



# The New Industry Standard for Immersive Wireless Sound

**Summit Wireless Technologies, Inc. (NASDAQ: WISA)**

**First Quarter 2020 Results Conference Call as of May 27, 2020**

# Forward Looking Statements



This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Readers are cautioned not to place undue reliance on these forward-looking statements. Actual results may differ materially from those indicated by these forward-looking statements as a result of risks and uncertainties impacting Summit Wireless' business including, current macroeconomic uncertainties associated with the COVID-19 pandemic, our the ability to predict the timing of design wins entering production and the potential future revenue associated with design wins; rate of growth; the ability to predict customer demand for existing and future products and to secure adequate manufacturing capacity; consumer demand conditions affecting customers' end markets; the ability to hire, retain and motivate employees; the effects of competition, including price competition; technological, regulatory and legal developments; developments in the economy and financial markets and other risks detailed from time to time in Summit Wireless' filings with the Securities and Exchange Commission.

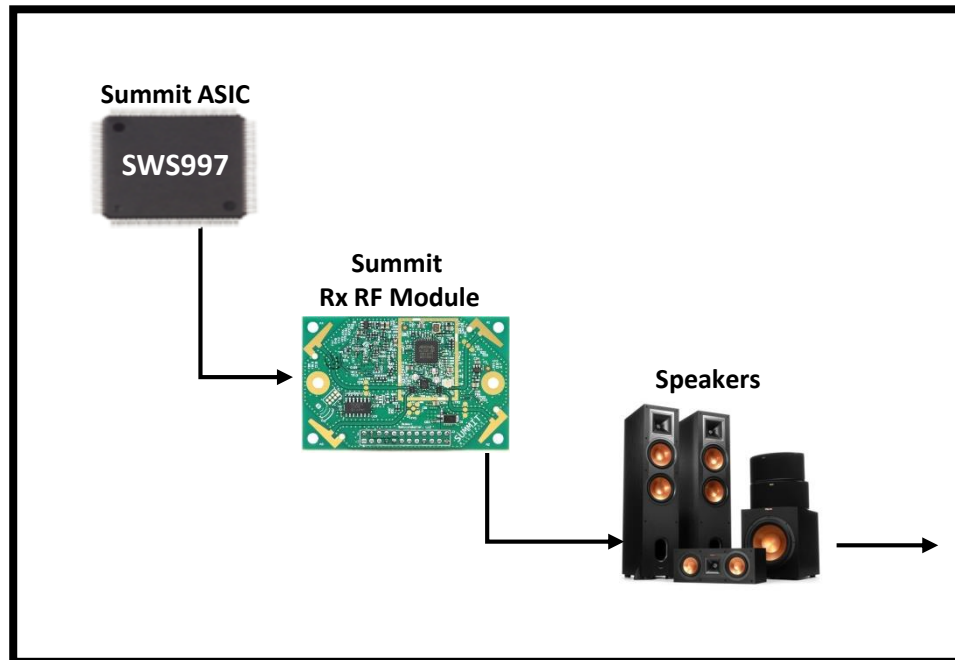
\* WiSA Ready TVs, gaming PCs and console systems are "ready" to transmit audio to WiSA Certified speakers when a WiSA USB Transmitter is plugged in and a user interface is activated through an APP or product design like LG TVs.

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## *Summit: Wireless Immersive Sound for Smart Devices*

## *WiSA: Audio industry standard*

Technology portfolio; ASICs, modules, IP



60+ WiSA Brands; TVs, speakers, media devices, and ODMs



# WiSA Association: Building a Standard

- **WiSA (Wireless Speaker and Audio) Association** founded by Summit Wireless Technologies
- **60+ leading consumer electronics brands** meet strict requirements for interoperability
- **Championing the most reliable, global interoperability standards** across the audio industry for high definition, multi-channel, low latency audio



# WiSA Association Boasts Tier-1 Members

## TV MEMBERS



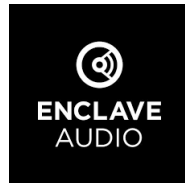
Bang & Olufsen



## TRANSMIT + SPEAKER MEMBERS



Bang & Olufsen



SAVANT



DYNAUDIO

ARTISON



ELECTROCOMPANET

## OTHER KEY MEMBERS

Klipsch®




System Audio A/S

Hansong



# Products Launched/Launching

## Product Rollout: TVs




### Production/Design Engagements For 2020

Transmitting Devices	Status
LG WISA Ready OLED and Nanocell TVs	USB WISA Transmitter required
Foxconn 8K TV: Sharp Brand	Mass Production Target Q3 with TX
TV Brand X-D 8K	Manufacturing Validation: Internal TX Q3
Bang and Olufsen TVs	Legacy: Internal TX
TV Brand X-C	WISA Ready 8K and Laser TVs

*In retail market now or expected by end Q3 2020;*

### Expansion Continues in 2021


- Incrementally add 3-4 TV brands marketing
- 8K projects expand to 4K TV product lines
- Speakerless TVs



- Three 8k TV brands are expected to be shipping
- No material change in speaker brands' product design and production start dates

Transmitting Devices: Non-TV	Application
• Primare Preamp	(All HDMI)
• Primare Network Center	(All HDMI)
• Axiim Q 4K Media Center	(All HDMI)
• LG Innotek USB WiSA Transmitter	(WiSA Ready devices)
• Axiim LINK USB WiSA Transmitter	(WiSA Ready plus Xbox, PC/MAC)
• Harman Citation Soundbar	(All HDMI)
• <b>Harman Soundbar #2</b>	<b>(All HDMI)</b>
• Harman HK Streaming Box	(All HDMI)
• Enclave Audio HDMI Dongle	(All HDMI)
• Savant Home Control Soundbar	(All HDMI)
• Almando Multiplay Surround Switch	(All HDMI)
• <b>WiSA HDMI Hub Q2 Launch</b>	<b>(All HDMI)</b>

## Product Rollout Speakers



• Axiim XM speakers	• Klipsch Reference Wireless
• Axiim WM speakers	• System Audio 5 Series
• Bang and Olufsen speakers	• System Audio 40 Series
• Enclave Audio CineHome	• System Audio 60 Series
• Enclave audio CineHome II	• System Audio New Series
• Enclave Audio CineHome Pro	• Savant Smart Audio family of soundbar and speakers
• Harman Citation speakers	• EC Living speaker family
• Harman HK Surround speakers	• Platin Audio Monaco
• Harman New Project in prototype	• Platin Audio Milan Pre-production
• <b>Brand X-A</b> Project 1 in pre-prod.	• Golden Ears speaker family
• <b>Brand X-A</b> Project 2 in prototype	• Sharp 8K Speakers Pre-production units
• <b>Brand X-B</b> Project 1 in prototype	• <b>Brand X-E</b> Pre-production units
• <b>Brand X-F</b> Project 1 in prototype	• <b>Brand X-D</b> speakers in Design
• <b>Brand X-G</b> speakers in production	

# COVID-19 Impact

- Universally, retail is not happening in March/Q2 in brick and mortar stores except:
  - Survival: Target, Walmart, etc.
  - Home Improvements; Home Depot, Lowes, etc.
- Consumers prioritizing their castle and investing
  - We believe a home entertainment cycle of improvements will follow the first wave of physical improvements that is currently underway this Fall
  - **“70% of people are more likely to see a first run movie from their couch” May 2020 Performance Research**
- PPP loan of \$850k was received this month and will reduce the salary cuts through September:

CEO	25%	Core Team	15%
Sr. Mgt	20%	Entry Level	back to base wage
- Impacted supply chain in March to a small degree, potentially on the ramp up in Q3
- Holiday season has to be planned by the end of June and produced in Q3/October

# Holiday Season Built on Strategy and Value Proposition



- Soundbar and HTiB Market Size
- WiSA's Initiatives:
  - Value proposition of WiSA certified multi-channel Audio vs SB
  - HDMI Hub
  - Competitive Matrix
  - Marketing Test Results
  - Share Marketing Results extending the SB product lines to include WiSA HTiB
- Summit's next generation driving cost down



# 35M Unit Soundbar Market Expected in 2020



Audio Configuration	Soundbar Market	
	5.1	3.1
WW Smart TVs (Ms)	35	35
Conversion to WiSA system*	5%	5%
Audio Systems Sold (Ms)	1.75	1.75
Speakers per configuration	6	4
Transmitters per system	1	1
Module TAM (Ms)	12.25	8.75
Module ASP	\$ 9	\$ 9
Rev. TAM (Ms of \$)	\$ 110	\$ 79

\* Mgt Estimate

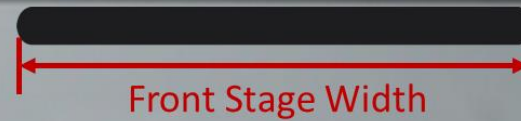
- 35M soundbars units shipped estimated for 2020 worldwide
- 10-12M soundbars and HTiB (Home Theater in a Box) units estimated for 2020 in the US

# Big Video Deserves Big Sound

**Big Video, Small Sound**

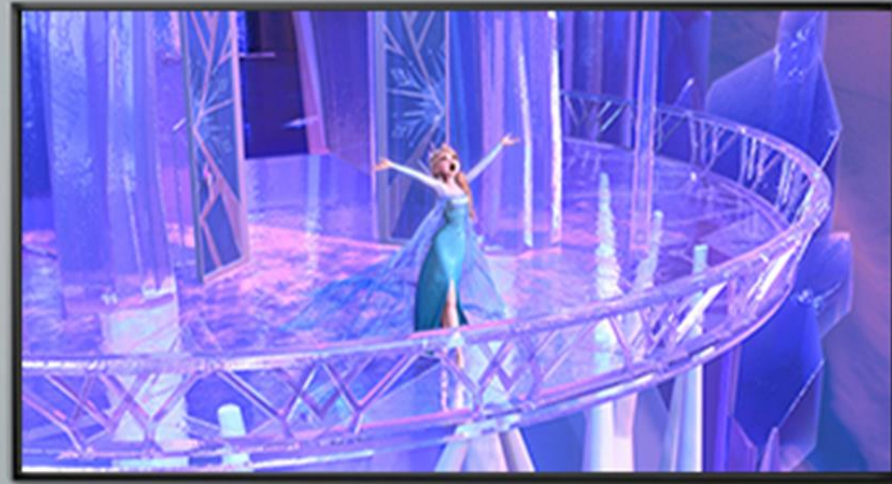


- SMART TV
- Immersive Content

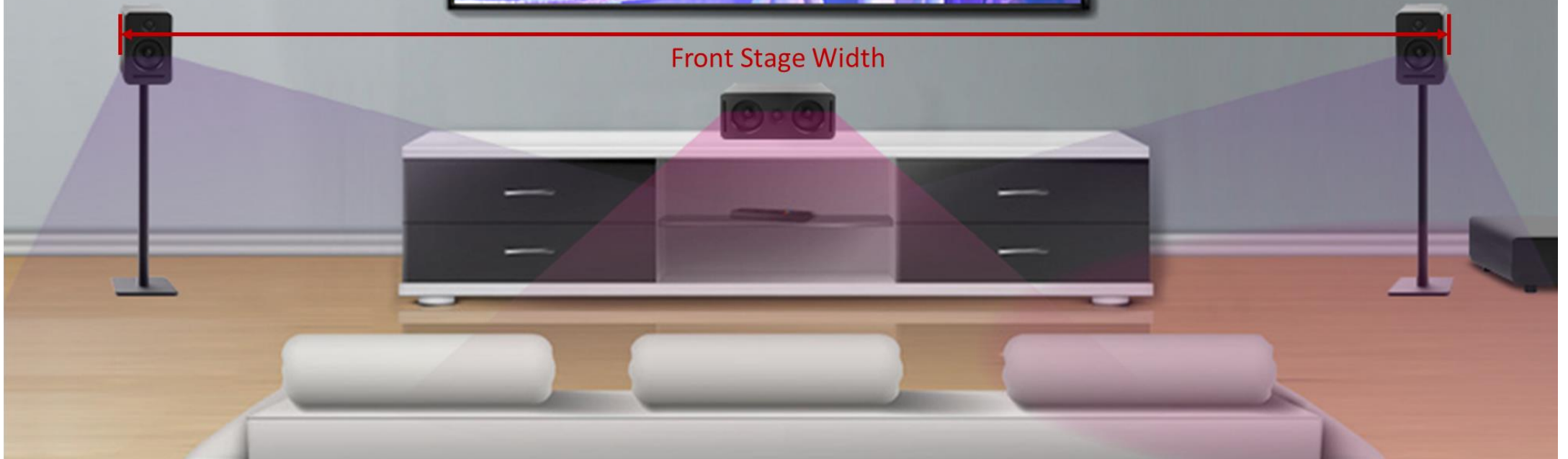


# The Whole Sound Stage

## Wall Of Sound



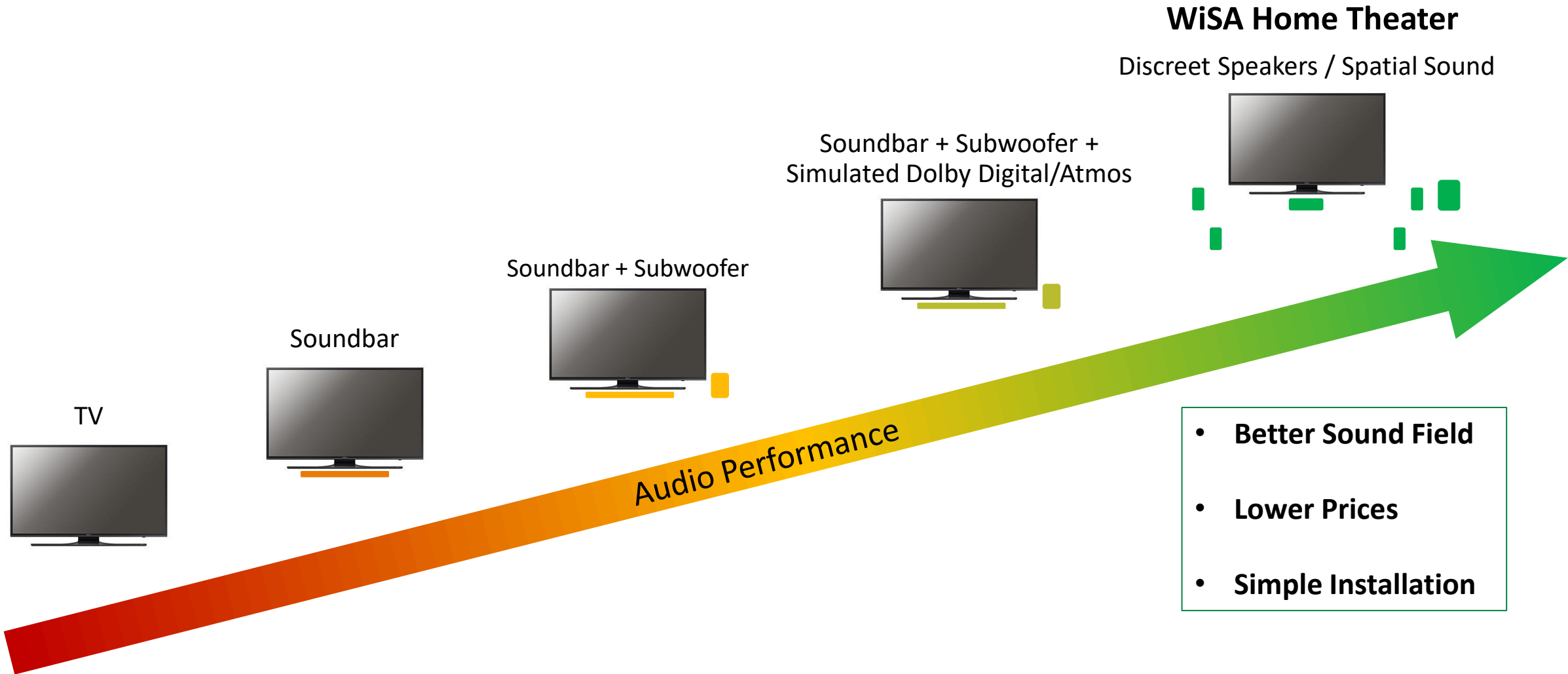
- WIDE front stage
- Same ease of set up and cost as sound bar



# The Whole Theater



# The Sound Experience Options



# Roadmap to Lowering Adoption Costs



**TV: Annual Volume**

**30M High End**

**15M+ WiSA Ready**

**200M+ TVs**



HDMI  
WIFI  
Bluetooth  
Dolby



HDMI  
WIFI  
Bluetooth  
Dolby

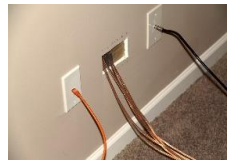


**A/V Receiver**

**WiSA Hub/  
Soundbar**

**WiSA USB Transmitter or  
WiSA Xbox Transmitter**

**WiSA HDMI Atmos  
Transmitters**



Installation  
Cost & Time  
Wires

**Installation**

**Cost to Consumer:**



**\$1,500+**

**\$300-\$800**

**\$199-\$225**

**\$99-\$149**

# WiSA Initiative: HDMI Hub



**WiSA SoundSend**  
Wireless Audio Transmitter

- Connects all WiSA Certified speakers to smart TVs with HDMI ARC ~800M worldwide
- Lowers the cost to the Consumer; \$99 - \$149
- Available for retail in Q3
- WiSA will distribute to ensure worldwide availability and support



Mobile App



Retail Packaging



# Competitive Positioning

Brand		Price	Audio Channels	Rear Speakers Included	Discreet Front Speakers	Sub-woofer	Atmos	Other
Bose	SB 700 Package	\$ 1,800	5.1	Yes	No	Yes	No	
Sonos	ARC + sub+ rears	\$ 1,800	5.1.2	Yes	No	Yes	Yes	
Sonos	ARC + sub	\$ 1,500	3.1.2		No	Yes	Yes	
<b>Enclave</b>	<b>CineHome Pro</b>	<b>\$ 1,495</b>	<b>5.1</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>THX Certified</b>
Sony	Hi-Res SB	\$ 1,300	7.1.2	No	No	Yes	No	
Bose	SB 700 w/sub	\$ 1,300	3.1		No	Yes	No	
Martin Login	3.0 Soundbar	\$ 1,300	3.0		No	No	No	
Enclave	CineHome II	\$ 999	5.1	Yes	Yes	Yes	No	
Bose	SB 500	\$ 850	Dolby Digital	No	No	Yes	No	
Bose	SB 700	\$ 700	3.1		No	No	No	
<b>Enclave</b>	<b>CineHome II</b>	<b>\$ 999</b>	<b>5.1</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	
LG/Samsung-Harman/Definitive	Various	\$ 999	5.1.2	No	No	Yes	Yes	
<b>Platin</b>	<b>Monaco w/WiSA Hub</b>	<b>\$ 999</b>	<b>5.1</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Hub Atmos</b>	<b>THX Tuned, All TVs</b>
<b>Platin</b>	<b>Monaco w/Axiim LINK</b>	<b>\$ 899</b>	<b>5.2</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>THX Tuned, LG and Xbox WiSA Ready support</b>
Denon	HEOS 3.0	\$ 899	3.0		No	No	No	
Sonos	ARC	\$ 799	3.1.2		No	No	Yes	

**WiSA Home Theater Systems**

**“Fake It ‘til WiSA Certified!”**

**WiSA delivers better sound at lower prices with installation simplicity**

Data from Bestbuy.com/Amazon week of 5/18



# WiSA Initiative: Market Research



- WiSA is taking a leadership role in creating messaging for the consumer the WiSA benefits.
  - Immersive/spatial sound
  - Affordability
  - Simplicity of set up
  - Hi-fidelity
- Driving industry web/podcasts and awareness interviews
- Testing Direct to Consumer ads in Q2
  - Value proposition driving consumer response
  - \$0.67 - \$2.10 is the cost to get a consumer to click “buy now” after seeing an ad and clicking to a product landing page with a “buy now” button.
- WiSA will be sharing the results with those WiSA brands marketing (HTiB) systems competing with soundbar based solutions

# Expanding the WiSA Ecosystem



- Expanding gaming and home theater sound experiences
- Xbox partnered with WiSA member Axiim
- Xbox One, One S and One X work with WiSA Tx



- Partnered with Summit, can tune Summit wireless module
- Tuned by THX and THX Certified WiSA products are on the market now



BROOMX  
TECHNOLOGIES

- Immersive projected virtual reality combines with immersive multi-channel wireless audio
- Broomx to work with WiSA members to create amazing experiences and opportunities in homes, hotels, businesses and at retail



# Beyond Premium Audio

- Immersive Sound Expands to WiFi enabled smart devices:
  - 1B+ Smart Phones
  - 200M + Smart TVs
  - IoT Devices (e.g. wearables)
  - 200M Tablets
  - 60M Gaming PCs and Consoles
  - 50M Smart Speakers
- Retail Prices drop \$100 - \$150 per 5.1 System
  - Embedded software saves integration cost
  - Migration to lower cost modules and host processors
- Technology that can scale
  - Wi-Fi compliant (5GHz)
  - Up to 12 audio channels
- Intuitive, fast out of box setup: ConexUs button
  - Patent pending
- Q1'21 for design-ins



# Financial Update

- Revenue
  - Q1 in line with historic run rate; some pushes from Q1 into later this the year
  - Q2 Retail closed but opening up but weak
  - Q3 is holiday production
- Operating Expenses coming down

Q4	Q1	Q2
\$2.9M	\$2.7M	\$1.9M
- Financing
  - Raised \$9.9M YTD in total funding
    - Received PPP loan of \$0.8M
  - Paid off \$2.0M bridge loan
  - EIDL loan application is pending
- Regained compliance with Nasdaq

# Ecosystem Built; Products Launching

## Expanding Market

CE & OEMs embedding audio standard to intelligent devices & next-gen home entertainment



**Global  
Interoperability  
Standard**



**Klipsch**

**FOXCONN  
SHARP**



**THX**



**Axiim**

**BANG & OLUFSEN**



**EC LIVING  
BY ELECTROCOMPANIE**

**GoldenEar Technology**  
A Passion for Sonic Perfection

**Platin**

**almando**

## IP Portfolio and TM

15 patents issued/pending covering key claims + WiSA™

**Paradigm Shifts  
Create Opportunity**



Personal



Whole House



Immersive Sound

**Attractive & Highly  
Scalable Model**

- Expanding WiSA membership
- Launching WiSA Certified and WiSA Ready platforms
- Growing retail presence with lower priced products
- Increasing multi-brand cross-category marketing accelerating consumer awareness/demand