

# Trickle Research

Every raging river, every great lake, every  
deep blue sea starts ... with a trickle



## Terminating Coverage

### WiSA Technologies, Inc.

(Nasdaq Stock Symbol - WISA)



**Report Date: 05/22/23**

**Closing Stock Price at Termination (Closing Px: 05/19/2023): \$1.29**

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**Trickle Research**

**Disclosure:** Portions of this report are excerpted from WiSA Technologies, Inc.'s filings, website(s), presentations or other public collateral. We have attempted to identify those excerpts by *italicizing* them in the text.

We initiated coverage of WISA in September 2018, but had followed the story for some time prior to that when it was still private. From a stock price perspective, apart from a blip in the first 30 days following our initiation, it has been disappointing largely from the start of that coverage. As we noted *several times* throughout our coverage, the Company was able to attract a measurable number of notable customers in the consumer electronic space, some of them industry leaders, as well as other important collaborators on the WiSA.org side of the business. Further, while we think capital constraints have slowed progress on this front a bit, they have also been able to advance their embedded technology(s) that should ostensibly make it applicable to a larger portion of the CE market. Unfortunately, those collective relationships and other advances have yet to yield meaningful (sustaining) revenue and the result has been chronic dilution that has frankly been staggering. Frankly, at this point, we are still not sure if we were *really* early or just wrong. Given the dilution, it may not matter.

In addition to the above, (or perhaps in conjunction with it), we recently saw a presentation from an emerging competitor that may make things even more difficult for WiSA.

Again, the Company has failed to achieve the results we were looking for. To be clear, we certainly own a portion of the failures here in terms of our own inability to get this right. That said, for a variety of reasons, we are not sure some of the challenges that have ended up compromising the results are behind them.

We are terminating our coverage of WiSA Technologies, Inc.

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WiSA Technologies, Inc. has paid fees to present at investor conferences that Trickle Research co-sponsors.

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**Rating System Overview:**

There are no letters in the rating system (Buy, Sell Hold), only numbers. The numbers range from 1 to 10, with 1 representing 1 "investment unit" (for my performance purposes, 1 "investment unit" equals \$250) and 10 representing 10 investment units or \$2,500. Obviously, a rating of 10 would suggest that I favor the stock (at respective/current levels) more than a stock with a rating of 1. As a guideline, here is a suggestion on how to use the allocation system.

Our belief at Trickle is that the best way to participate in the micro-cap/small cap space is by employing a diversified strategy. In simple terms, that means you are generally best off owning a number of issues rather than just two or three. To that point, our goal is to have at least 20 companies under coverage at any point in time, so let's use that as a guideline. Hypothetically, if you think you would like to commit \$25,000 to buying micro-cap stocks, that would assume an investment of \$1000 per stock (using the diversification approach we just mentioned, and the 20-stock coverage list we suggested and leaving some room to add to positions around allocation upgrades. We generally start initial coverage stocks with an allocation of 4. Thus, at \$1000 invested per stock and a typical starting allocation of 4, your "investment unit" would be the same \$250 we used in the example above. Thus, if we initiate a stock at a 4, you might consider putting \$1000 into the position ( $\$250 * 4$ ). If we later raise the allocation to 6, you might consider adding two additional units or \$500 to the position. If we then reduce the allocation from 6 to 4 you might consider selling whatever number of shares you purchased with 2 of the original 4 investment units. Again, this is just a suggestion as to how you might be able to use the allocation system to manage your portfolio.

**For those attached to more traditional rating systems (Buy, Sell, Hold) we would submit the following guidelines.**

**A Trickle rating of 1 thru 3 would best correspond to a "Speculative Buy" although we would caution that a rating in that range should not assume that the stock is necessarily riskier than a stock with a higher rating. It may carry a lower rating because the stock is trading closer to a price target we are unwilling to raise at that point (more like a typical "Hold" rating). This by the way applies to all of our ratings.**

**A Trickle rating of 4 thru 6 might best (although not perfectly) correspond to a standard "Buy" rating.**

**A Trickle rating of 7 thru 10 would best correspond to a "Strong Buy" however, ratings at the higher end of that range would indicate something that we deem as quite extraordinary..... an "Extreme Buy" if you will. You will not see a lot of these.**