



# WiSA Technologies, Inc.

*Weak Q1. However, launch of WiSA E and major new deals should provide strong growth prospects. Lowering P/T to \$18.*

**Weak Q1:** WiSA recently (on May 20) reported its Q1 2024 (ending March) results. Revenue was \$0.3 million (-46% y-o-y), compared with our and consensus estimates of \$0.6 – 0.7 million. EPS was \$(5.35), compared with our estimate of \$(1.55) and consensus of \$(28.50). There was no Q1 guidance.

**Weak demand continue:** The company again (like in 2022 and 2023) had weak Q1 revenues (-46% y-o-y) as consumer demand for consumer electronics have slowed significantly (since early 2022).

**No 2024 outlook:** WiSA did not provide any 2024 guidance.

**Adjusting 2024 estimates:** We are adjusting our 2024 estimates for revenue to \$3.0 million, from \$4.0 million, and for EPS to \$(2.69) from \$(6.46).

**35 million soundbar opportunity:** We believe consumers' interest in wireless immersive sound continues to grow thereby driving increased products by consumer electronic manufacturers. 35 million soundbar units are estimated to have shipped worldwide in 2020. Given WiSA technology superiority over soundbar, we believe WiSA should gain market share. If WiSA can get just a 5% market share, that would imply a \$25 million market opportunity for WiSA.

**Focus on WiSA E:** WiSA E development kits began shipping to strategic customers in July 2023, and its licensing plan for WiSA E software is to drive lower cost wireless interoperability between HDTVs, soundbars and speakers. In December 2023, WiSA announced its first licensee of WiSA E software to a global TV brand with over 10 million HDTVs sold annually.

**5 recent WiSA E deals, with 3 more soon:** In April, the company announced the signing of a 5<sup>th</sup> WiSA E licensing agreement with a top-three consumer electronics leader. By licensing WiSA E software and embedding WiSA E's multichannel immersive audio functionality into their source devices, the licensee will eliminate the costly burden of additional hardware and will allow their end users to activate the embedded audio functionality by purchasing speakers designed to connect with the media device. The company's licensing revenue will include royalty payments on its transmitting (TX) software tied to a user's activation of WiSA's embedded immersive audio functionality. 3 more deals are expected by the end of 2024.

**Early stage, but large sales opportunity:** We acknowledge that WiSA is still at an early stage in its product commercialization and revenue generation is still low and volatile, but believe key financial and product milestones and sales and design wins in the next year should be positive catalysts for the stock.

**Positive high risks versus rewards:** We believe that the current valuation for WiSA has already factored in many of its risks (principally its ability to grow sales) but is under valuing its overall growth prospects and product portfolio, resulting in a positive risk versus reward scenario for an investment in WiSA.

**Reverse stock split:** In April 2024, the company effected a 1:150 reverse stock split.

**Shareholder Vote May 31:** On May 31, 2024, WiSA Technologies will reconvene its Special Meeting of Stockholders. We recommend all shareholders vote so that the company can achieve a quorum and minimize costs and having to do a revote.

**Current valuation attractive:** We are maintaining our BUY rating, but lowering our 12-month price target to \$18 from \$30, which is based on a NPV analysis. We believe this valuation appropriately balances out the company's high risks with its high growth prospects and large upside opportunities.

## Company Description

Based in Beaverton, OR, WiSA Technologies sells audio chips, modules, and license IP to enable WiSA Association interoperability standards to deliver immersive wireless sound.

United States  
Technology

May 22, 2024

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## COMPANY UPDATE

Rating: **BUY**

Ticker: WISA

Price: \$2.52

Target: \$18  
(from \$30)

## Stock Data

Exchange:	NasdaqCM
52-week Range:	\$1.50 – 306.00
Shares Outstanding (million):	5
Market cap (\$million):	\$13
EV (\$million):	\$4
Debt (\$million):	\$0
Cash (\$million):	\$9
Avg. Daily Trading Vol. (\$million):	\$21
Float (million shares):	4
Short Interest (million shares):	~0
Dividend, annual (yield):	\$0 (NA%)

## Revenues (US\$ million)

	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>	<u>2025E</u> <u>(Cur.)</u>	<u>2025E</u> <u>(Old)</u>
Q1 Mar	0.3A	0.6E	0.8E	0.9E
Q2 Jun	0.4E	0.6E	1.0E	
Q3 Sep	1.3E	1.7E	2.4E	2.6E
Q4 Dec	<u>1.0E</u>	<u>1.1E</u>	<u>1.9E</u>	<u>1.6E</u>
<b>Total</b>	<b>3.0E</b>	<b>4.0E</b>	<b>6.0E</b>	
EV/Revs	1.3x		0.7x	

## Earnings per Share (pro forma)

	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>	<u>2025E</u> <u>(Cur.)</u>	<u>2025E</u> <u>(Old)</u>
Q1 Mar	(5.35)A	(1.55)E	(0.52)E	(1.76)E
Q2 Jun	(0.62)E	(1.67)E	(0.56)E	(1.62)E
Q3 Sep	(0.50)E	(1.84)E	(0.57)E	(1.95)E
Q4 Dec	<u>(0.43)E</u>	<u>(1.41)E</u>	<u>(0.43)E</u>	<u>(1.15)E</u>
<b>Total</b>	<b>(2.69)E</b>	<b>(6.46)E</b>	<b>(2.07)E</b>	<b>(6.48)E</b>
P/E	N/A		N/A	

\*Reflects a 1:150 reverse stock split in April 2024

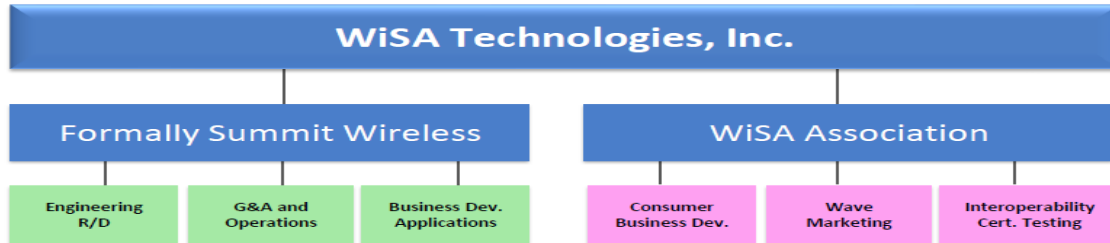
## Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

**For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 16.**

**Exhibit 1: WiSA Technologies, Inc. (f.k.a. Summit Wireless Technologies, Inc.) Overview**

Summit Wireless and WiSA Association now under WiSA Technologies, Inc. umbrella



**WiSA Association: Building a Standard**



The WiSA Association has 70+ member brands implementing worldwide standards for high definition, multi-channel, low latency audio using our WiSA global interoperability standard



**25+ Brands Shipping Summit Wireless' Technology**



2021 Shipping Display Brands	2021 Shipping Soundbar & Speaker Brands
<p><b>Strategic Partners</b></p>	

Source: Company reports

Exhibit 2: WiSA Investment Highlights

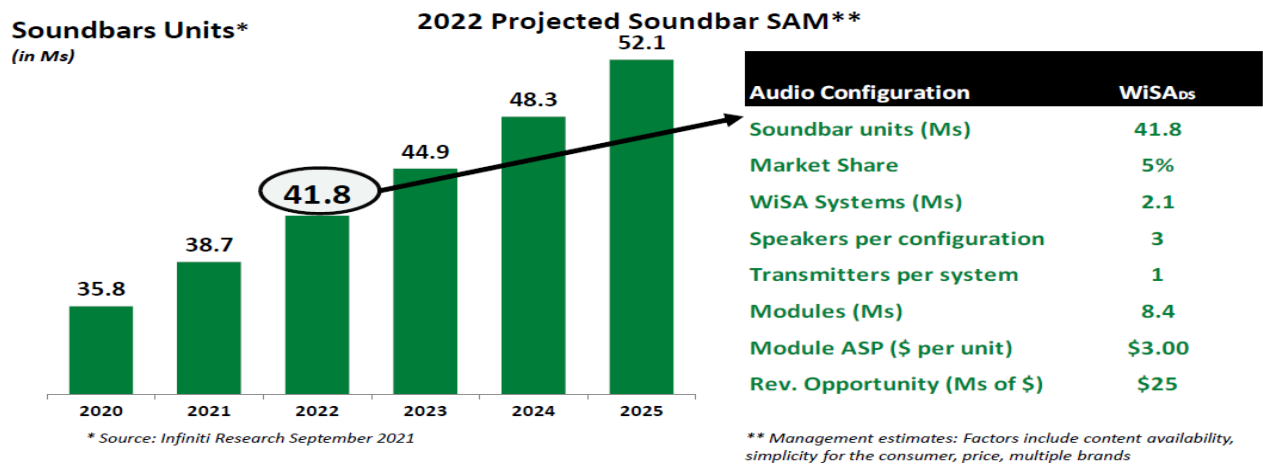
# Key Highlights

- 1 WiSA E's launch marks a major inflection point for the industry and the company
- 2 WiSA E licensing has commenced within the HDTV/PTV and STB market, boasting potent Software Transmission (TX) offerings
- 3 Strong IP position and significant patent coverage for immersive audio, with highly-differentiated multichannel wireless audio technology and existing implementations in premium audio brands
- 4 Uniquely driving interoperability between brands and devices with WiSA LLC (Wireless Speaker and Audio Association)
- 5 WiSA E is being launched into the company's existing Premier Customer base

Source: Company reports.

Exhibit 3: WiSA's Market Opportunity

## Soundbars: Target Market of Discovery Technology



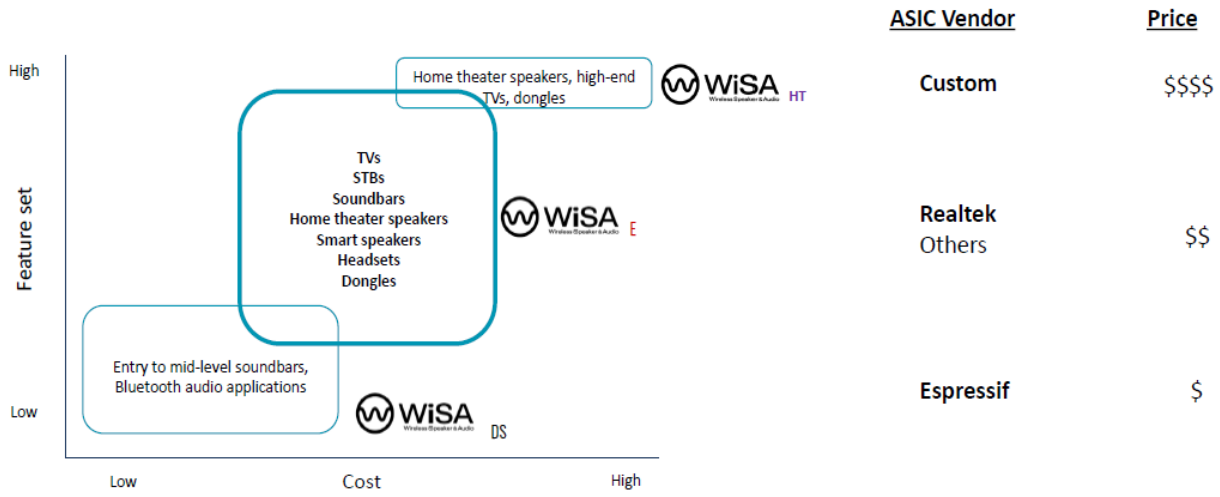
Source: Company reports.

**Exhibit 4: WiSA's Products**

**WiSA Product Families**

WiSA Technologies has a 10-year history of providing feature-rich wireless spatial technology for the premium market.

WiSA Technologies' recent product and partnership announcements focus on bringing the same technical know-how to build and market wireless spatial technology for mass-market products.



**Bringing Spatial Audio to the Mass Markets**

WiSA HT (Home Theater)	WiSA E (DS Module)	WiSA E (Enterprise Modules)	WiSA E (Embedded Software)
<ul style="list-style-type: none"> <li>5GHz with DFS support</li> <li>8 channels</li> <li>Fix Ultra low latency (5ms)</li> <li>Tight speaker sync</li> <li>24-bit audio</li> <li>Up to 96KHz sample rates</li> </ul>	<ul style="list-style-type: none"> <li>Low-cost 2.4GHz IoT transceiver</li> <li>(4+Sub) audio channels</li> <li>Fixed transport latency (40ms)</li> <li>Tight speaker sync</li> <li>16-bit audio</li> <li>48KHz sample rate</li> </ul>	<ul style="list-style-type: none"> <li>5GHz IoT transceiver</li> <li>8 audio channels</li> <li>Fixed transport latency (20ms)</li> <li>Tight speaker sync</li> <li>24-bit audio</li> <li>48KHz sample rate</li> <li>Initial launch was 7/15</li> </ul>	<ul style="list-style-type: none"> <li>5GHz IoT transceiver</li> <li>8 audio channels</li> <li>Fixed transport latency (20ms)</li> <li>Tight speaker sync</li> <li>24-bit audio</li> <li>48KHz sample rate</li> <li>High volume Tx applications (&gt; 1Mu/yr.)</li> </ul>

2015 – 2021	2022	2023	2024
<p>Custom ASIC</p>	<p>Software (RTOS, Linux)</p>	<p>Software (RTOS, Linux)</p>	<p>Software (RTOS, Linux)</p>

Source: Company reports.

Exhibit 5: WiSA E

# Universal Wireless Audio



**High performance audio transmission**

**Universality across technology vendors:**

- SoC: MediaTek, Amlogic, Qualcomm
- OS agnostic: Google
- Wi-Fi agnostic: Realtek, Espressif, ...

**Device agnostic: TV / Mobile / STB / Projector**

**Zero cost burden to source devices**

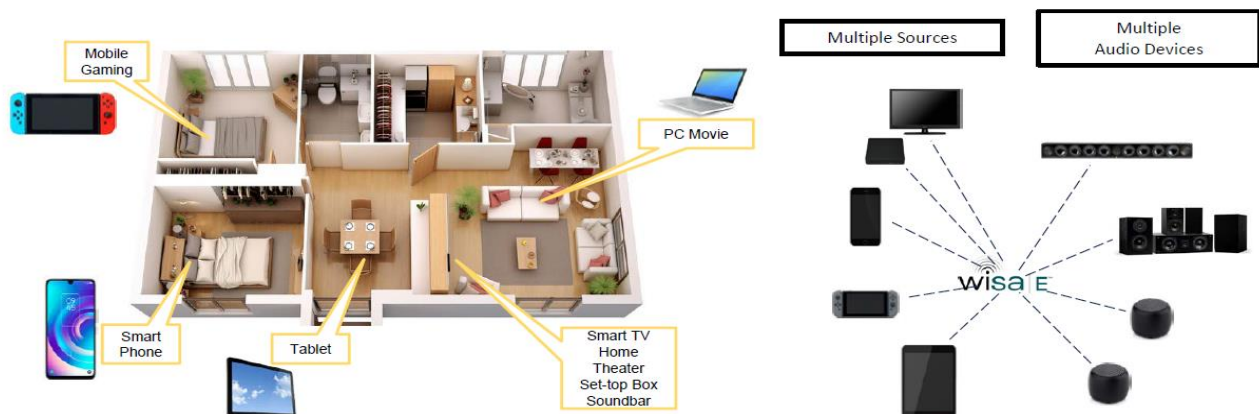
**Interoperable between source and audio brands**

- Speakers
- Soundbars
- Headphones
- Smart speakers

## The Power of WiSA E



Today: The Home is the Theater

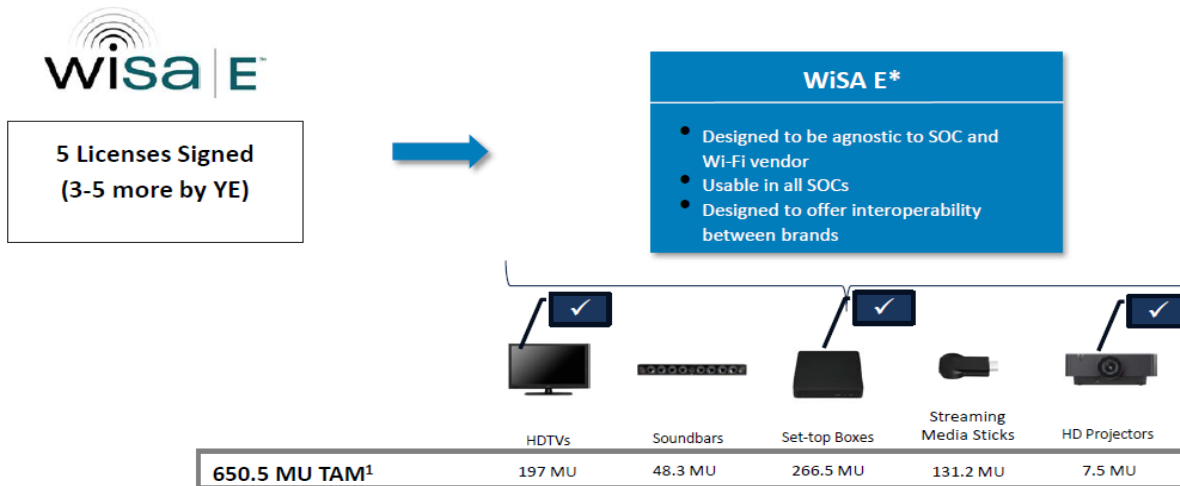


Source: Company reports.

Exhibit 6: WiSA E Business Model and Potential Revenue

# Go-to-Market Roadmap: WiSA E Software

## Software is the Key - Licensing is the Vehicle



\* Initial implementations for Android operating systems

<sup>1</sup> Unit volumes are for 2023 shipments

# Value of a Signed License - 5 TX Licenses

### Licensing Process

- Customer evaluates and tests WiSA E's performance
- Base license agreement is negotiated for each licensee and could include:
  - Royalty rate
  - Activation pricing
  - Engineering Services
  - Speaker module pricing
- Brand decides on go to market strategy roll out

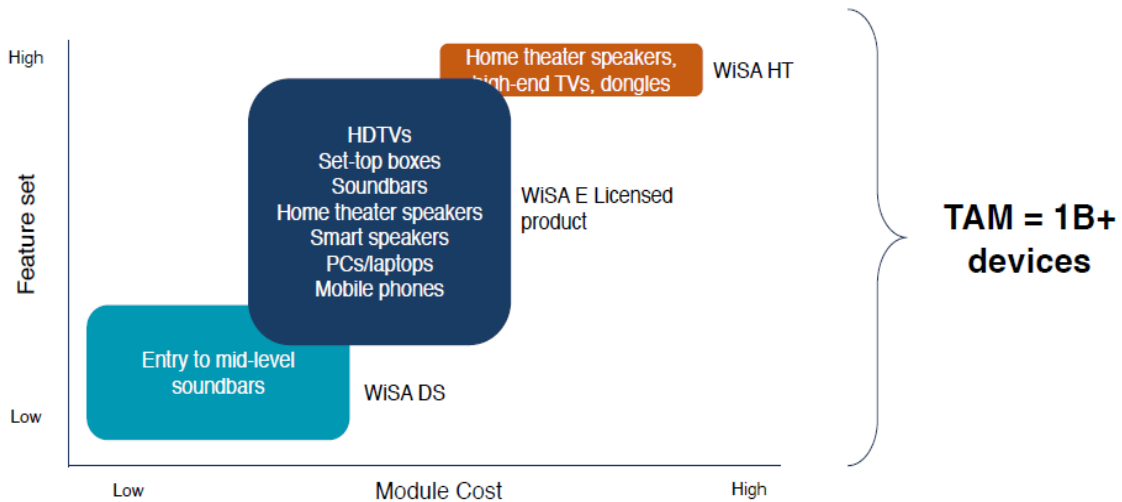
### SAM Calculation per Million TV/STB Devices

- CE brand's external audio attach rate range from single digits up to 20-25%
- Typical audio extension is 2-3 speakers per source device

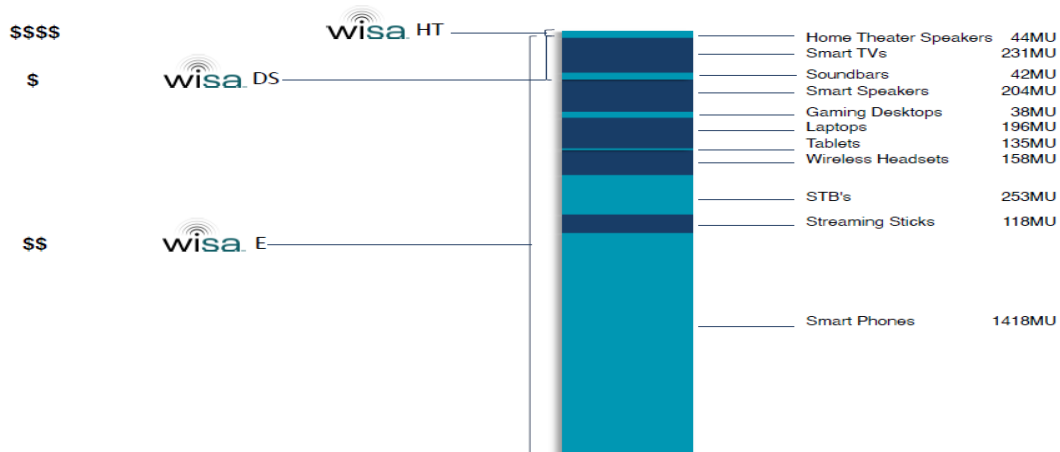
Source: Company reports.

Exhibit 7: WiSA Product Roadmap and Opportunities

# Licensing Enables Broad Market Expansion wisa



# WiSA DS and E Growth Opportunities wisa



Source: Company reports.

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Exhibit 8: WiSA's Outlook (as of May 2024)

## Financial Overview and Stockholders' Meeting



### 2024 Guidance:

- Existing WiSA E licensees will start impacting 2<sup>nd</sup> half revenue
- Expect to sign 3 or more additional WiSA E licenses this year
- WiSA HT customers have worked down inventories and are beginning to order again

### Balance Sheet:

- \$8 million cash as of May 21, 2024

### Nasdaq Listing:

- Have met the minimum bid price
- Recent capital raises have significantly increased shareholder equity

### Stockholders' Meeting, May 31:

- How to vote: email proxy solicitor at: [info@lionessconsultingllc.com](mailto:info@lionessconsultingllc.com)
- Quorum required: 50.1% of stockholders need to vote yes/no/abstain to reach a quorum to do business
  - Company wastes cash resources trying to reach that goal with repeated adjournments
  - **Proposal #2** is design to save this money and bring the company in line with normal threshold for quorum
- Proposal #1: reverse split provides Board flexibility to support continued listing on Nasdaq
- Proposals #3 and #4: warrants issued to investors who took risk of investment

Source: Company reports.

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**Exhibit 9: Q1 2024 and Recent Highlights (as of May 21, 2024)**

**Q1 2024 and Recent Operating Highlights**

- Implemented WiSA E in the Android mobile market, enabling users to watch video on mobile phones and tablets while listening to fully synchronized audio playback on WiSA E-enabled speakers.
- Expanded WiSA E market reach to over 40 million TVs with the addition of a third HDTV licensee.
- Executed a fourth 5-year WiSA E licensing agreement with a major HDTV/PTV (Projection TV) brand.
- Signed a fifth WiSA E licensing agreement with a global consumer electronics company.
- Announced that Optoma, the nation's leading 4K UHD and DLP® laser projection brand, received WiSA SoundSend Certification.
- Entered into a strategic partnership with CITECH Co., Ltd, a leading South Korean-based manufacturer of hi-fi audio products, digital advertising/information kiosks, and telecommunication media products, to integrate WiSA E software into CITECH's HiFi ROSE line of media streamers.

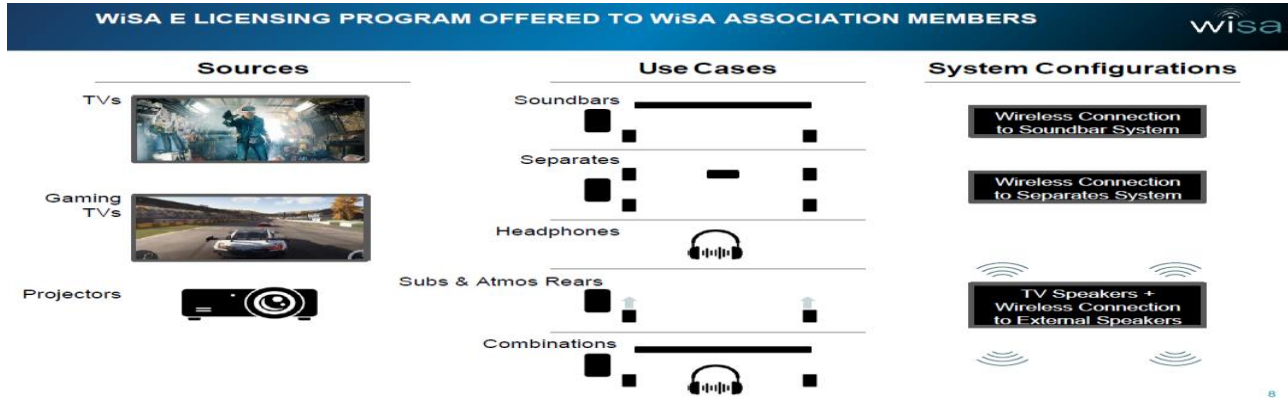
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Source: Company reports.

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## Exhibit 10: Current Focus on WiSA E



## Why WiSA E on TVs

### High performance wireless audio that:

- Has zero cost to the TVs bill of material
- Has high audio channel count to support Dolby Atmos and Atmos Music
- Has interoperability between brands
- Has speaker companies committed to the WiSA ecosystem
- Can be ported to multiple SoCs within each brand

### Lower cost to consumers while improving the audio experience

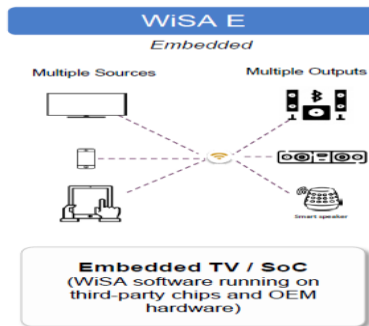
## WiSA E Launch

WiSA E launch is dramatically faster than the original HT launch. Stats from the first 90 days:

- 60+ meetings/presentations/demos across 30+ companies
- 13 Display brands (TVs and Projectors)
- 7 display brands reviewing licensing agreement, expect more
- 85 development boards have been shipped to customers

WiSA will be demonstrating embedded WiSA E on tier one TV at CES

## Forward to the Future



- Materially impact 2024 Revenue
- Expansion to other use cases at CES and in 2024
- TV partner announcements
- Speaker partner announcements
- Strategic partnering

Source: Company reports.

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Exhibit 11: Recent WiSA E Licensing Deals

April 18, 2024



## WiSA Strikes Game-Changing Fifth WiSA E Licensing Deal with Global Consumer Electronics Leader

*Licensing revenue will include royalty payments on transmitting (TX) software and engineering services; production targeted for the second half of 2024*

BEAVERTON, Ore.--(BUSINESS WIRE)-- WiSA Technologies, Inc. (Nasdaq: WISA), a leading innovator in wireless audio technology for intelligent devices and next-generation home entertainment systems, announced today the signing of a WiSA E licensing agreement with a top-three consumer electronics leader in their category. By licensing WISA E software and embedding WISA E's multichannel immersive audio functionality into their source devices, the licensee will eliminate the costly burden of additional hardware and will allow their end users to activate the embedded audio functionality by purchasing speakers designed to connect with the media device. Consumer-based activation of WISA's immersive audio opens a new avenue of revenue generation for the company.

"This is a game changer in the industry," said Brett Moyer, CEO of WISA Technologies. "WISA E will be used by a major CE manufacturer to embed high-quality immersive audio functionality in their devices – functionality that can be activated by the consumer in their home. This is significant because this new model seeds the market with WISA E and gives the consumer the ability to upgrade their home entertainment system at any time they choose. With this model, WISA has a built-in aftermarket revenue stream with each activation of its software. This is exactly why WISA Technologies chose to convert its award-winning hardware into a software model."

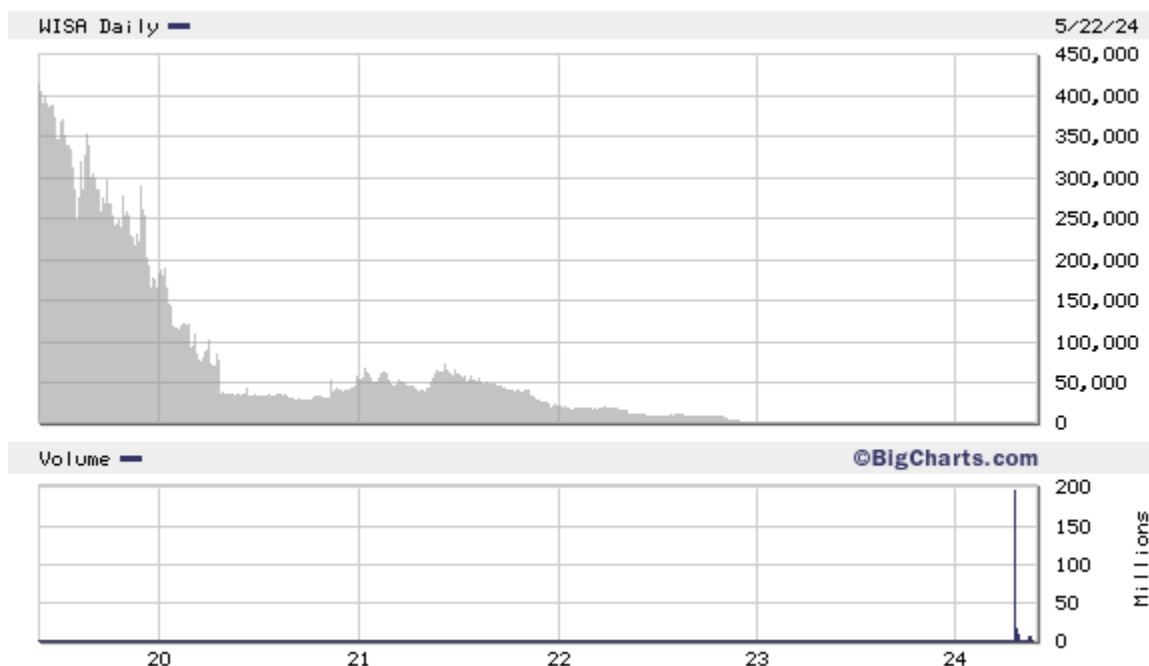
Under the terms of the agreement, the Company's licensing revenue will include royalty payments on its transmitting (TX) software tied to a user's activation of WISA's embedded immersive audio functionality. The activation model enables manufacturers to cost-effectively build audio-rich features which can generate aftermarket revenue from the sale of external speakers. Production devices as a result of this agreement are expected in the market in the second half of 2024.

WISA E entails a full suite of audio features that define how audio should be experienced across HDTVs, soundbars, projectors, mobile devices, streaming media devices, and speakers. WISA E is implementable across major SoC providers, including Realtek, Amlogic, Mediatek, and Novatek, enabling WISA E functionality to be built into existing hardware platforms.

Source: Company reports.

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**Exhibit 12: WISA Technologies's (f.k.a. Summit Wireless Technologies, Inc.) Stock Price (5-Years)**



\*Reflects a 1:150 reverse stock split in April 2024

Source: <https://bigcharts.marketwatch.com/>

**Exhibit 13: Consensus Expectations (as of May 20, 2024)**

	Revenue (mils)			EPS	
	<u>2024E</u>	<u>2025E</u>		<u>2024E</u>	<u>2025E</u>
Q1 Mar	\$0.7E		Q1 Mar	\$(28.50)E	
Q2 Jun	\$0.6E		Q2 Jun	\$(25.50)E	
Q3 Sep			Q3 Sep		
Q4 Dec			Q4 Dec		
<b>Total</b>	<b>\$5.8E</b>		<b>Total</b>	<b>\$(211.50)E</b>	<b>\$0.00E</b>

\*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

\*Reflects a 1:150 reverse stock split in April 2024

Source: Company report, LSEG, and Ascendant Capital Markets estimates

## FINANCIAL MODEL

### WISA Technologies, Inc.

Income Statement (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Total Revenue</b>	0.6	0.9	0.9	0.9	3.4	0.5	0.4	0.8	0.4	2.1	0.3	0.4	1.3	1.0	3.0	0.8	1.0	2.4	1.9	6.0
<b>Cost of Revenues</b>	0.5	0.8	0.8	0.9	3.0	1.7	0.6	2.4	0.8	5.5	0.3	0.3	1.0	0.7	2.3	0.6	0.7	1.7	1.3	4.3
Gross Profit	0.1	0.2	0.1	0.0	0.4	(1.3)	(0.2)	(1.7)	(0.3)	(3.5)	(0.1)	0.1	0.4	0.3	0.7	0.2	0.3	0.7	0.6	1.7
Research and development	1.5	1.9	1.9	1.8	7.1	1.9	1.9	1.8	1.8	7.5	1.7	0.7	1.3	0.5	4.2	0.8	1.0	1.2	0.9	3.9
Sales and marketing	1.3	1.3	1.5	2.0	6.1	1.3	1.1	1.4	1.4	5.2	0.9	0.4	0.7	1.0	3.0	1.0	1.0	1.2	0.9	4.1
General and administrative	1.1	1.1	1.4	1.5	5.2	1.4	1.5	1.4	1.1	5.4	1.4	1.3	0.7	1.0	4.4	1.0	1.0	1.2	0.9	4.1
Restructuring and other					0.0					0.0					0.0					0.0
Total operating expenses	4.0	4.3	4.9	5.3	18.4	4.5	4.5	4.7	4.3	18.0	4.1	2.5	2.7	2.4	11.6	2.7	3.0	3.5	2.8	12.0
<b>Operating income (loss)</b>	(3.9)	(4.1)	(4.7)	(5.3)	(18.0)	(5.8)	(4.7)	(6.3)	(4.6)	(21.5)	(4.2)	(2.3)	(2.3)	(2.1)	(10.9)	(2.5)	(2.7)	(2.9)	(2.3)	(10.3)
Interest income (expense)	(0.0)		(0.2)	(0.7)	(0.9)	(0.7)	(0.0)	(0.1)	(0.1)	(0.9)	(1.3)	0.0	0.0	0.0	(1.3)	0.0	0.0	0.0	0.0	0.0
Other income (expense)	(0.0)	(0.0)	0.3	2.5	2.8	5.6	(0.8)	0.3	(8.0)	(2.7)	2.3	(0.1)	(0.1)	0.0	2.1	(0.1)	(0.1)	(0.1)	0.0	(0.3)
Income before income taxes	(3.9)	(4.1)	(4.6)	(3.5)	(16.1)	(0.9)	(5.3)	(6.1)	(12.7)	(25.1)	(3.1)	(2.4)	(2.4)	(2.1)	(10.1)	(2.6)	(2.8)	(3.0)	(2.3)	(10.6)
Income taxes		0.0			0.0		0.0			0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(3.9)	(4.1)	(4.6)	(3.5)	(16.2)	(0.9)	(5.3)	(6.1)	(12.7)	(25.1)	(3.1)	(2.4)	(2.4)	(2.1)	(10.1)	(2.6)	(2.8)	(3.0)	(2.3)	(10.6)
<b>Nonrecurring/noncash adjustments</b>					0.0					0.0					0.0					0.0
<b>Net income (pro forma)</b>	(3.9)	(4.1)	(4.6)	(3.5)	(16.2)	(0.9)	(5.3)	(6.1)	(12.7)	(25.1)	(3.1)	(2.4)	(2.4)	(2.1)	(10.1)	(2.6)	(2.8)	(3.0)	(2.3)	(10.6)
EBITDA																				
Shares, Basic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.6	4.7	4.8	4.9	3.7	5.0	5.1	5.2	5.3	5.2
Shares, Diluted	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.6	4.7	4.8	4.9	3.7	5.0	5.1	5.2	5.3	5.2
EPS Basic (Pro forma)	(\$3,949.05)	(\$4,101.62)	(\$4,627.26)	(\$1,586.36)	(\$12,433.28)	(\$79.84)	(\$180.18)	(\$144.98)	(\$100.44)	(\$476.31)	(\$5.35)	(\$0.52)	(\$0.50)	(\$0.43)	(\$2.69)	(\$0.52)	(\$0.56)	(\$0.57)	(\$0.43)	(\$2.07)
EPS Diluted (Pro forma)	(\$3,949.05)	(\$4,101.62)	(\$4,627.26)	(\$1,586.36)	(\$12,433.28)	(\$79.84)	(\$180.18)	(\$144.98)	(\$100.44)	(\$476.31)	(\$5.35)	(\$0.52)	(\$0.50)	(\$0.43)	(\$2.69)	(\$0.52)	(\$0.56)	(\$0.57)	(\$0.43)	(\$2.07)
<b>Margins</b>																				
Gross margin	11.0%	19.9%	13.9%	1.6%	11.7%	-267.2%	-47.3%	-217.0%	-79.5%	-166.0%	-32.5%	27.0%	28.0%	30.0%	23.3%	26.0%	27.0%	28.0%	30.0%	28.2%
Research and development	271.6%	199.0%	206.9%	194.9%	212.3%	403.6%	454.8%	239.0%	426.7%	357.9%	672.5%	150.0%	100.0%	50.0%	140.2%	100.0%	100.0%	50.0%	50.0%	64.7%
Sales and marketing	229.7%	140.2%	164.2%	215.6%	182.5%	275.9%	256.2%	182.6%	331.0%	248.5%	364.3%	100.0%	50.0%	100.0%	100.0%	125.0%	100.0%	50.0%	50.0%	67.9%
General and administrative	198.9%	114.4%	149.4%	168.9%	153.2%	290.4%	345.9%	185.7%	263.6%	257.7%	561.2%	300.0%	50.0%	100.0%	146.5%	125.0%	100.0%	50.0%	50.0%	67.9%
Operating margin	-689.2%	-433.7%	-506.7%	-577.7%	-536.2%	-1237.1%	-1104.2%	-824.3%	-1100.7%	-1030.1%	#####	-523.0%	-172.0%	-220.0%	-363.4%	-324.0%	-273.0%	-122.0%	-120.0%	-172.4%
Tax rate, GAAP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net margin	-689.8%	-434.2%	-496.2%	-381.0%	-480.0%	-196.4%	-1253.2%	-794.7%	-3029.3%	-1204.1%	#####	-545.4%	-179.4%	-220.0%	-336.0%	-337.1%	-283.0%	-126.2%	-120.0%	-177.4%
<b>YY % change</b>																				
Total Revenue	-51%	-40%	-48%	-54%	-49%	-17%	-55%	-18%	-54%	-38%	-46%	5%	75%	127%	44%	200%	125%	75%	97%	100%
Gross margin	-79%	-59%	-74%	-98%	-79%	-2121%	-207%	-1384%	-2327%	-975%	-93%	-160%	-123%	-186%	-120%	-340%	125%	75%	97%	142%
Research and development	31%	44%	47%	24%	36%	23%	3%	-5%	0%	4%	-9%	-65%	-27%	-73%	-44%	-55%	50%	-13%	97%	-8%
Sales and marketing	49%	36%	51%	58%	49%	0%	-18%	-9%	-30%	-16%	-28%	-59%	-52%	-31%	-42%	3%	125%	75%	-2%	36%
General and administrative	16%	10%	30%	58%	28%	21%	36%	2%	-28%	4%	5%	-9%	-53%	-14%	-18%	-33%	-25%	75%	-2%	-7%
Operating income (loss)	43%	46%	63%	73%	57%	49%	14%	34%	-13%	19%	-28%	-50%	-63%	-55%	-49%	-40%	17%	24%	7%	-5%
Net income (loss)	18%	-11%	126%	14%	24%	-76%	30%	31%	265%	55%	240%	-54%	-60%	-84%	-60%	-18%	17%	23%	7%	6%
EPS Diluted (Pro forma)	-21%	-35%	108%	-48%	-21%	-98%	-96%	-97%	-94%	-96%	-93%	-100%	-100%	-100%	-99%	-90%	8%	14%	-1%	-23%

Source: Company reports and Ascendant Capital Markets estimates.

\*Reflects a 1-for-100 Reverse Stock Split in January 2023

\*Reflects a 1-for-150 Reverse Stock Split in April 2024

**WISA Technologies, Inc.**

Balance Sheet (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Assets</b>																
Cash and cash equivalents	9.1	4.8	2.6	2.9	5.3	2.0	0.2	0.4	2.8	8.6	6.0	5.2	3.0	0.4	(3.0)	(4.6)
Short term investments										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	0.2	0.3	0.2	0.3	0.2	0.1	0.4	0.3	0.3	0.3	1.0	0.7	0.6	0.8	1.8	1.5
Inventory	6.2	6.2	7.3	7.1	5.7	5.5	3.2	2.7	2.6	0.5	1.5	1.0	0.8	1.1	2.5	2.0
Deferred income taxes										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	1.0	0.5	1.0	0.9	1.1	0.6	0.9	0.6	0.6	0.2	0.7	0.5	0.4	0.5	1.2	0.9
Total current assets	16.5	11.8	11.2	11.1	12.3	8.2	4.8	4.1	6.2	9.6	9.1	7.4	4.8	2.8	2.5	(0.2)
Long term securities/investments										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property and equipment, net	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Intangibles, net										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.2	0.2	0.2	0.1	0.1	0.7	0.7	0.6	0.6	0.6	0.6	0.0	0.0	0.0	0.0	0.0
Total assets	17.0	12.2	11.6	11.5	12.6	8.9	5.5	4.8	6.9	10.3	9.9	7.4	4.9	2.9	2.6	(0.1)
<b>Liabilities and stockholders' equity</b>																
Accounts payable	2.1	1.2	2.6	2.0	2.2	0.9	2.0	2.3	3.3	0.3	1.0	0.7	0.6	0.8	1.8	1.4
Accrued expenses	1.7	1.5	1.2	1.6	1.1	1.0	1.2	1.3	1.1	0.4	1.3	1.0	0.8	1.0	2.4	1.9
Accrued interest										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred revenue										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term debt							0.6			0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	3.8	2.7	3.9	3.7	3.2	1.9	3.8	3.6	4.3	0.8	2.4	1.7	1.3	1.8	4.1	3.3
Deferred income taxes										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities	0.2	0.0	1.0	9.3	1.1	0.5	0.2	5.5	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6
Other long term liabilities	0.0	0.1	0.1	0.0		0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Long term debt			1.3	0.5	0.5					0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other liabilities	0.2	0.1	2.4	9.8	1.6	1.2	0.9	6.1	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
Preferred stock								0.2		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.8	1.1	1.5	1.9	2.3	2.7
Additional paid-in capital	229.1	229.6	230.2	226.3	237.0	240.4	241.6	241.9	241.7	241.7	241.7	241.7	241.7	241.7	241.7	241.7
Retained earnings	(216.1)	(220.2)	(224.8)	(228.3)	(229.2)	(234.6)	(240.7)	(247.0)	(244.3)	(246.8)	(249.2)	(251.3)	(253.9)	(256.7)	(259.7)	(261.9)
Treasury stock										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated other comprehensive income										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other										9.0	9.0	9.0	9.0	9.0	9.0	9.0
Total stockholders' equity	13.0	9.4	5.4	(2.0)	7.8	5.9	0.9	(4.9)	(2.7)	4.3	2.2	0.5	(1.7)	(4.1)	(6.7)	(8.6)
Total stockholders' equity and liabil	17.0	12.2	11.6	11.5	12.6	8.9	5.5	4.8	6.9	10.3	9.9	7.4	4.9	2.9	2.6	(0.1)

**Balance Sheet Drivers**

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	173%	55%	110%	97%	227%	134%	122%	153%	238%	50%	50%	50%	50%	50%	50%	50%
Accounts payable as % of total rev	371%	125%	280%	223%	465%	220%	255%	552%	1277%	75%	75%	75%	75%	75%	75%	75%
Inventories as % of cost of rev	1236%	824%	903%	785%	334%	875%	130%	363%	763%	150%	150%	150%	150%	150%	150%	150%
Accrued expenses as % of total rev	305%	160%	132%	178%	227%	229%	157%	314%	427%	100%	100%	100%	100%	100%	100%	100%
<b>Activity Ratios</b>																
A/R Days Sales Outstanding	39	24	23	27	43	21	51	63	102	70	70	70	70	70	70	70
Inventory Turnover	0.3x	0.5x	0.4x	0.5x	1.2x	0.5x	3.1x	1.1x	0.5x	2.7x	2.7x	2.7x	2.7x	2.7x	2.7x	2.7x
A/P Days Payable	375	141	293	204	114	135	72	277	867	92	94	96	91	92	94	96
<b>Book &amp; Cash Value (per share)</b>																
Book Value per Share (diluted)	#####	#####	#####	#####	#####	#####	\$21.00	-\$38.76	-\$4.56	\$0.91	\$0.47	\$0.11	-\$0.33	-\$0.81	-\$1.29	-\$1.62
Cash per Share (diluted)	#####	#####	#####	#####	#####	\$67.90	\$5.03	\$3.24	\$4.72	\$1.83	\$1.25	\$1.05	\$0.60	\$0.08	-\$0.58	-\$0.87
Net cash per Share (diluted)	#####	#####	#####	#####	#####	\$67.90	-\$9.89	\$3.24	\$4.72	\$1.83	\$1.25	\$1.05	\$0.60	\$0.08	-\$0.58	-\$0.87

Source: Company reports and Ascendant Capital Markets estimates

**WISA Technologies, Inc.**

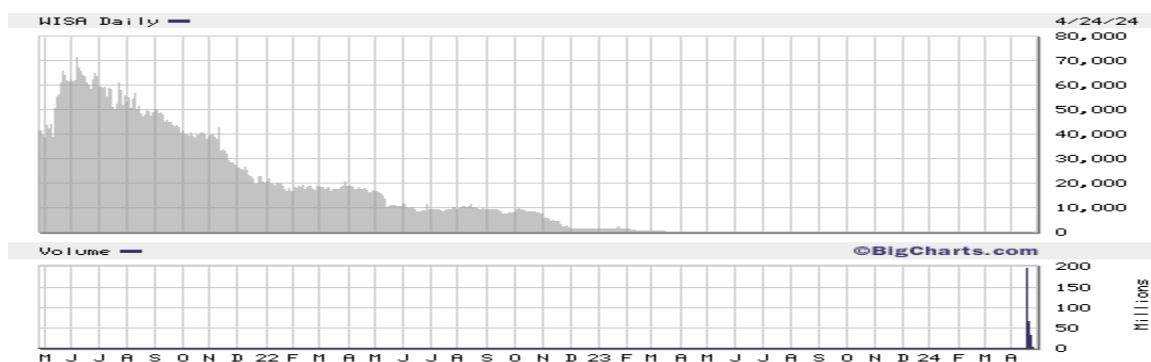
Cash Flow Statement (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
<b>Cash flow from operating activities</b>																					
Net income	(3.9)	(4.1)	(4.6)	(3.5)	(16.2)	(0.9)	(5.3)	(6.1)	(6.4)	(18.7)	2.7	(2.4)	(2.4)	(2.1)	(4.2)	(2.6)	(2.8)	(3.0)	(2.3)	(10.6)	
Depreciation	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	
Amortization					0.0					0.0					0.0					0.0	
Debt related amortization expense			0.2	0.7	0.9	0.7	0.0	0.0	0.1	0.9	1.3				1.3					0.0	
Stock comp	0.5	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.6	2.1	0.4	0.4	0.4	0.4	1.5	0.4	0.4	0.4	0.4	1.5	
Deferred rent					0.0					0.0					0.0					0.0	
Deferred income taxes					0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Provision for bad debts					0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Reserves					0.0					0.0					0.0					0.0	
Change in fair value of warrant liability			(0.3)	(2.5)	(2.8)	(5.6)	(0.2)	(0.3)	1.6	(4.5)	(8.1)				(8.1)					0.0	
Writedowns and impairments					0.0		0.8			0.8					0.0					0.0	
Other gains/losses					0.0					0.0					0.0					0.0	
Other					0.0					0.0					0.0					0.0	
Changes in operating assets and liabilities:																					
Accounts receivable	(0.0)	(0.0)	0.0	(0.0)	(0.1)	0.0	0.1	(0.3)	0.1	(0.0)	0.0	(0.1)	(0.7)	0.3	(0.4)	0.1	(0.2)	(1.1)	0.4	(0.7)	
Inventory	(1.4)	(0.0)	(1.0)	0.2	(2.3)	1.3	0.3	2.3	0.4	4.3	0.2	2.1	(1.0)	0.5	1.7	0.2	(0.3)	(1.4)	0.6	(1.0)	
Prepaid expenses & other curre	0.1	0.5	(0.5)	0.1	0.2	(0.3)	0.5	(0.4)	0.3	0.2	0.0	0.4	(0.4)	0.2	0.2	0.1	(0.1)	(0.7)	0.2	(0.5)	
Income tax					0.0					0.0					0.0					0.0	
Other assets		0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.6	0.6	0.0	0.0	0.0	0.0	0.0	
Accounts payable	0.6	(0.6)	1.1	(0.6)	0.5	0.1	(1.2)	1.0	0.4	0.3	0.2	(2.9)	0.7	(0.3)	(2.3)	(0.1)	0.2	1.0	(0.4)	0.7	
Accrued expenses	0.2	(0.6)	0.1	0.4	0.1	(0.6)	0.0	0.2	0.1	(0.2)	(0.2)	(0.6)	0.9	(0.4)	(0.4)	(0.2)	0.2	1.4	(0.5)	0.9	
Accrued interest					0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Deferred revenue					0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other liabilities	(0.0)	(0.1)	(0.0)	(0.0)	(0.1)	(0.0)		(0.0)	0.0	(0.1)	(0.0)	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	
<b>Net cash (used in) provided by</b>	<b>(4.0)</b>	<b>(4.3)</b>	<b>(4.6)</b>	<b>(4.6)</b>	<b>(17.5)</b>	<b>(4.6)</b>	<b>(4.5)</b>	<b>(3.0)</b>	<b>(2.7)</b>	<b>(14.8)</b>	<b>(3.5)</b>	<b>(3.2)</b>	<b>(2.6)</b>	<b>(0.8)</b>	<b>(10.1)</b>	<b>(2.1)</b>	<b>(2.6)</b>	<b>(3.4)</b>	<b>(1.5)</b>	<b>(9.6)</b>	
<b>Cash flow from investing activities</b>																					
Purchases of property and equi	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)		(0.1)	(0.0)	0.0	(0.1)	(0.0)	(0.1)	(0.1)	(0.0)	(0.1)	(0.1)	(0.2)	
Purchases of short-term investments					0.0					0.0					0.0					0.0	
Acquisitions					0.0					0.0					0.0					0.0	
Other					0.0					0.0					0.0					0.0	
<b>Net cash used in investing activ</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.2)</b>	
<b>Cash flow from financing activities</b>																					
Issuance of debt			2.5	(0.0)	2.5				0.6	0.6	0.6	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0	
Repayment of debt	(0.0)	(0.0)	(0.0)	(1.5)	(1.5)	(0.0)	(1.7)	(0.0)	(0.7)	(2.4)	(6.9)				(6.9)					0.0	
Issuance of stock				6.4	6.4	7.0	1.0		(4.0)	4.0	11.5	0.0	0.0	0.0	11.5	0.0	0.0	0.0	0.0	0.0	
Repurchase of common stock					0.0					0.0					0.0					0.0	
Proceeds from stock option exercises					0.0	0.0	1.9	1.2	7.1	10.2	0.7				0.7					0.0	
Other					0.0					0.0		9.0			9.0					0.0	
Dividends and distributions					0.0					0.0					0.0					0.0	
<b>Cash provided by (used in) fina</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>2.5</b>	<b>4.9</b>	<b>7.3</b>	<b>7.0</b>	<b>1.3</b>	<b>1.2</b>	<b>2.9</b>	<b>12.4</b>	<b>5.9</b>	<b>9.0</b>	<b>0.0</b>	<b>0.0</b>	<b>14.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
Effect of exchange rate on cash					0.0					0.0					0.0					0.0	
<b>Net increase (decrease) in cash</b>	<b>(4.0)</b>	<b>(4.3)</b>	<b>(2.1)</b>	<b>0.3</b>	<b>(10.2)</b>	<b>2.4</b>	<b>(3.3)</b>	<b>(1.8)</b>	<b>0.2</b>	<b>(2.5)</b>	<b>2.4</b>	<b>5.8</b>	<b>(2.6)</b>	<b>(0.8)</b>	<b>4.7</b>	<b>(2.2)</b>	<b>(2.6)</b>	<b>(3.4)</b>	<b>(1.6)</b>	<b>(9.7)</b>	
<b>Beginning cash and equivalents</b>	<b>13.1</b>	<b>9.1</b>	<b>4.8</b>	<b>2.6</b>	<b>13.1</b>	<b>2.9</b>	<b>5.3</b>	<b>2.0</b>	<b>0.2</b>	<b>2.9</b>	<b>0.4</b>	<b>2.8</b>	<b>8.6</b>	<b>6.0</b>	<b>0.4</b>	<b>5.2</b>	<b>3.0</b>	<b>0.4</b>	<b>(3.0)</b>	<b>5.2</b>	
<b>Ending cash and equivalents</b>	<b>9.1</b>	<b>4.8</b>	<b>2.6</b>	<b>2.9</b>	<b>2.9</b>	<b>5.3</b>	<b>2.0</b>	<b>0.2</b>	<b>0.4</b>	<b>0.4</b>	<b>2.8</b>	<b>8.6</b>	<b>6.0</b>	<b>5.2</b>	<b>5.2</b>	<b>3.0</b>	<b>0.4</b>	<b>(3.0)</b>	<b>(4.6)</b>	<b>(4.6)</b>	

Source: Company reports and Ascendant Capital Markets estimates

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## WISA Technologies, Inc.



\*Reflects a 1:150 reverse stock split in April 2024

Source: <https://bigcharts.marketwatch.com/>

Report	Report Date	Rating	Price Target
1	10/10/2018	Buy	2,100,000
2	11/20/2018	Buy	2,025,000
3	1/26/2019	Buy	1,875,000
4	3/31/2019	Buy	1,500,000
5	6/3/2019	Buy	1,200,000
6	8/15/2019	Buy	900,000
7	11/16/2019	Buy	600,000
8	3/26/2020	Buy	450,000
9	5/28/2020	Buy	225,000
10	8/18/2020	Buy	165,000
11	11/11/2020	Buy	180,000
12	3/18/2021	Buy	195,000
13	5/13/2021	Buy	210,000
14	8/17/2021	Buy	225,000
15	11/20/2021	Buy	180,000
16	3/16/2022	Buy	150,000
17	5/18/2022	Buy	75,000
18	8/22/2022	Buy	67,500
19	12/14/2022	Buy	26,250
20	3/28/2023	Buy	3,000
21	5/19/2023	Buy	1,500
22	8/24/2023	Buy	1,050
23	12/15/2023	Buy	300
24	4/24/2024	Buy	30

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	55	98%	18	33%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	56	100%	18	32%

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