more information about our marketable securities, see Note 6 to the interim condensed consolidated financial statements for the three months ended March 31, 2025.

Bank deposits are classified as short-term bank deposits and long-term bank deposits. Short-term bank deposits are deposits with maturities of more than three months but no longer than one year from the balance sheet date, whereas long-term bank deposits are deposits with maturities of more than one year as of the balance sheet date. Bank deposits are presented at their cost, including accrued interest, and purchases and sales are considered part of cash flows from investing activities.

Operating Activities

Cash used in operating activities for the first three months of 2025 was $7.4 million and consisted of net loss of $3.3 million, adjustments for non-cash items of $4.4 million, and changes in operating assets and liabilities of $8.5 million. Adjustments for non-cash items primarily consisted of $0.9 million of depreciation and amortization of intangible assets, and $4.3 million of equity-based compensation expenses, partially offset by $0.2 million of amortization of premiums on available-for-sale marketable securities and $0.6 million of unrealized foreign exchange gain. The decrease in operating assets and liabilities primarily consisted of an increase in trade receivables of $3.5 million, and an increase in prepaid expenses and other assets of $3.7 million (mainly as a result of payment of a yearly design tool subscription), as well as a decrease in deferred revenues of $0.6 million, a decrease in accrued expenses and other payables of $1.1 million, a decrease in accrued payroll and related benefits of $0.8 million (mainly due to partial yearly bonus payments), partially offset by an increase in trade payables of $1.4 million.

Cash used in operating activities for the first three months of 2024 was $7.3 million and consisted of net loss of $5.4 million, adjustments for non-cash items of $4.6 million, and changes in operating assets and liabilities of $6.5 million. Adjustments for non-cash items primarily consisted of $1.0 million of depreciation and amortization of intangible assets, and $3.6 million of equity-based compensation expenses. The decrease in operating assets and liabilities primarily consisted of an increase in trade receivables of $3.0 million, an increase in prepaid expenses and other assets of $3.2 million (mainly as a result of payment of a yearly design tool subscription), a decrease in deferred revenues of $0.5 million, and a decrease in accrued expenses and other payables of $1.0 million, partially offset by an increase in accrued payroll and related benefits of $0.5 million and an increase in trade payables of $0.4 million.

Cash flows from operating activities may vary significantly from quarter to quarter depending on the timing of our receipts and payments. Our ongoing cash outflows from operating activities principally relate to payroll-related costs and obligations under our property leases and design tool licenses. Our primary sources of cash inflows are receipts from our accounts receivable, to some extent, funding from research and development government grants and French research tax credits, and interest earned from our cash, deposits and marketable securities. The timing of receipts of accounts receivable from customers is based upon the completion of agreed milestones or agreed dates as set out in the contracts.

Investing Activities

Net cash provided by investing activities for the first three months of 2025 was $6.2 million, compared to $5.1 million of net cash provided by investing activities for the comparable period of 2024. We had a cash outflow of $29.1 million and a cash inflow of $35.7 million with respect to investments in marketable securities during the first three months of 2025, as compared to a cash outflow of $12.7 million and a cash inflow of $18.9 million with respect to investments in marketable securities during the first three months of 2024. We had a cash outflow of $0.3 million and $0.9 million during the first three months of 2025 and 2024, respectively, from purchase of property and equipment. For the first three months of 2024, we had a cash inflow of $0.5 million in connection with the sale of Intrinsix, and a cash outflow of $0.8 million for the acquisition of a Greek-based company.

Financing Activities

Net cash provided by financing activities for the first three months of 2025 was $1.4 million, as compared to net cash provided by financing activities in the amount of $0.3 million for the comparable period of 2024.

In August 2008, we announced that our board of directors approved a share repurchase program for up to one million shares of common stock pursuant to Rule 10b-18 of the Exchange Act, which was extended by an additional 7,800,000 shares collectively across further approvals in 2010, 2013, 2014, 2018, 2020, 2023 and November 2024. There were no repurchases of our common stock during the three months ended March 31, 2025. During the first three months ended March 31, 2024, we repurchased 56,872 shares of common stock at an average purchase price of $22.48 per share for an aggregate purchase price of $1,278. As of March 31, 2025, we had 1,024,781 shares available for repurchase.

During the first three months of 2025, we received $1.4 million from the exercise of stock-based awards, as compared to $1.6 million received for the comparable period of 2024.

We believe that our cash and cash equivalents, short-term bank deposits and marketable securities, along with cash from operations, will provide sufficient capital to fund our operations for at least the next 12 months. We cannot provide assurances, however, that the underlying assumed levels of revenues and expenses will prove to be accurate.

In addition, as part of our business strategy, we occasionally evaluate potential acquisitions of businesses, products and technologies and minority equity investments. Accordingly, a portion of our available cash may be used at any time for the acquisition of complementary products or businesses or minority equity investments. Such potential transactions may require substantial capital resources, which may require us to seek additional debt or equity financing. We cannot assure you that we will be able to successfully identify suitable acquisition or investment candidates, complete acquisitions or investments, integrate acquired businesses into our current operations, or expand into new markets. Furthermore, we cannot provide assurances that additional financing will be available to us in any required time frame and on commercially reasonable terms, if at all.

Contractual Obligations and Commitments

We believe that our contractual obligations and commitments have not changed materially from those included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

A majority of our revenues and a portion of our expenses are transacted in U.S. dollars and our assets and liabilities together with our cash holdings are predominately denominated in U.S. dollars. However, the majority of our expenses are denominated in currencies other than the U.S. dollar, principally the NIS and the Euro. Increases in volatility of the exchange rates of currencies other than the U.S. dollar versus the U.S. dollar could have an adverse effect on the expenses and liabilities that we incur when remeasured into U.S. dollars. We review our monthly expected non-U.S. dollar denominated expenditures and look to hold equivalent non-U.S. dollar cash balances to mitigate currency fluctuations. However, our Euro cash balances increase significantly on a quarterly basis beyond our Euro liabilities, mainly from French research tax benefits applicable to the CIR, which is generally refunded every three years. This has resulted in a foreign exchange gain of $600,000 for the first quarter of 2025, and a foreign exchange loss of $193,000 for the comparable period of 2024.

As a result of currency fluctuations and the remeasurement of non-U.S. dollar denominated expenditures to U.S. dollars for financial reporting purposes, we may experience fluctuations in our operating results on an annual and quarterly basis. To protect against the increase in value of forecasted foreign currency cash flow resulting from salaries paid in currencies other than the U.S. dollar during the year, we follow a foreign currency cash flow hedging program. We hedge portions of the anticipated payroll for our non-U.S. employees denominated in currencies other than the U.S. dollar for a period of one to twelve months with forward and option contracts. During the first quarter of 2025, we recorded accumulated other comprehensive loss of $366,000 from our forward and option contracts, net of taxes, with respect to anticipated payroll expenses for our non-U.S. employees. During the first quarter of 2024, we recorded accumulated other comprehensive loss of $575,000 from our forward and option contracts, net of taxes, with respect to anticipated payroll expenses for our non-U.S. employees. As of March 31, 2025, the amount of other comprehensive loss from our forward and option contracts, net of taxes, was $366,000, which will be recorded in the consolidated statements of income (loss) during the following six months. We recognized a net gain of $80,000 and $380,000 for the first quarter of 2025 and 2024, respectively, related to forward and options contracts. We note that hedging transactions may not successfully mitigate losses caused by currency fluctuations. We expect to continue to experience the effect of exchange rate and currency fluctuations on an annual and quarterly basis.

The majority of our cash and cash equivalents are invested in high-grade certificates of deposits with major U.S., European and Israeli banks. Generally, cash and cash equivalents and bank deposits may be redeemed and therefore minimal credit risk exists with respect to them. Nonetheless, deposits with these banks exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits or similar limits in foreign jurisdictions, to the extent such deposits are even insured in such foreign jurisdictions. While we monitor on a systematic basis the cash and cash equivalent balances in the operating accounts and adjust the balances as appropriate, these balances could be impacted if one or more of the financial institutions with which we deposit our funds fails or is subject to other adverse conditions in the financial or credit markets. To date, we have experienced no loss of principal or lack of access to our invested cash or cash equivalents; however, we can provide no assurance that access to our invested cash and cash equivalents will not be affected if the financial institutions that we hold our cash and cash equivalents fail.

We hold an investment portfolio consisting principally of corporate bonds. We have the ability to hold such investments until recovery of temporary declines in market value or maturity. As of March 31, 2025, the unrealized losses associated with our investments were approximately $0.8 million due to the dramatic changes in the interest rate environment that took place in 2022. As we tend to hold such bonds with unrealized losses to recovery, the allowance for credit losses was not material during the first quarter of 2025. However, we can provide no assurance that we will recover present declines in the market value of our investments.

Interest income and gains and losses from marketable securities, net, were $1.50 million and $1.45 million for the first quarter of 2025 and 2024, respectively. The slight increase in interest income, and gains and losses from marketable securities, net, during the first quarter of 2025 principally reflected higher yields, partially offset by lower combined bank deposits and marketable securities balances held.

We are exposed primarily to fluctuations in the level of U.S. interest rates. To the extent that interest rates rise, fixed interest investments may be adversely impacted, whereas a decline in interest rates may decrease the anticipated interest income for variable rate investments. We typically do not attempt to reduce or eliminate our market exposures on our investment securities because the majority of our investments are short-term. We currently do not have any derivative instruments but may put them in place in the future. Fluctuations in interest rates within our investment portfolio have not had, and we do not currently anticipate such fluctuations will have, a material effect on our financial position on an annual or quarterly basis.

Item 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2025.

There has been no change in our internal control over financial reporting that occurred during our most recent fiscal quarter that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1 LEGAL PROCEEDINGS

We are subject to legal proceedings and claims that have not been fully resolved and that have arisen in the ordinary course of business. As of March 31, 2025, our interim condensed consolidated balance sheet includes a provision of approximately $300,000 for these matters. We are not a party to any other litigation or legal proceedings that we believe could reasonably be expected to have a material effect on our business, results of operations and financial condition.

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Item 1A RISK FACTORS

We have not identified any material changes to the Risk Factors previously disclosed in Part I—Item IA—"Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, any one or more of which could, directly or indirectly, cause our actual financial condition and operating results to vary materially from past, or from anticipated future, financial condition and operating results, except as set forth below. Any of those factors, in whole or in part, could materially and adversely affect our business, financial condition, operating results and stock price. You should carefully consider the risks and uncertainties described in our Annual Report filed on Form 10-K for the fiscal year ended December 31, 2024, together with all of the other information in this Quarterly Report on Form 10-Q, including in "Part I—Item 2—"Management's Discussion and Analysis of Financial Condition and Results of Operations" and the condensed consolidated financial statements and related notes.

Changes in the U.S. trade environment, including uncertainty over global tariffs and the financial impact of tariffs, as well as economic uncertainty associated with geopolitics, may negatively affect our business, financial condition and results of operations.

The United States has enacted and proposed to enact significant new tariffs, as well as changes to existing tariffs. In addition, changes to U.S. trade policies, treaties and tariffs have resulted and may continue to result in retaliatory tariffs enacted by trading partners in response to such actions. Trade restrictions and rising political tensions could reduce trade volume, investment and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could negatively impact our customers and other stakeholders. For example, these developments or a perception of these developments could cause our customers or potential customers to delay or re-evaluate their decisions to initiate various projects which in turn could result in a delay or cessation of engagement or other business activities with us, and which could result in lower licensing revenues. In addition, lower consumer demand may result in lower royalty revenues as our customers ship fewer units. All these developments could negatively impact our business, financial condition and results of operations, and may make it difficult for us to forecast and plan future budgetary decisions or business activities accurately.

Item 2 UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no repurchases of our common stock during the three months ended March 31, 2025.

Item 3 DEFAULTS UPON SENIOR SECURITIES

Not applicable.

Item 4 MINE SAFETY DISCLOSURES

Not applicable.

Item 5 OTHER INFORMATION

During the three months ended March 31, 2025, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

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Item 6 EXHIBITS

Exhibit No.	Description
10.1*†	2025 Incentive Plan for Gweltaz Toquet, Chief Commercial Officer (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed with the SEC on February 14, 2025).
31.1	Rule 13a14(a)/15d14(a) Certification of Chief Executive Officer.
31.2	Rule 13a14(a)/15d14(a) Certification of Chief Financial Officer.
32	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer.
101	The following materials from Ceva, Inc.'s Quarterly report on Form 10-Q for the quarter ended March 31, 2025, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Condensed Consolidated Statements of Loss, (ii) the Condensed Consolidated Balance Sheet, (iii) the Condensed Consolidated Statements of Cash Flows, (iv) the Condensed Consolidated Statements of Comprehensive Loss, (v) Condensed Consolidated Statements of Changes in Stockholders' Equity, and (vi) Notes to Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Portions of exhibit are redacted.
† Indicates a management compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Ceva, Inc.

Date: May 8, 2025

By: /s/ AMIR PANUSH
Amir Panush
Chief Executive Officer
(principal executive officer)

Date: May 8, 2025

By: /s/ YANIV ARIELI
Yaniv Arieli
Chief Financial Officer
(principal financial officer and principal accounting officer)

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO

SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002

I, Amir Panush, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ceva, Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a15(e) and 15d15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a15(f) and 15d15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

/s/ AMIR PANUSH
Amir Panush
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO

SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002

I, Yaniv Arieli, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ceva, Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a15(e) and 15d15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a15(f) and 15d15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

/s/ YANIV ARIELI
Yaniv Arieli
Chief Financial Officer

Exhibit 32

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of Ceva, Inc. (the "Company") for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Amir Panush, Chief Executive Officer of the Company, and Yaniv Arieli, Chief Financial Officer of the Company, each hereby certifies, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates it by reference.

Date: May 8, 2025

/s/ AMIR PANUSH
Amir Panush
Chief Executive Officer

/s/ YANIV ARIELI
Yaniv Arieli
Chief Financial Officer