



WiSA Technologies, Inc.

Reports weak Q2. However, launch of WiSA E and major new deals should provide strong growth prospects. Lowering P/T to \$14.

Q2 weak: WiSA recently (on August 14) reported its Q2 2024 (ending June) results. Revenue was \$0.3 million (-19% y-o-y), compared with our and consensus estimates of \$0.4 million. EPS was \$(11.89), compared with our estimate of \$(0.52) and consensus of \$(0.98). There was no Q2 guidance.

Weak demand continue: The company again (like in 2022 and 2023) had weak Q2 revenues (-19% 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 estimates: We are adjusting our 2024 estimates for revenue to \$1.9 million, from \$3.0 million, and for EPS to \$(13.48) from \$(2.69). We are adjusting our 2025 estimates for revenue to \$5.0 million, from \$6.0 million, and for EPS to \$(2.31) from \$(2.07).

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 5th 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.

Current valuation attractive: We are maintaining our BUY rating, but lowering our 12-month price target to \$14 from \$18, 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

August 28, 2024

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COMPANY UPDATE

Rating: **BUY**

Ticker: WISA

Price: \$1.46

Target: \$14
(from \$18)

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$1.44 – 129.00
Shares Outstanding (million):	6
Market cap (\$million):	\$9
EV (\$million):	\$3
Debt (\$million):	\$0
Cash (\$million):	\$6
Avg. Daily Trading Vol. (\$million):	\$2
Float (million shares):	5
Short Interest (million shares):	0.2
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		0.8E	
Q2 Jun	0.3A	0.4E	0.8E	1.0E
Q3 Sep	0.8E	1.3E	1.3E	2.4E
Q4 Dec	<u>0.5E</u>	<u>1.0E</u>	<u>2.1E</u>	<u>1.9E</u>
Total	1.9E	3.0E	5.0E	6.0E
EV/Revs	1.6x		0.6x	

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		(0.54)E	(0.52)E
Q2 Jun	(11.89)A	(0.62)E	(0.54)E	(0.56)E
Q3 Sep	(0.60)E	(0.50)E	(0.63)E	(0.57)E
Q4 Dec	<u>(0.53)E</u>	<u>(0.43)E</u>	<u>(0.59)E</u>	<u>(0.43)E</u>
Total	(13.48)E	(2.69)E	(2.31)E	(2.07)E
P/E	N/A		N/A	

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

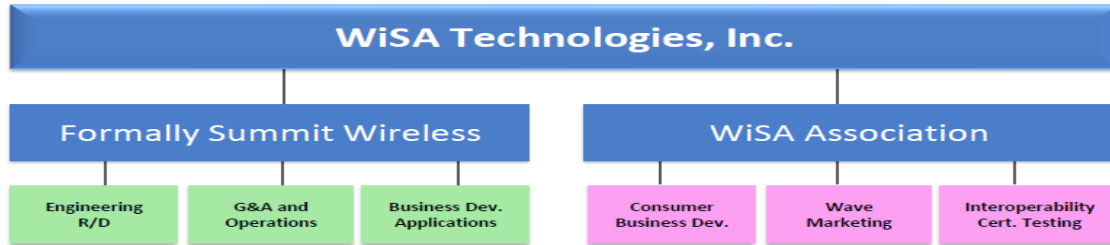
Important Disclosures

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
Strategic Partners	

Source: Company reports

Exhibit 2: WiSA Investment Highlights

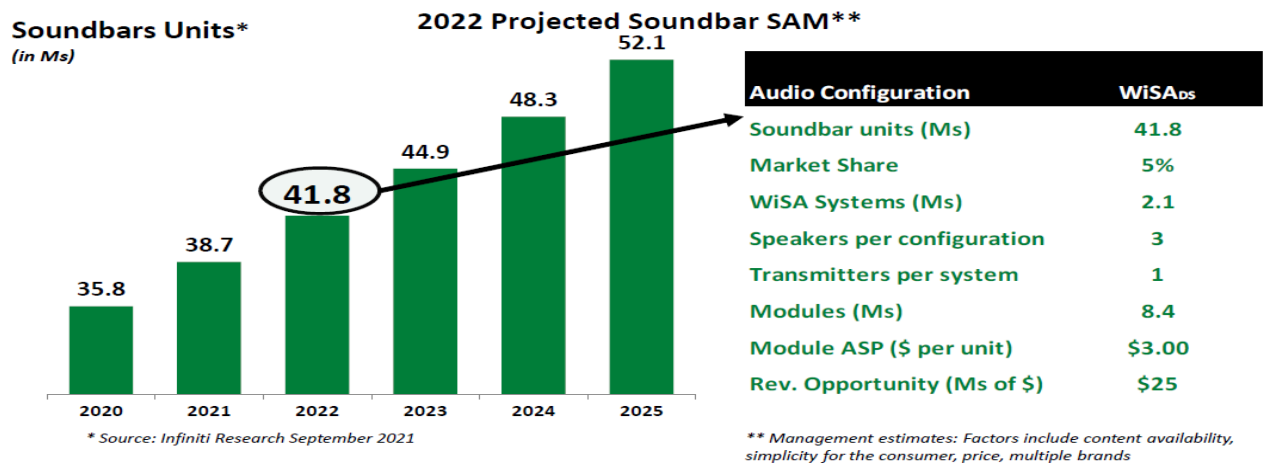
Key Highlights

- 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



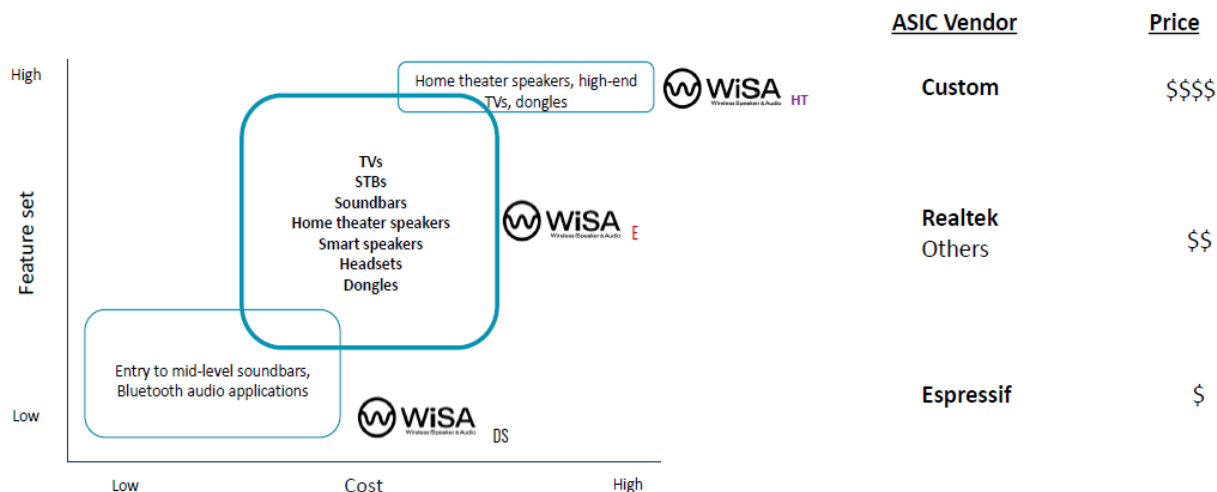
Source: Company reports.

Exhibit 4: WiSA's Products

WiSA Product Families W

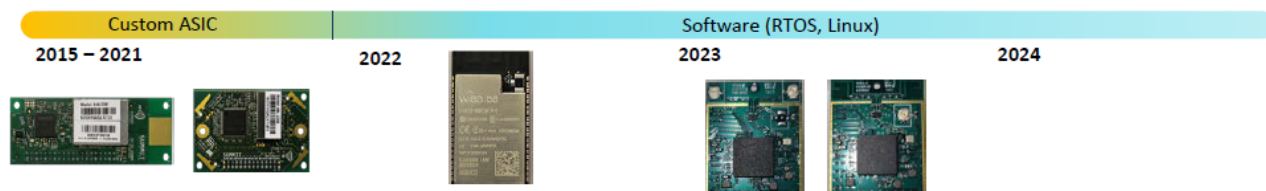
WiSA Technologies has a 10-year history of providing feature-rich wireless spatial technology for the premium market.

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

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

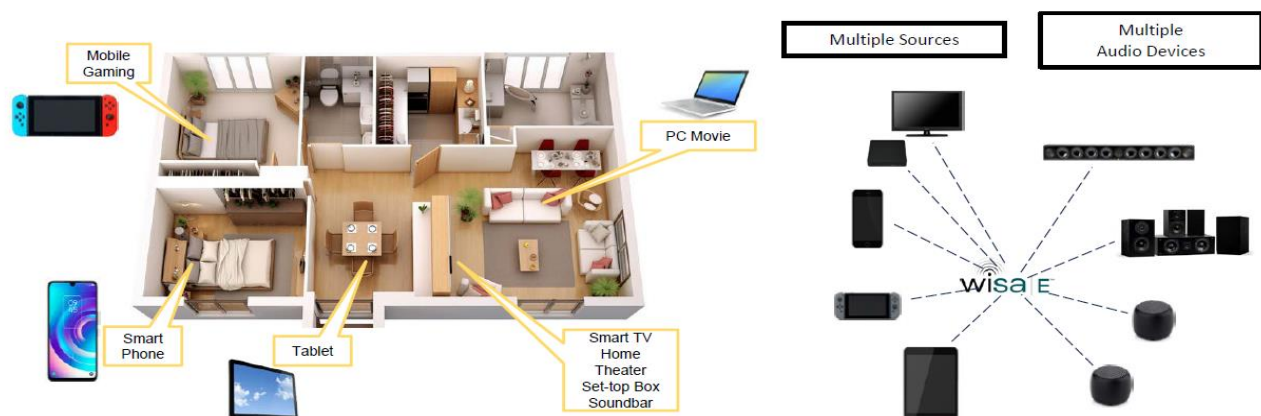
Headphones

Smart speakers

The Power of WiSA E



Today: The Home is the Theater

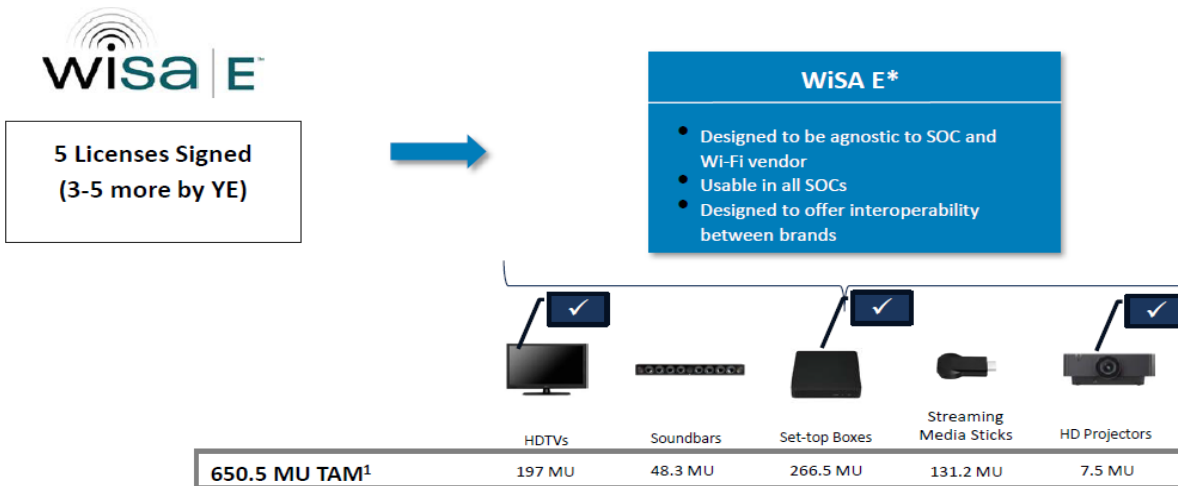


Source: Company reports.

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

¹ 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

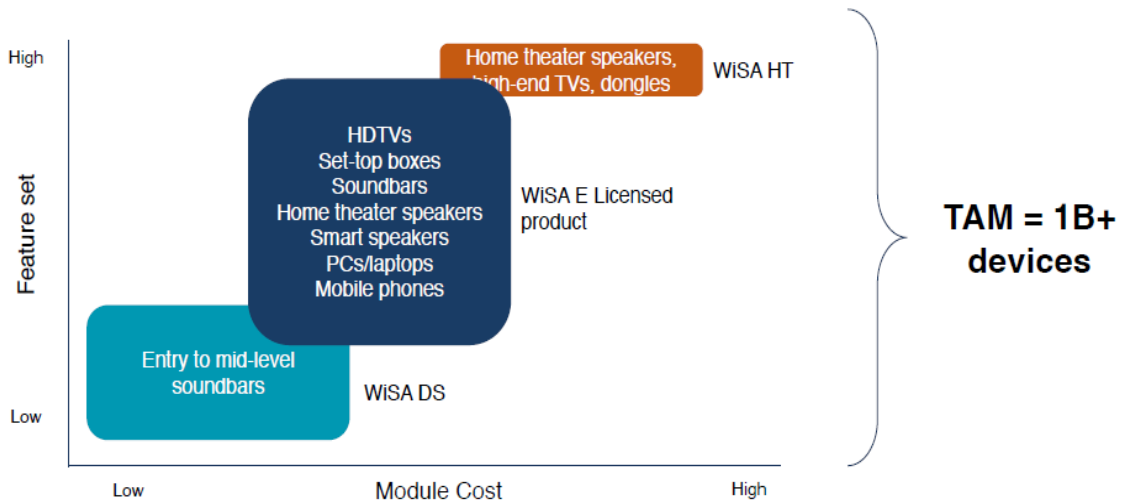
SAM Calculation per Million TV/STB Devices

- 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

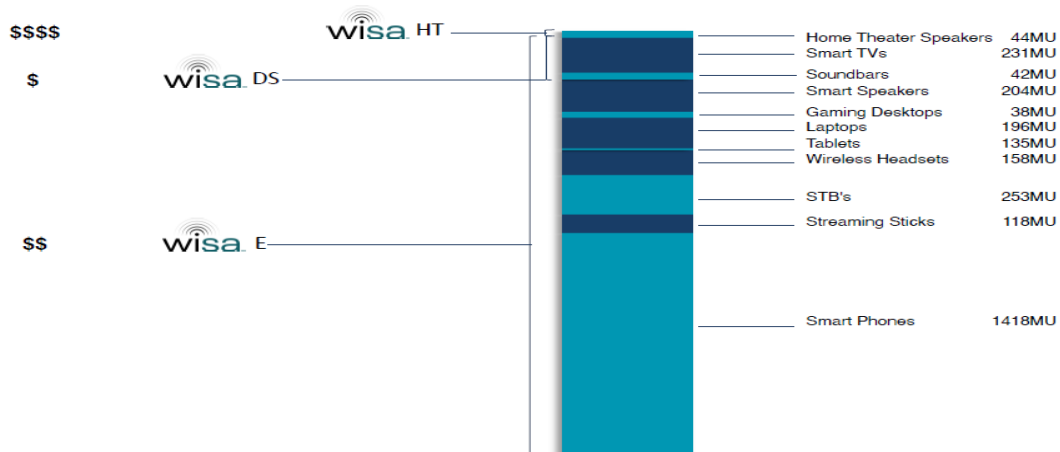
Source: Company reports.

Exhibit 7: WiSA Product Roadmap and Opportunities

Licensing Enables Broad Market Expansion



WiSA DS and E Growth Opportunities



Source: Company reports.

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

Financial Overview and Stockholders' Meeting



2024 Guidance:

- Existing WiSA E licensees will start impacting 2nd 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
- 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.

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

Q1 2024 and Recent Operating Highlights

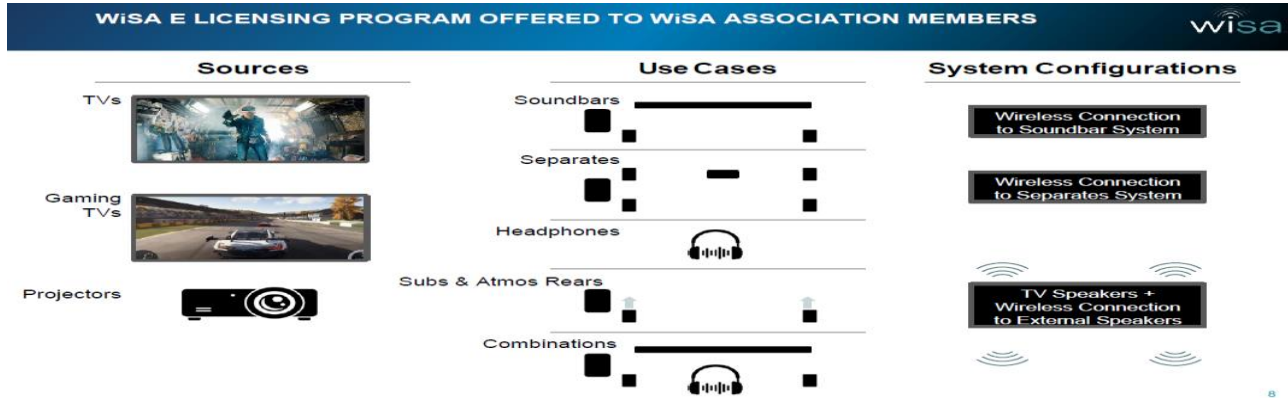
- Implemented WiSA E in the Android mobile market, enabling users to watch video on mobile phones and tablets while listening to fully synchronized audio playback on WiSA E-enabled speakers.
- Expanded WiSA E market reach to over 40 million TVs with the addition of a third HDTV licensee.
- Executed a 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.

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.
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Source: Company reports.

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

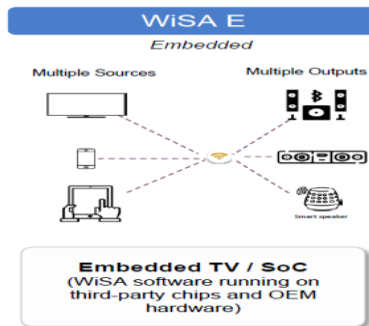
WiSA E Launch

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.

Exhibit 11: Recent WiSA E Licensing Deals

May 15, 2024



Universality of WiSA E Drives Licensing Business Opportunities

The Company's proprietary revolutionary technology delivers seamless integration across platforms and devices, setting a new standard for interoperable high-quality audio excellence

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, continues to see strong interest from major consumer electronics TV, projector, and set-top manufacturers for licensing its WiSA E technology. The Company is pleased to report that five WiSA E licenses with major brands in each category have been signed and that three additional global brands are currently reviewing the WiSA E licensing agreement. The first WiSA E-enabled products are scheduled to be delivered in the second half of 2024.

"WiSA E is designed to work with all the mainstream processors, operating systems, and Wi-Fi chips enabling seamless integration with TVs, set-top boxes or projectors with no additional parts and no additional BOM cost," said Tony Ostrom, president of the WiSA Association. "It is this universal quality of WiSA E that makes it so compelling to our customers. Five major brands have already signed licensing agreements; more are expected soon."

WiSA E has found strong traction in the market because of its universality in implementation and ubiquitous interoperability:

- System-on-Chip (SoC) agnostic
 - Compatibility with a wide array of SoCs including MediaTek, Qualcomm, Espressif, Amlogic, Realtek, Sunplus, and more.
- Operating-system agnostic
 - Currently integrated with Android devices.
- Wi-Fi agnostic
 - High-quality functionality across any Wi-Fi compliant chip.
- Device agnostic
 - Seamlessly embedded into TVs, mobile devices, set-top boxes, or projectors.
- Interoperable
 - WiSA E is designed to be interoperable between WiSA E audio source devices and WiSA E audio playback equipment, including speakers, soundbars, subwoofers, smart speakers, and headphones.
- Zero BOM (bill of materials) cost
 - WiSA E can be implemented in source devices at zero cost, providing a cost-effective solution without compromising on quality or performance.

Source: Company reports.

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 August 14, 2024)

	Revenue (mils)			EPS	
	<u>2024E</u>	<u>2025E</u>		<u>2024E</u>	<u>2025E</u>
Q1 Mar	\$0.3A		Q1 Mar	\$(5.35)A	
Q2 Jun	\$0.4E		Q2 Jun	\$(0.98)E	
Q3 Sep	\$1.0E		Q3 Sep	\$(0.68)E	
Q4 Dec			Q4 Dec		
Total	\$2.6E	\$6.5E	Total	\$(3.69)E	\$(2.51)E

*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	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	0.6	0.9	0.9	0.9	3.4	0.5	0.4	0.8	0.4	2.1	0.3	0.3	0.8	0.5	1.9	0.8	0.8	1.3	2.1	5.0
Cost of Revenues	0.5	0.8	0.8	0.9	3.0	1.7	0.6	2.4	0.8	5.5	0.3	0.3	0.6	0.4	1.6	0.6	0.6	1.0	1.5	3.6
Gross Profit	0.1	0.2	0.1	0.0	0.4	(1.3)	(0.2)	(1.7)	(0.3)	(3.5)	(0.1)	0.0	0.2	0.2	0.3	0.2	0.2	0.4	0.6	1.4
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	1.8	1.2	0.5	5.2	0.8	1.0	0.7	1.1	3.5
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	0.9	0.8	1.1	3.6	1.0	0.8	0.7	1.1	3.5
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	2.8	1.5	1.6	7.3	1.5	1.6	2.7	2.1	7.9
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	5.4	3.5	3.2	16.1	3.3	3.3	4.0	4.3	14.8
Operating income (loss)	(3.9)	(4.1)	(4.7)	(5.3)	(18.0)	(5.8)	(4.7)	(6.3)	(4.6)	(21.5)	(4.2)	(5.4)	(3.2)	(3.0)	(15.8)	(3.1)	(3.1)	(3.7)	(3.6)	(13.4)
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	(0.6)	0.3	(8.0)	(2.7)	2.3	(37.3)	(0.1)	0.0	(35.1)	(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)	(42.7)	(3.3)	(3.0)	(52.1)	(3.2)	(3.2)	(3.8)	(3.6)	(13.7)
Income taxes		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)	(42.7)	(3.3)	(3.0)	(52.1)	(3.2)	(3.2)	(3.8)	(3.6)	(13.7)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	(3.9)	(4.1)	(4.6)	(3.5)	(16.2)	(0.9)	(5.3)	(6.1)	(12.7)	(25.1)	(3.1)	(42.7)	(3.3)	(3.0)	(52.1)	(3.2)	(3.2)	(3.8)	(3.6)	(13.7)
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	3.6	5.6	5.7	3.9	5.8	5.9	6.0	6.1	6.0
Shares, Diluted	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.6	3.6	5.6	5.7	3.9	5.8	5.9	6.0	6.1	6.0
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)	(\$11.89)	(\$0.60)	(\$0.53)	(\$13.48)	(\$0.54)	(\$0.54)	(\$0.63)	(\$0.59)	(\$2.31)
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)	(\$11.89)	(\$0.60)	(\$0.53)	(\$13.48)	(\$0.54)	(\$0.54)	(\$0.63)	(\$0.59)	(\$2.31)
Margins																				
Gross margin	11.0%	19.9%	13.9%	1.6%	11.7%	-267.2%	-47.3%	-217.0%	-79.5%	-166.0%	-32.5%	3.2%	28.0%	30.0%	15.9%	26.0%	27.0%	28.0%	30.0%	28.4%
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%	518.6%	150.0%	100.0%	273.8%	100.0%	125.0%	50.0%	50.0%	69.2%
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%	250.7%	100.0%	200.0%	190.8%	125.0%	100.0%	50.0%	50.0%	69.2%
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%	800.6%	200.0%	300.0%	385.7%	200.0%	200.0%	200.0%	100.0%	157.6%
Operating margin	-689.2%	-433.7%	-506.7%	-577.7%	-536.2%	-1237.1%	-1104.2%	-824.3%	-1100.7%	-1030.1%	#####	-1566.7%	-422.0%	-570.0%	-834.2%	-399.0%	-398.0%	-272.0%	-170.0%	-267.6%
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%	#####	-12366.7%	-435.0%	-570.0%	#####	-412.1%	-410.9%	-279.4%	-170.0%	-273.6%
Y/Y % change																				
Total Revenue	-51%	-40%	-48%	-54%	-49%	-17%	-55%	-18%	-54%	-38%	-46%	-19%	0%	25%	-9%	200%	125%	75%	305%	165%
Gross margin	-79%	-59%	-74%	-98%	-79%	-2121%	-207%	-1384%	-2327%	-975%	-93%	-105%	-113%	-147%	-109%	-340%	1805%	75%	305%	373%
Research and development	31%	44%	47%	24%	36%	23%	3%	-5%	0%	4%	-9%	-7%	-37%	-71%	-30%	-55%	-46%	-42%	103%	-33%
Sales and marketing	49%	36%	51%	58%	49%	0%	-18%	-9%	-30%	-16%	-28%	-21%	-45%	-24%	-30%	3%	-10%	-13%	1%	-4%
General and administrative	16%	10%	30%	58%	28%	21%	36%	2%	-28%	4%	5%	88%	6%	42%	36%	7%	-44%	75%	35%	8%
Operating income (loss)	43%	46%	63%	73%	57%	49%	14%	34%	-13%	19%	-28%	15%	-49%	-35%	-26%	-27%	-43%	13%	21%	-15%
Net income (loss)	18%	-11%	126%	14%	24%	-76%	30%	31%	265%	55%	240%	701%	-45%	-76%	108%	1%	-93%	12%	21%	-74%
EPS Diluted (Pro forma)	-21%	-35%	108%	-48%	-21%	-98%	-96%	-97%	-94%	-96%	-93%	-93%	-100%	-99%	-97%	-90%	-95%	5%	13%	-83%

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	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	9.1	4.8	2.6	2.9	5.3	2.0	0.2	0.4	2.8	6.1	3.0	1.1	(1.8)	(4.6)	(8.3)	(12.0)
Short term investments											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	0.1	0.6	0.4	0.6	0.6	1.0	1.7
Inventory	6.2	6.2	7.3	7.1	5.7	5.5	3.2	2.7	2.6	2.3	0.8	0.6	0.8	0.8	1.5	2.2
Deferred income taxes											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	1.4	0.4	0.3	0.4	0.4	0.7	1.1
Total current assets	16.5	11.8	11.2	11.1	12.3	8.2	4.8	4.1	6.2	10.0	4.8	2.4	0.0	(2.7)	(5.2)	(7.0)
Long term securities/investments											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	0.1
Intangibles, net											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
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	10.6	5.5	2.4	0.1	(2.7)	(5.0)	(6.9)
Liabilities and stockholders' equity																
Accounts payable	2.1	1.2	2.6	2.0	2.2	0.9	2.0	2.3	3.3	2.2	0.6	0.4	0.6	0.6	1.0	1.6
Accrued expenses	1.7	1.5	1.2	1.6	1.1	1.0	1.2	1.3	1.1	1.4	0.8	0.5	0.8	0.8	1.3	2.1
Accrued interest											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
Deferred income tax											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
Short term debt							0.6				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	3.6	1.3	0.9	1.3	1.4	2.4	3.7
Deferred income taxes											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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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
Total other liabilities	0.2	0.1	2.4	9.8	1.6	1.2	0.9	6.1	5.3	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Preferred stock								0.2			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	0.0	0.4	0.8	1.2	1.6	2.0	2.4
Additional paid-in capital	229.1	229.6	230.2	226.3	237.0	240.4	241.6	241.9	241.7	293.4	293.4	293.4	293.4	293.4	293.4	293.4
Retained earnings	(216.1)	(220.2)	(224.8)	(228.3)	(229.2)	(234.6)	(240.7)	(247.0)	(244.3)	(287.0)	(290.3)	(293.3)	(296.5)	(299.7)	(303.4)	(307.1)
Treasury stock											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
Other											0.0	0.0	0.0	0.0	0.0	0.0
Total stockholders' equity	13.0	9.4	5.4	(2.0)	7.8	5.9	0.9	(4.9)	(2.7)	6.4	3.5	0.9	(1.9)	(4.7)	(8.0)	(11.2)
Total stockholders' equity and liabil	17.0	12.2	11.6	11.5	12.6	8.9	5.5	4.8	6.9	10.6	5.5	2.4	0.1	(2.7)	(5.0)	(6.9)

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	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	173%	55%	110%	97%	227%	134%	122%	153%	238%	410%	50%	50%	50%	50%	50%	50%
Accounts payable as % of total rev	371%	125%	280%	223%	465%	220%	255%	552%	1277%	635%	75%	75%	75%	75%	75%	75%
Inventories as % of cost of rev	1236%	824%	903%	785%	334%	875%	130%	363%	763%	698%	150%	150%	150%	150%	150%	150%
Accrued expenses as % of total rev	305%	160%	132%	178%	227%	229%	157%	314%	427%	400%	100%	100%	100%	100%	100%	100%
Activity Ratios																
A/R Days Sales Outstanding	39	24	23	27	43	21	51	63	102	31	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	0.6x	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	590	94	96	91	92	94	96
Book & Cash Value (per share)																
Book Value per Share (diluted)	#####	#####	#####	#####	#####	#####	\$21.00	-\$38.76	-\$4.56	\$1.79	\$0.62	\$0.16	-\$0.32	-\$0.79	-\$1.34	-\$1.84
Cash per Share (diluted)	#####	#####	#####	#####	#####	#####	\$67.90	\$5.03	\$3.24	\$4.72	\$1.70	\$0.53	-\$0.31	-\$0.78	-\$1.39	-\$1.96
Net cash per Share (diluted)	#####	#####	#####	#####	#####	#####	\$67.90	-\$9.89	\$3.24	\$4.72	\$1.70	\$0.53	-\$0.31	-\$0.78	-\$1.39	-\$1.96

Source: Company reports and Ascendant Capital Markets estimates

WISA Technologies, Inc.

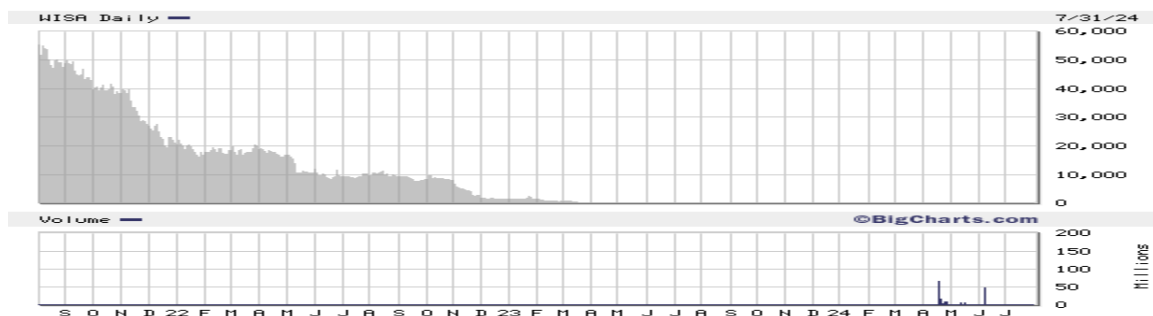
Cash Flow Statement (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(3.9)	(4.1)	(4.6)	(3.5)	(16.2)	(0.9)	(5.3)	(6.1)	(6.4)	(18.7)	2.7	(42.7)	(3.3)	(3.0)	(46.3)	(3.2)	(3.2)	(3.8)	(3.6)	(13.7)	
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	0.0			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	1.6	0.4	0.4	0.4	0.4	1.6	
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	
Provision for bad debts					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)	37.3			29.1					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	0.2	(0.5)	0.2	(0.1)	(0.2)	(0.0)	(0.4)	(0.6)	(1.2)	
Inventory	(1.4)	(0.0)	(1.0)	0.2	(2.3)	1.3	0.3	2.3	0.4	4.3	0.2	0.2	1.5	0.3	2.2	(0.3)	(0.0)	(0.6)	(0.8)	(1.7)	
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	(0.5)	1.0	0.1	0.7	(0.1)	(0.0)	(0.3)	(0.4)	(0.8)	
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	(0.8)	(1.6)	(0.2)	(2.3)	0.2	0.0	0.4	0.6	1.2	
Accrued expenses	0.2	(0.6)	0.1	0.4	0.1	(0.6)	0.0	0.2	0.1	(0.2)	(0.2)	0.3	(0.6)	(0.2)	(0.8)	0.2	0.0	0.6	0.8	1.6	
Accrued interest					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	
Other liabilities	(0.0)	(0.1)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	0.0	(0.1)	(0.1)	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	
Net cash (used in) provided by	(4.0)	(4.3)	(4.6)	(4.6)	(17.5)	(4.6)	(4.5)	(3.0)	(2.7)	(14.8)	(3.5)	(5.5)	(3.1)	(1.8)	(14.0)	(2.9)	(2.8)	(3.7)	(3.6)	(12.9)	
Cash flow from investing activities																					
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		(0.2)			(0.2)					0.0	
Net cash used in investing acti	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	(0.1)	(0.0)	(0.2)	(0.1)	(0.0)	(0.2)	(0.1)	(0.0)	(0.1)	(0.1)	(0.2)	
Cash flow from financing activities																					
Issuance of debt			2.5	(0.0)	2.5				0.6	0.6	0.6		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)	(0.0)			(6.9)					0.0	
Issuance of stock				6.4	6.4	7.0	1.0		(4.0)	4.0	11.5	8.5	0.0	0.0	20.0	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	0.6			1.3					0.0	
Other					0.0					0.0					0.0					0.0	
Dividends and distributions					0.0					0.0					0.0					0.0	
Cash provided by (used in) fina	(0.0)	(0.0)	2.5	4.9	7.3	7.0	1.3	1.2	2.9	12.4	5.9	9.0	0.0	0.0	14.9	0.0	0.0	0.0	0.0	0.0	
Effect of exchange rate on cash					0.0					0.0					0.0					0.0	
Net increase (decrease) in cash	(4.0)	(4.3)	(2.1)	0.3	(10.2)	2.4	(3.3)	(1.8)	0.2	(2.5)	2.4	3.4	(3.1)	(1.8)	0.7	(3.0)	(2.8)	(3.7)	(3.7)	(13.1)	
Beginning cash and equivalents	13.1	9.1	4.8	2.6	13.1	2.9	5.3	2.0	0.2	2.9	0.4	2.8	6.1	3.0	0.4	1.1	(1.8)	(4.6)	(8.3)	1.1	
Ending cash and equivalents	9.1	4.8	2.6	2.9	2.9	5.3	2.0	0.2	0.4	0.4	2.8	6.1	3.0	1.1	1.1	(1.8)	(4.6)	(8.3)	(12.0)	(12.0)	

Source: Company reports and Ascendant Capital Markets estimates

ANALYST CERTIFICATION

Each analyst hereby certifies that the views expressed in this report reflect the analyst’s personal views about the subject securities or issuers. Each analyst also certifies that no part of the analyst’s compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst who prepared this report is compensated based upon the overall profitability of Ascendant Capital Markets, LLC, which may, from time to time, include the provision of investment banking, financial advisory and consulting services. Compensation for research is based on effectiveness in generating new ideas for clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

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
25	5/22/2024	Buy	18

- Ascendant Capital Markets, LLC has not received compensation for advisory or investment banking services from the company in the past 12 months.

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Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of July 12, 2024)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	58	98%	21	36%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	59	100%	21	36%

Other Important Disclosures

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