

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 September 30, 2019

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: 001-38608

Summit Wireless Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

30-1135279

(I.R.S. Employer Identification No.)

6840 Via Del Oro Ste. 280

San Jose, CA 95119

(Address of principal executive offices) (Zip Code)

(408) 627-4716

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

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

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, par value \$0.0001 per share	WISA	The Nasdaq Capital Market

The number of shares of the registrant's common stock outstanding as of November 12, 2019 is 24,570,247.

SUMMIT WIRELESS TECHNOLOGIES, INC.
QUARTERLY REPORT ON FORM 10-Q
For the quarter ended September 30, 2019

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PART I: FINANCIAL INFORMATION

Item 1. Financial Statements

Summit Wireless Technologies, Inc.

Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)

	September 30, 2019 (unaudited)	December 31, 2018 (1)
Assets		
Current Assets:		
Cash and cash equivalents	\$ 284	\$ 3,218
Accounts receivable	84	112
Inventories	2,036	1,383
Prepaid expenses and other current assets	909	428
Total current assets	<u>3,313</u>	<u>5,141</u>
Property and equipment, net	98	110
Intangible assets, net	36	61
Other assets	94	94
Total assets	<u>\$ 3,541</u>	<u>\$ 5,406</u>
Liabilities, Preferred Stock and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 696	\$ 532
Accrued liabilities	1,033	846
Total current liabilities	<u>1,729</u>	<u>1,378</u>
Derivative liability	387	-
Warrant liability	21	210
Total liabilities	<u>2,137</u>	<u>1,588</u>
Commitments and contingencies (Note 9)		
Series A 8% Senior Convertible Preferred stock, par value \$0.0001; 1,250,000 shares authorized; 250,000 and zero shares issued and outstanding as of September 30, 2019 and December 31, 2018 (liquidation preference of \$1,036,000 and \$0 as of September 30, 2019 and December 31, 2018)	497	-
Stockholders' Equity:		
Common stock, par value \$0.0001; 200,000,000 shares authorized; 20,452,480 and 15,366,327 shares issued and outstanding as of September 30, 2019 and December 31, 2018, respectively	2	2
Additional paid-in capital	184,700	179,501
Accumulated other comprehensive loss	(58)	(45)
Accumulated deficit	(183,737)	(175,640)
Total stockholders' equity	<u>907</u>	<u>3,818</u>
Total liabilities, preferred stock and stockholders' equity	<u>\$ 3,541</u>	<u>\$ 5,406</u>

(1) The condensed consolidated balance sheet as of December 31, 2018 was derived from the audited consolidated balance sheet as of that date.

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

Summit Wireless Technologies, Inc.

Condensed Consolidated Statements of Operations
 For the three and nine months ended September 30, 2019 and 2018
 (in thousands, except share and per share data)
 (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenue, net	\$ 419	\$ 385	\$ 1,236	\$ 1,046
Cost of revenue	387	413	1,124	1,244
Gross profit	32	(28)	112	(198)
Operating Expenses:				
Research and development	1,429	1,042	4,195	3,640
Sales and marketing	694	680	2,119	2,061
General and administrative	588	1,212	1,860	2,860
Total operating expenses	2,711	2,934	8,174	8,561
Loss from operations	(2,679)	(2,962)	(8,062)	(8,759)
Interest expense	-	(14,171)	-	(33,502)
Change in fair value of warrant liability	18	(3,878)	193	(8,127)
Change in fair value of derivative liability	-	(10,908)	(171)	(14,294)
Other income (expense), net	(47)	73	(50)	73
Loss before provision for income taxes	(2,708)	(31,846)	(8,090)	(64,609)
Provision for income taxes	-	6	7	8
Net loss	(2,708)	(31,852)	(8,097)	(64,617)
Preferred stock dividend	(20)	-	(36)	-
Net loss attributable to common stockholders	\$ (2,728)	\$ (31,852)	\$ (8,133)	\$ (64,617)
Net loss per common share - basic and diluted	\$ (0.14)	\$ (2.89)	\$ (0.46)	\$ (16.60)
Weighted average number of common shares used in computing net loss per common share	19,871,823	11,028,602	17,501,943	3,892,893

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

Summit Wireless Technologies, Inc.

Condensed Consolidated Statements of Comprehensive Loss
For the three and nine months ended September 30, 2019 and 2018
(in thousands)
(unaudited)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net loss	\$ (2,708)	\$ (31,852)	\$ (8,097)	\$ (64,617)
Other comprehensive loss, net of tax:				
Foreign currency translation adjustment	-	(1)	(13)	(2)
Comprehensive loss	<u>\$ (2,708)</u>	<u>\$ (31,853)</u>	<u>\$ (8,110)</u>	<u>\$ (64,619)</u>

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

Summit Wireless Technologies, Inc.

Condensed Consolidated Statements of Cash Flows
For the nine months ended September 30, 2019 and 2018
(in thousands, except share and per share data)
(unaudited)

	Nine Months Ended September 30,	
	2019	2018
Cash flows from operating activities:		
Net loss	\$ (8,097)	\$ (64,617)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	43	30
Stock-based compensation	10	2,156
Noncash interest expense	-	1,590
Amortization of intangible asset	25	25
Amortization of debt discounts	-	25,593
Change in fair value of warrant liability	(193)	8,127
Change in fair value of derivative liability	171	14,294
Expense for issuance of warrants and common stock for services	296	749
Change in fair value of common stock warrants upon repricing	46	-
Changes in operating assets and liabilities:		
Accounts receivable	28	3
Inventories	(653)	(478)
Prepaid expenses and other assets	(481)	(359)
Accounts payable	164	(348)
Accrued liabilities	187	(167)
Accrued interest	-	6,316
Net cash used in operating activities	<u>(8,454)</u>	<u>(7,086)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(31)	(70)
Net cash used in investing activities	<u>(31)</u>	<u>(70)</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock, net of issuance costs	4,664	10,273
Proceeds from the issuance of preferred stock and common stock warrant, net of issuance costs	920	-
Proceeds from issuance of common stock upon warrant exercise	67	-
Proceeds from issuance of promissory notes, net of issuance costs	-	2,002
Proceeds from issuance of convertible notes payable, net of issuance costs	-	1,435
Repayment of convertible notes payable	-	(200)
Taxes paid related to net share settlements of equity awards	(87)	(499)
Net cash provided by financing activities	<u>5,564</u>	<u>13,011</u>
Effect of exchange rate changes on cash and cash equivalents	(13)	(2)
Net decrease in cash and cash equivalents	<u>(2,934)</u>	<u>5,853</u>
Cash and cash equivalents as of beginning of year	3,218	249
Cash and cash equivalents as of end of year	<u>\$ 284</u>	<u>\$ 6,102</u>
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	<u>\$ 7</u>	<u>\$ 8</u>
Noncash Investing and Financing Activities:		
Issuance of warrants in connection with convertible notes payable	\$ -	\$ 3,301
Issuance of warrant in connection with settlement agreement with Series E holders	\$ -	\$ 1,590
Issuance of common stock warrants in connection with preferred stock offering	\$ 243	\$ -
Issuance of warrants in connection in public offering	\$ 70	\$ 169
Beneficial conversion feature of convertible notes payable	\$ -	\$ 665
Fair value of derivative liability in connection with issuance of preferred stock	\$ 216	\$ -
Accretion of preferred stock dividend	\$ 36	\$ -
Issuance of convertible notes in lieu of employee expense payments	\$ -	\$ 50
Conversion of accrued interest to accounts payable	\$ -	\$ 2
Conversion of interest to convertible notes payable as principal	\$ -	\$ 10
Reclassification of promissory notes to convertible notes payable	\$ -	\$ 2,250
Fair value of derivative liability in connection with issuance of notes payable	\$ -	\$ 7,886
Conversion of preferred units to common stock upon initial public offering	\$ -	\$ 64,735
Conversion of convertible notes and accrued interest to common stock upon initial public offering	\$ -	\$ 30,450
Reclassification of derivative liability to equity upon initial public offering	\$ -	\$ 43,012
Reclassification of warrant liability to equity upon initial public offering	\$ -	\$ 9,118
Reclassification of warrant from liability to equity	\$ -	\$ 192

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

Summit Wireless Technologies, Inc.

Notes To Condensed Consolidated Financial Statements
For the three and nine months ended September 30, 2019 and 2018
(unaudited)

1. Business and Viability of Operations

Summit Wireless Technologies, Inc. (also referred to herein as “we”, “us”, “our”, or the “Company”) was originally formed as a limited liability company in Delaware on July 23, 2010. The Company develops wireless audio integrated circuits for home entertainment and professional audio markets. On December 31, 2017, the Company converted from a Delaware limited liability company to a Delaware corporation (the “Conversion”). Prior to the Conversion, the Company had been taxed as a partnership for federal and state income tax purposes, such that the Company’s taxable income was reported by its members in their respective tax returns. Following the Conversion, the Company will be taxed as a corporation. In connection with the Conversion, the Company’s board of directors approved a 15-for-1 reverse split of the Company’s units into stock. All unit and stock data in this report have been retroactively adjusted to reflect the split. In connection with the Conversion, the Company authorized 20,000,000 shares of preferred stock and 200,000,000 shares of common stock and issued 324,821 shares of common stock to such investors previously holding 4,872,221 common membership interests and 2,762,594 shares of convertible preferred stock (“Original Preferred Stock”) to such investors previously holding 41,438,818 preferred membership interests. Such shares of common stock and preferred stock were fully paid, nonassessable shares of stock of the Company.

On July 26, 2018, the Company closed its initial public offering (“IPO”). The Company’s registration statement on Form S-1 (File No. 333-224267) relating to the IPO was declared effective by the Securities and Exchange Commission (“SEC”) on July 25, 2018. The shares of common stock began trading on The NASDAQ Capital Market under the ticker symbol “WISA” on July 27, 2018. Under the offering, the Company issued 2,400,000 shares of common stock at an offering price of \$5.00 per share, raising gross proceeds of \$12,000,000. In aggregate, the shares issued in the offering generated approximately \$10,273,000 in net proceeds, which amount is net of \$900,000 in underwriters’ discounts and commissions, \$220,000 in underwriters’ accountable and non-accountable expenses and legal, accounting and other estimated offering costs of \$607,000. Upon the closing of the IPO, (i) all shares of Original Preferred Stock then outstanding were automatically converted into 2,762,594 shares of common stock and (ii) all convertible notes payable along with accrued interest were automatically converted in to 9,527,144 shares of common stock, except for \$200,000 of such notes which were repaid in cash immediately following the offering.

On April 18, 2019, we entered into a Securities Purchase Agreement, dated as of April 18, 2019, with Lisa Walsh (the “Preferred SPA”), pursuant to which we issued 250,000 shares of our Series A 8% Senior Convertible Preferred Stock, par value \$0.0001 per share (the “Series A Preferred Stock”), which shares have a stated value of \$4.00, grant holders the same voting rights as holders of our shares of common stock, and are convertible into shares of our common stock at price of \$4.00 per share, subject to a floor price of \$1.50 and to adjustment under our Certificate of Designations of the Preferences, Rights and Limitations of the Series A Preferred Stock, in consideration for \$1,000,000 (the “Initial Tranche”). The Series A Preferred Stock may be issued in tranches of at least \$500,000 and in an aggregate of up to \$5 million. In connection with the Initial Tranche, the Company also issued to the Ms. Walsh a warrant to purchase 255,102 shares of our common stock.

On May 24, 2019, the Company closed a public offering of the Company’s common stock (“Public Offering”). The Company’s registration statement on Form S-1 (File No. 333-230952) relating to the Public Offering was declared effective by the SEC on May 21, 2019. In connection with the Public Offering, the Company issued an aggregate of 4,075,726 shares of common stock at a public offering price of \$1.33 per share for gross proceeds of approximately \$5,420,000. The net proceeds to the Company, after deducting underwriting discounts and commissions and other offering expenses, were approximately \$4,664,000.

Summit Wireless Technologies, Inc.

Notes To Condensed Consolidated Financial Statements
For the three and nine months ended September 30, 2019 and 2018
(unaudited)

Liquidity and management plans

The condensed consolidated financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business. The Company has incurred net operating losses each year since inception. As of September 30, 2019, the Company had cash and cash equivalents of \$0.3 million, an accumulated deficit of approximately \$183.7 million and has not generated positive cash flows from operations. The Company expects operating losses to continue in the foreseeable future because of additional costs and expenses related to research and development activities, plans to expand its product portfolio, and increase its market share. The Company's ability to transition to attaining profitable operations is dependent upon achieving a level of revenues adequate to support its cost structure. Based on current operating levels, the Company will need to raise additional funds by selling additional equity or incurring debt. To date, the Company has not generated significant revenues and has funded its operations primarily through sales of its common stock in public markets, sales of common and preferred units prior to its IPO and proceeds from convertible notes. Additionally, future capital requirements will depend on many factors, including the rate of revenue growth, the selling price of the Company's products, the expansion of sales and marketing activities, the timing and extent of spending on research and development efforts and the continuing market acceptance of the Company's products. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Management of the Company intends to raise additional funds through the issuance of equity securities or debt. There can be no assurance that, in the event the Company requires additional financing, such financing will be available at terms acceptable to the Company, if at all. Failure to generate sufficient cash flows from operations, raise additional capital and reduce discretionary spending could have a material adverse effect on the Company's ability to achieve its intended business objectives. As a result, the substantial doubt about the Company's ability to continue as a going concern has not been alleviated. The accompanying condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and pursuant to Article 10 of Regulation S-X of the Securities Act of 1933, as amended ("Securities Act"). Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. These unaudited condensed consolidated financial statements include all normal and recurring adjustments that the Company believes are necessary to fairly state the Company's financial position and the results of operations and cash flows. Interim period results are not necessarily indicative of results of operations or cash flows for a full year or any subsequent interim period. The condensed consolidated balance sheet as of December 31, 2018 has been derived from audited consolidated financial statements at that date, but does not include all disclosures required by U.S. GAAP for complete financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Summit Wireless Technologies, Inc.

Notes To Condensed Consolidated Financial Statements
For the three and nine months ended September 30, 2019 and 2018
(unaudited)

2. Summary of Significant Accounting Policies, *continued*

Deferred Offering Costs

Deferred offering costs, consisting of legal, accounting and filing fees relating to public offerings, are capitalized. The deferred offering costs will be offset against public offering proceeds upon the effectiveness of an offering. In the event that an offering is terminated, deferred offering costs will be expensed. As of September 30, 2019 and December 31, 2018, the Company had capitalized \$21,000 and \$41,000, respectively, of deferred offering costs in prepaid expenses and other current assets on the condensed consolidated balance sheet.

Reclassification

Certain reclassifications have been made to prior periods' financial statements to conform to the current period presentation. These reclassifications did not result in any change in previously reported net loss, total assets or shareholders' equity.

Concentration of Credit Risk and Other Risks and Uncertainties

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. Cash and cash equivalents are deposited in demand and money market accounts at one financial institution. At times, such deposits may be in excess of insured limits. The Company has not experienced any losses on its deposits of cash and cash equivalents.

The Company's accounts receivable are derived from revenue earned from customers located throughout the world. The Company performs credit evaluations of its customers' financial condition and sometimes requires partial payment in advance of shipping. As of September 30, 2019, the Company had two customers accounting for 48% and 45% of accounts receivable. As of December 31, 2018, the Company had two customers accounting for 47% and 42% of accounts receivable. The Company had three customers accounting for 56%, 20% and 17% of its net revenue for the three months ended September 30, 2019. The Company had three customers accounting for 54%, 28% and 11% of its net revenue for the nine months ended September 30, 2019. The Company had two customers accounting for 51% and 45% of its net revenue for the three months ended September 30, 2018. The Company had two customers accounting for 59% and 32% of its net revenue for the nine months ended September 30, 2018.

The Company's future results of operations involve a number of risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, but are not limited to, rapid technological change, continued acceptance of the Company's products, competition from substitute products and larger companies, protection of proprietary technology, strategic relationships and dependence on key individuals.

The Company relies on sole-source suppliers to manufacture some of the components used in its product. The Company's manufacturers and suppliers may encounter problems during manufacturing due to a variety of reasons, any of which could delay or impede their ability to meet demand. The Company is heavily dependent on a single contractor in China for assembly and testing of its products, a single contractor in Japan for the production of its transmit semiconductor chip and a single contractor in China for the production of its receive semiconductor chip.

Summit Wireless Technologies, Inc.

Notes To Condensed Consolidated Financial Statements
For the three and nine months ended September 30, 2019 and 2018
(unaudited)

2. Summary of Significant Accounting Policies, *continued*

Convertible Financial Instruments

The Company bifurcates conversion options and warrants from their host instruments and accounts for them as freestanding derivative financial instruments if certain criteria are met. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. An exception to this rule is when the host instrument is deemed to be conventional, as that term is described under applicable U.S. GAAP.

When the Company has determined that the embedded conversion options and warrants should be bifurcated from their host instruments, discounts are recorded for the intrinsic value of conversion options embedded in the instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the transaction and the effective conversion price embedded in the instrument.

Debt discounts under these arrangements are amortized to interest expense using the interest method over the earlier of the term of the related debt or their earliest date of redemption.

Warrants for Common Shares and Derivative Financial Instruments

Warrants for common shares and other derivative financial instruments are classified as equity if the contracts (1) require physical settlement or net-share settlement or (2) give the Company a choice of net-cash settlement or settlement in its own shares (physical settlement or net-share settlement). Contracts which (1) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside the control of the Company), (2) give the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement), or (3) that contain reset provisions that do not qualify for the scope exception are classified as equity or liabilities. The Company assesses classification of its warrants for common shares and other derivatives at each reporting date to determine whether a change in classification between equity and liabilities is required.

The issuance of the convertible notes payable generated a beneficial conversion feature ("BCF"), which arises when a debt or equity security is issued with an embedded conversion option that is beneficial to the investor or in the money at inception because the conversion option has an effective strike price that is less than the market price of the underlying stock at the commitment date. The Company recognized the BCF by allocating the intrinsic value of the conversion option, which is the number of shares of common stock available upon conversion multiplied by the difference between the effective conversion price per share and the fair value of common stock per share on the commitment date, to common shares, resulting in a discount on the convertible debt.

Summit Wireless Technologies, Inc.

Notes To Condensed Consolidated Financial Statements
For the three and nine months ended September 30, 2019 and 2018
(unaudited)

2. Summary of Significant Accounting Policies, *continued*

Revenue Recognition

Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration that we expect to be entitled to in exchange for those goods or services. Sales of products with alternative uses account for the majority of our revenue and are recognized at a point in time. Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by us from a customer and deposited with the relevant government authority, are excluded from revenue. Our revenue arrangements do not contain significant financing components.

Sales to certain distributors are made under arrangements which provide the distributors with price adjustments, price protection, stock rotation and other allowances under certain circumstances. The Company does not provide its customers with a contractual right of return. However, the Company accepts limited returns on a case-by-case basis. These returns, adjustments and other allowances are accounted for as variable consideration. We estimate these amounts based on the expected amount to be provided to customers and reduce revenue recognized. We believe that there will not be significant changes to our estimates of variable consideration.

If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional before we transfer a good or service to the customer, those amounts are classified as deferred income/advances received from customers which are included in other current liabilities when the payment is made or it is due, whichever is earlier.

Comprehensive Loss

Comprehensive loss includes all changes within stockholders' equity that are not the result of transactions with stockholders. Accumulated other comprehensive loss includes the foreign currency translation adjustments arising from the consolidation of the Company's foreign subsidiary.

Foreign Currency

The financial position and results of operations of the Company's foreign operations are measured using currencies other than the U.S. dollar as their functional currencies. Accordingly, for these operations all assets and liabilities are translated into U.S. dollars at the current exchange rates as of the respective balance sheet date. Expense items are translated using the weighted average exchange rates prevailing during the period. Cumulative gains and losses from the translation of these operations' financial statements are reported as a separate component of stockholders' equity, while foreign currency transaction gains or losses, resulting from remeasuring local currency to the U.S. dollar are recorded in the condensed consolidated statement of operations in other income (expense), net and were not material for the three and nine months ended September 30, 2019 and 2018.

Advertising Costs

Advertising costs are charged to sales and marketing expenses as incurred. Advertising costs for the three and nine months ended September 30, 2019 and 2018 were not material.

Summit Wireless Technologies, Inc.

Notes To Condensed Consolidated Financial Statements
For the three and nine months ended September 30, 2019 and 2018
(unaudited)

2. Summary of Significant Accounting Policies, continued

Net Loss per Common Share

Basic net loss per common share is calculated by dividing the net loss attributable to common stockholders by the weighted average number of common shares outstanding during the period, without consideration for potentially dilutive securities. Diluted net loss per common share is computed by dividing the net loss attributable to common stockholders by the weighted average number of common shares and potentially dilutive common share equivalents outstanding for the period determined using the treasury-stock and if-converted methods. For purposes of the diluted net loss per common share calculation, preferred stock, warrants for common stock, restricted stock units and shares issuable upon the conversion of convertible notes payable are considered to be potentially dilutive securities.

For the three and nine months ended September 30, 2019, warrants to purchase 8,906,955 shares of common stock, 250,000 shares of preferred stock and 241,132 shares of restricted stock have been excluded from the calculation of net loss per common share because the inclusion would be antidilutive. For the three and nine months ended September 30, 2018, warrants to purchase 8,601,813 shares of common stock, and 943,352 shares of restricted stock have been excluded from the calculation of net loss per common share because the inclusion would be antidilutive.

Recently Issued and Adopted Accounting Pronouncements

In June 2018, the Financial Accounting Standards Board (“FASB”) issued an Accounting Standards Update (“ASU”) No. 2018-07, “Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting”. ASU 2018-07 applies to all entities that enter into share-based payment transactions for acquiring goods and services from nonemployees. The amendments in ASU 2018-07 expand the scope of Topic 718, Compensation - Stock Compensation, to include share-based payments transactions to nonemployees. Changes to the accounting for nonemployee awards as a result of ASU 2018-07 include: 1) equity-classified nonemployee share-based payment awards are measured at the grant date, instead of the previous requirement to remeasure the awards through the performance completion date, 2) for awards with performance conditions, compensation cost is recognized when the achievement of the performance condition is probable, rather than upon achievement, and 3) the current requirement to reassess the classification (equity or liability) for nonemployee awards upon vesting is eliminated. ASU 2018-07 clarifies that Topic 718 does not apply to financing transactions or awards granted to customers as part of a contract accounted for under Topic 606, Revenue from Contracts with Customers. The amendments in ASU 2018-07 are effective for public business entities for fiscal years beginning after December 15, 2018. The Company adopted this guidance as of January 1, 2019 and the adoption did not have a significant impact on the condensed consolidated financial statements.

Summit Wireless Technologies, Inc.

Notes To Condensed Consolidated Financial Statements
For the three and nine months ended September 30, 2019 and 2018
(unaudited)

2. Summary of Significant Accounting Policies, continued

Recently Issued and Not Yet Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, "Leases". The objective of the update is to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet for leases with a lease term of more than 12 months. In addition, the update will require additional disclosures regarding key information about leasing arrangements. Under existing guidance, operating leases are not recorded as lease assets and lease liabilities on the balance sheet. In October 2019, the FASB decided to defer the mandatory effective date of ASU 2016-02 to fiscal years beginning after December 15, 2020 for certain entities, including private companies. As an emerging growth company, the Company is allowed to adopt accounting pronouncements at the same time as non-public business entities. As a result, we will adopt the update for our fiscal year beginning after December 15, 2020. The Company does not expect the adoption of this standard to significantly impact the condensed consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820)". The FASB developed the amendments to Accounting Standards Codification 820 as part of its broader disclosure framework project, which aims to improve the effectiveness of disclosures in the notes to financial statements by focusing on requirements that clearly communicate the most important information to users of the financial statements. This update eliminates certain disclosure requirements for fair value measurements for all entities, requires public entities to disclose certain new information and modifies some of the existing disclosure requirements. The standard will be effective for fiscal years beginning after December 15, 2019, including interim periods within such fiscal years, with early adoption permitted. The Company is evaluating the impact of ASU 2018-13 on its condensed consolidated financial statements.

We have reviewed other recent accounting pronouncements and concluded they are either not applicable to the business, or no material effect is expected on the condensed consolidated financial statements as a result of future adoption.

3. Balance Sheet Components

Inventories (in thousands):

	September 30, 2019	December 31, 2018
Work in progress	\$ 242	\$ 191
Finished goods	1,794	1,192
Total inventories	<u>\$ 2,036</u>	<u>\$ 1,383</u>

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3. Balance Sheet Components, continued

Property and equipment, net (in thousands):

	September 30, 2019	December 31, 2018
Machinery and equipment	\$ 771	\$ 746
Tooling	11	7
Computer software	89	89
Furniture and fixtures	15	15
Leasehold improvements	11	11
	<u>897</u>	<u>868</u>
Less: Accumulated depreciation and amortization	<u>(799)</u>	<u>(758)</u>
Property and equipment, net	<u>\$ 98</u>	<u>\$ 110</u>

Depreciation and amortization expense for the three months ended September 30, 2019 and 2018 was \$15,000 and \$10,000, respectively. Depreciation and amortization expense for the nine months ended September 30, 2019 and 2018 was \$43,000 and \$30,000, respectively.

Accrued liabilities (in thousands):

	September 30, 2019	December 31, 2018
Accrued vacation	\$ 258	\$ 238
Accrued compensation	108	17
Accrued bonus	-	158
Customer advances	147	186
Accrued audit fees	137	126
Accrued other	383	121
Total accrued liabilities	<u>\$ 1,033</u>	<u>\$ 846</u>

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4. Promissory Notes

In connection with the acquisition of the Focus Enhancements, Inc. assets in July 2010, the Company assumed an asset purchase agreement with Hallo Development Co, LLC (“Hallo”). In October 2010, the Hallo agreement was amended to require the Company to pay royalties to Hallo at specified rates based on annual net sales derived from the Company’s purchased technology over a period of three years with a minimum royalty of \$900,000. Initial shipments commenced in 2011 and after three years, cumulative royalties due to Hallo were \$900,000. In April 2014, the Hallo agreement was amended, converting the outstanding balance of \$358,000, to an unsecured promissory note (“Hallo Note”), bearing interest at 18.0% per year with an initial maturity date of December 31, 2015, that was later extended. In December 2016, following a principal reduction payment of \$38,000, the Hallo Note was amended as follows: (i) the maturity date was changed to “five days following an IPO”, (ii) following a debt or equity financing in excess of \$4,000,000, the Company would make a principal reduction payment of \$13,000, (iii) on the maturity date, the Company would make a principal reduction payment of \$95,000, and (iv) the remaining unpaid principal and accrued interest, after the payments described in (ii) and (iii) above, would automatically convert to shares in connection with an initial public offering, at a conversion price equal to the average of the highest and the lowest price of the related stock that the Company sold on the maturity date. As a result of such amendment, the Hallo Note was reclassified to convertible notes payable as of December 31, 2016. As of February 28, 2018, the Hallo Note holders agreed to amend the conversion price language in their respective convertible notes to be the lower of (i) \$4.50 or (ii) the initial price of the Company’s common stock sold pursuant to an IPO and to extend the maturity date to June 30, 2018. The Company recognized interest expense of \$4,000 and \$24,000 for the three and nine months ended September 30, 2018, respectively. The Company made principal reduction payments under the Hallo Note of \$100,000 for the nine months ended September 30, 2018. On July 25, 2018, the outstanding convertible note automatically converted into 56,723 shares of common stock in connection with the Company’s IPO.

On January 5, 2015, we entered into a Loan and Securities Agreement and a separate Secured Promissory Note with the principal face value of \$500,000 (the “January 2015 Note”). The personal property, fixtures and intellectual property and products of the Company served as the collateral for the borrowing. The initial interest rate was 15.0% per year with an initial maturity date of July 5, 2015, that was later extended. In February 2016, following a principal reduction payment of \$225,000, the maturity date was extended to September 1, 2017, and the interest rate was adjusted to 10.0% per year. In December 2016, following a principal reduction payment of \$23,000, the January 2015 Note was amended as follows: (i) the maturity date was changed to “five days following an IPO”, (ii) following a debt or equity financing in excess of \$4,000,000 prior to an IPO, the Company would make a principal reduction payment of \$13,000, (iii) on the maturity date, the Company would make a principal reduction payment of \$95,000, and (iv) the remaining unpaid principal and accrued interest, after the payments described in (ii) and (iii) above, would automatically convert to shares in connection with the IPO, at a conversion price equal to the average of the highest and the lowest price of the related stock that the Company sold on the maturity date. As a result of such amendment, the January 2015 Note was reclassified to convertible notes payable as of December 31, 2016. As of February 28, 2018, the January 2015 Note holders agreed to amend the conversion price language in their respective convertible notes to be the lower of (i) \$4.50 or (ii) the initial price of the Company’s common stock sold pursuant to an IPO and to extend the maturity date to June 30, 2018. The Company has recognized interest expense of \$1,000 and \$11,000 for the three and nine months ended September 30, 2018, respectively. The Company made principal reduction payments under the January 2015 Note of \$100,000 for the nine months ended September 30, 2018. On July 25, 2018, the outstanding convertible note automatically converted into 39,653 shares of common stock in connection with the Company’s IPO.

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4. Promissory Notes, continued

On April 4, 2015, we entered into a Loan and Securities Agreement and a separate Secured Promissory Note with the principal face value of \$450,000 (the "April 2015 Note"). The proceeds from April 2015 Note were used to repay the \$450,000 loan outstanding with a bank. The personal property, fixtures and intellectual property and products of the Company served as the collateral for the borrowing. Interest accrued at a rate 5.0% per year during the first twelve months and increased to 10.0% per year through maturity. All principal and related accrued interest outstanding were due and payable at the maturity date, which was originally January 31, 2017. In November 2016, the April 2015 Note was amended to (i) change the maturity date to September 1, 2017 and (ii) provide that if the Company completes an underwritten public offering of its common shares or consummates a change of control, then the aggregate outstanding principal and related accrued interest would automatically convert into the number of common shares equal to the quotient obtained by dividing the aggregate principal and accrued interest by the conversion price. The conversion price was the lesser of \$4.50 or the highest price per common share sold in the IPO or paid by a buyer upon a change in control multiplied by 75%. As a result of such amendment, the April 2015 Note was reclassified to convertible notes payable. As of February 28, 2018, the April 2015 Note holder agreed to extend the maturity date to June 30, 2018. The Company has recognized interest expense of \$3,000 and \$25,000 for the three and nine months ended September 30, 2018, respectively. On July 25, 2018, the outstanding convertible note automatically converted into 155,373 shares of common stock in connection with the Company's IPO.

On September 18, 2015, we entered into a Loan and Securities Agreement and a separate Secured Promissory Note with the principal face value of \$200,000 (the "September 2015 Note"). The personal property, fixtures and intellectual property and products of the Company served as the collateral for the borrowing. Interest accrued at a rate 10.0% per year through maturity. All principal and related accrued interest outstanding were due and payable at the maturity date, which was originally January 31, 2017. In November 2016, the September 2015 Note was amended to (i) change the maturity date to September 1, 2017 and (ii) provide that if the Company completes an underwritten public offering of its common shares or consummates a change of control, then the aggregate outstanding principal and related accrued interest would automatically convert in to the number of common shares equal to the quotient obtained by dividing the aggregate principal and accrued interest by the conversion price. The conversion price was the lesser of \$4.50 or the highest price per common share sold in the IPO or paid by a buyer upon a change in control multiplied by 75%. As a result of such amendment, the September 2015 Note was reclassified to convertible notes payable. As of February 28, 2018, the September 2015 Note holder agreed to extend the maturity date to June 30, 2018. The Company has recognized interest expense of \$1,000 and \$11,000 for the three and nine months ended September 30, 2018, respectively. On July 25, 2018, the outstanding convertible note automatically converted into 68,544 shares of common stock in connection with the Company's IPO.

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4. Promissory Notes, continued

In connection with the sale of product on December 22, 2015, we entered into a Loan and Securities Agreement and a separate Secured Promissory Note with the principal face value of \$353,000 (the "December 2015 Note"). The principal amount represented as advance on the product sale. The personal property, fixtures and intellectual property and products of the Company served as the collateral for the borrowing (see Note 5 – Series E Convertible Note Payable for subsequent release of collateral). Interest accrued at a rate 12.0% per year through maturity. All principal and related accrued interest outstanding were due and payable at the maturity date, which was originally September 22, 2016, that was later extended. In December 2016, the December 2015 Note was amended to (i) change the maturity date to September 1, 2017 and (ii) provide that if the Company completes an underwritten public offering of its common shares or consummates a change of control, then the aggregate outstanding principal and related accrued interest would automatically convert in to the number of common shares equal to the quotient obtained by dividing the aggregate principal and accrued interest by the conversion price. The conversion price was the lesser of \$4.50 or the highest price per common share sold in an initial public offering or paid by a buyer upon a change in control multiplied by 75%. As a result of such amendment, the December 2015 Note was reclassified to convertible notes payable. As of December 31, 2017, the December 2015 Note had a zero principal balance as the Company had fulfilled its obligation to ship product to the lender. On July 25, 2018, the outstanding accrued interest on the December 2015 Note automatically converted into 11,295 shares of common stock in connection with the Company's IPO.

During February 2016, we entered into five different Loan and Securities Agreements and separate Secured Promissory Notes with a total principal face value of \$250,000 (the "Five February 2016 Notes"). The personal property, fixtures and intellectual property and products of the Company served as the collateral for the borrowings. Interest accrued at a rate 10.0% per year through maturity. All principal and related accrued interest outstanding were due and payable at the maturity date, which was originally February 1, 2017, that was later extended. In December 2016, two of the Five February 2016 Notes were terminated and extinguished and the lenders agreed that the \$100,000 aggregate principal balance of the loans and the \$9,000 aggregate accrued interest would be used to fund their participation in the Series D convertible notes. In May 2017, the three remaining holders of the Five February 2016 Notes agreed to amend their notes to include a provision that if the Company completes an underwritten public offering of its common shares or consummates a change of control, then the aggregate outstanding principal and related accrued interest would automatically convert in to the number of common shares equal to the quotient obtained by dividing the aggregate principal and accrued interest by the conversion price. The conversion price was the lesser of \$4.50 or the highest price per common share sold in the IPO or paid by a buyer upon a change in control multiplied by 75%. As a result of such amendment, the three remaining Five February 2016 Notes were reclassified to convertible notes payable. Effective February 28, 2018, the February 2016 Note holders agreed to extend the maturity date to June 30, 2018. The Company recognized interest expense of \$1,000 and \$8,000 for the three and nine months ended September 30, 2018, respectively. On July 25, 2018, the outstanding convertible notes automatically converted into 49,815 shares of common stock in connection with the Company's IPO.

In connection with the Five February 2016 Notes, the Company issued warrants to purchase common shares of 111,112 (see Note 6 – Fair Value Measurements for fair value computation). The sum of the fair value of the warrants was recorded as a debt discount to be amortized over the respective terms of the various notes. The debt discounts are amortized to interest expense using the effective interest method. During the three and nine months ended September 30, 2018, the Company recognized no interest expense from the amortization of the debt discount.

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5. Convertible Notes Payable

As of July 25, 2018, the convertible notes payable and related accrued interest were converted in to 9,527,144 shares of common stock in connection with the Company's IPO. No convertible notes payable were outstanding as of December 31, 2018.

On February 12, 2016, we entered into a Loan and Securities Agreement and a separate Secured Promissory Note with the principal face value of \$300,000 (the "February 2016 Note"). The personal property, fixtures and intellectual property and products of the Company served as the collateral for the borrowing (see Note 5 – Series E Convertible Note Payable for subsequent release of collateral). Interest accrued at a rate 10.0% per year through maturity. All principal and related accrued interest outstanding were due and payable at the maturity date, which was originally January 31, 2017. In November 2016, the February 2016 Note was amended to (i) change the maturity date to September 1, 2017 and (ii) provide that if the Company completes an underwritten public offering of its common shares or consummates a change of control, then the aggregate outstanding principal and related accrued interest would automatically convert in to the number of common shares equal to the quotient obtained by dividing the aggregate principal and accrued interest by the conversion price. The conversion price was the lesser of \$4.50 or the highest price per common share sold in the IPO or paid by a buyer upon a change in control multiplied by 75%. As a result of such amendment, the February 2016 Note was reclassified to convertible notes payable. As of February 28, 2018, the February 2016 Note holders agreed to extend the maturity date to June 30, 2018. The Company recognized interest expense of \$2,000 and \$17,000 for the three and nine months ended September 30, 2018, respectively. On July 25, 2018, the outstanding convertible note automatically converted into 99,594 shares of common stock in connection with the Company's IPO.

In connection with the February 2016 Note, the Company issued warrants to purchase 33,334 common shares (see Note 6 – Fair Value Measurements for fair value computation). The sum of the fair value of the warrants for the February 2016 Note was recorded as a debt discount and is being amortized to interest expense over the term of the note using the effective interest method. During the three and nine months ended September 30, 2018, the Company recognized no interest expense from the amortization of the debt discount.

On May 11, 2016, a significant shareholder provided a \$300,000 unsecured advance to the Company (the "May 2016 Advance") in contemplation of participating in the Preferred Unit Purchase Agreement dated April 12, 2016, which required the significant shareholder to invest a minimum of \$500,000. In July 2016, the significant shareholder invested an additional \$201,000 and requested the May 2016 Advance be cancelled and its principal be aggregated with the \$201,000 to purchase a total of 111,307 preferred shares at \$4.50 per share.

Series C Convertible Notes Payable

During February 2016 through October 2016, the Company received total proceeds of \$2,880,000 from the issuance of original issue discount convertible notes ("Series C Convertible Notes") to investors. The principal balance, plus all accrued and unpaid interest, was due February 28, 2018, as amended, or upon a change of control or an initial public offering by the Company. On February 28, 2018, in connection with the extension of the maturity date to August 28, 2018, the Company issued 327 shares of common stock to the holder of the convertible notes. The conversion price in effect upon an initial public offering was the lesser of \$9.00 or the price per common share in the pre-money valuation immediately prior to the initial public offering multiplied by 80%. The conversion price at any other conversion event was \$9.00. Issuance costs to obtain the convertible notes were recorded as a debt discount in the amount of \$209,000. The Company recognized no interest expense for the three and nine months ended September 30, 2018. On July 25, 2018, the outstanding convertible note automatically converted into 7,353 shares of common stock in connection with the Company's IPO.

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5. Convertible Notes Payable, continued

In connection with the Series C Convertible Notes, the Company issued warrants to investors and investment bankers to purchase common shares of 188,236 and 26,354, respectively (see Note 6 – Fair Value Measurements for fair value computation). The sum of the fair value of the warrants, the BCF and issuance costs for the Series C Convertible Notes were recorded as debt discounts to be amortized to interest expense over the respective term using the effective interest method. During the three and nine months ended September 30, 2018, the Company recognized interest expense of \$0 from the amortization of the debt discounts. Between November and December 2016, all of the Series C Convertible Notes, except for \$25,000, were extinguished and converted to Series D Convertible Notes.

Series D Convertible Notes Payable

On various dates in 2016 and 2017, the Company received total proceeds of \$4,717,000 from the issuance of original issue discount convertible notes (“Series D Convertible Notes”) to investors. In addition, the Company: (i) extinguished Series C Convertible Notes in the amount of \$2,855,000 along with accrued interest of \$172,000 and converted those to Series D Convertible Notes; (ii) extinguished other promissory notes in the amount of \$236,000 along with accrued interest of \$19,000 and converted those to Series D Convertible Notes; (iii) allowed Brett Moyer, the Company’s President, Chief Executive Officer and a director, to convert \$69,000 of reimbursable expense reports into Series D Convertible Notes; and (iv) allowed Jonathan Gazdak, a member of the Company’s board of directors, to convert \$12,000 of certain expenses into Series D Convertible Notes. At the date of issuance, the Series D Convertible Notes had a senior priority security interest in all the personal property, fixtures and intellectual property and products of the Company except for the January 2015 Note and the Hallo Note which had a pari passu security interest with the Series D Convertible Notes (see Note 5 – Series E Convertible Note Payable for subsequent release of security interest). The principal balance, plus all accrued and unpaid interest was due on September 30, 2018, as amended. The Series D Convertible Notes were eligible for conversion at any point prior to the maturity date or upon a change of control or an initial public offering by the Company. The conversion price in effect upon the initial public offering was the lesser of \$4.50 or the highest price per common share sold in the initial public offering multiplied by 75%. The conversion price at any other conversion event was \$4.50. Issuance costs to obtain the convertible notes were recorded as a debt discount in the amount of \$386,000. In connection with the February 28, 2018 extension of the maturity date, the Company confirmed to the holders of the Series D Convertible Notes that Series D Convertible Notes would accrue an additional 10% interest on the first day of every month, beginning March 1, 2018, so long as such Series D Convertible Notes remained outstanding. The Company recognized interest expense of \$946,000 and \$4,791,000 for the three and nine months ended September 30, 2018, respectively. On July 25, 2018, the outstanding convertible notes automatically converted into 3,783,334 shares of common stock in connection with the Company’s IPO.

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5. Convertible Notes Payable, continued

In connection with the Series D Convertible Notes, the Company issued warrants to investors and investment bankers to purchase common shares of 1,017,692 and 380,449, respectively (see Note 6 – Fair Value Measurements for fair value computation). The sum of the fair value of the warrants, the BCF, the embedded conversion feature and issuance costs for the Series D Convertible Notes described above were recorded as debt discounts to be amortized to interest expense over the respective term using the effective interest method. In connection with the extension of the maturity date to June 30, 2018, the Company confirmed to the holders of the Series D Convertible Notes that the number of shares issuable upon exercise of the warrants issued in connection with the Series D Convertible Notes would double effective February 28, 2018. The number of shares issuable upon exercise of such warrants outstanding as of September 30, 2019 therefore became 2,035,434. During the three and nine months ended September 30, 2018, the Company recognized interest expense of \$393,000 and \$3,268,000 from the amortization of the debt discounts.

Series E Convertible Notes Payable

On various dates from May to September 2017, the Company received total proceeds of \$5,000,000 from the issuance of original issue discount convertible promissory notes (“Series E Convertible Notes”). The Series E Convertible Notes had a senior priority security interest in all the personal property, fixtures and intellectual property and products of the Company. The principal balance of the Series E Convertible Notes was due on October 31, 2017. The Series E Convertible Notes were eligible for conversion at any point prior to the maturity date or upon a change of control or an initial public offering by the Company. The conversion price in effect upon an initial public offering was the lesser of \$4.50 or the highest price per common share sold in the initial public offering multiplied by 75%. The conversion price at any other conversion event was the lesser of \$4.50 or the price per share issued by the Company in connection with any sale involving substantially all the assets of the Company. Additionally, in connection with the Series E Convertible Note financing, all of the Company’s outstanding promissory and convertible note holders agreed to: (i) subordinate their notes to the Series E Convertible Notes, (ii) release all security interests in the Company’s assets in favor of the Series E Convertible Notes (iii) extend their maturity dates to February 28, 2018 and (iv) amend the Company’s Operating Agreement to allow the Series E Convertible Note lender one seat on the Company’s board of directors so long as the investor owns any debt or securities of the Company. Issuance costs to obtain the convertible notes were recorded as a debt discount in the amount of \$275,000.

On October 31, 2017, the Company filed a confidential S-1 registration statement with the SEC (“S-1”) with the belief that the S-1 filing would extend the maturity date of the Series E Convertible Notes to November 30, 2017. The Series E Convertible Note holder claimed that the S-1 filing did not meet the definition outlined in the Series E Convertible Note and issued a notice of default to the Company on November 2, 2017 (“Default Notice”).

On November 30, 2017, as a result of the Default Notice and an inability of the two parties to renegotiate the Series E Convertible Notes under acceptable terms, the Company requested and received a Series E Convertible Note payoff letter (“Series E Payoff Letter”) from the Series E Convertible Note holder. The Series E Payoff Letter stated that in addition to the repayment of the Series E Convertible Notes of \$5,882,000, that the Series E Convertible Note holder was due \$1,098,000 of default interest and penalties, reimbursement of \$179,000 of legal fees, and consulting, travel and lodging fees of \$102,000. Despite the Company’s disagreement that it was in default and subject to default penalties, interest and legal fees, the Company paid the full monetary demand of \$7,261,000 as requested by the Series E Convertible Note holder on November 30, 2017. As a result, the Company recognized interest expense including default interest and penalties of \$1,980,000 and additional general and administrative expenses of \$281,000 which consisted of the Series E Note holder’s legal fees and consulting expenses of \$179,000 and \$102,000, respectively, for the year ended December 31, 2017.

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5. Convertible Notes Payable, continued

In addition, the note holder claimed that the Company was obligated to issue warrants to purchase 487,865 shares in connection with the Default Notice. Pursuant to a settlement agreement that the Company entered into with note holder on July 25, 2018 a warrant to purchase an aggregate of 487,864 shares of common stock was issued (see Note 6 – Fair Value Measurements for fair value computation).

In connection with the Series E Convertible Notes, the Company issued warrants to investors and investment bankers to purchase common shares of 1,307,190 and 114,380, respectively (see Note 6 – Fair Value Measurements for fair value computation). On November 30, 2017, in connection with a provision in the Series E warrants issued to investors, the number of outstanding shares issuable upon exercise of the warrants would double as the Company did not complete an initial public offering by November 30, 2017. Therefore, the total number of shares issuable upon exercise of such warrants to investors under the Series E Convertible Notes became 3,102,245. The sum of the fair value of the warrants, the BCF, the embedded conversion feature and issuance costs for the Series E Convertible Notes described above were recorded as debt discounts to be amortized to interest expense over the respective term using the effective interest method. During the three and nine months ended September 30, 2018, the Company recognized interest expense of \$0 and \$70,000, respectively, from the amortization of the debt discounts.

Series F Convertible Notes Payable

On various dates between November 2017 and March 2018, the Company received total proceeds of \$10,345,000 from the issuance of senior secured convertible promissory notes (“Series F Convertible Notes”) to investors. The Series F Convertible Notes accrue interest at 15% per year and had a senior priority security interest in all the personal property, fixtures and intellectual property and products of the Company. The principal balance of the Series F Convertible Notes, plus all accrued interest is due on June 30, 2018. The Series F Convertible Notes are eligible for conversion at any point prior to the maturity date at the option of the holder. The conversion price in effect upon an initial public offering was the lesser of \$4.50 or the highest price per common share sold in the initial public offering multiplied by 60%. The conversion price at any other conversion event was \$4.50. Between April 1, 2018 and May 25, 2018, the Company issued \$225,000 of additional Series F Convertible Notes. In connection with the additional Series F Convertible Notes the Company issued warrants to purchase 25,000 and 5,000 shares of common stock, to its lenders and investment bankers, respectively. The warrants have a five-year life and are exercisable into common stock at \$5.40 per share. Issuance costs to obtain the convertible notes were recorded as a debt discount in the amount of \$135,000. The Company recognized interest expense of \$109,000 and \$865,000 for the three and nine months ended September 30, 2018, respectively. On July 25, 2018, the outstanding convertible notes automatically converted into 3,849,210 shares of common stock in connection with the Company’s IPO.

In connection with the issuance of the Series F Convertible Notes, the Company issued warrants to the lender and investment bankers to purchase 1,174,447 and 233,111 shares of common stock, respectively (see Note 6 – Fair Value Measurements for fair value computation). The sum of the fair value of the warrants, the BCF, the embedded conversion feature and issuance costs for the Series F Convertible Notes described above were recorded as debt discounts to be amortized to interest expense over the respective term using the effective interest method. During the three and nine months ended September 30, 2018, the Company recognized interest expense of \$1,327,000 and \$11,996,000, respectively, from the amortization of the debt discounts.

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5. Convertible Notes Payable, continued

Extension of Maturity Date

The Company's Series D and Series F Convertible Notes as well as its other convertible promissory notes, excluding its Series C Convertible Notes and its Series G Notes, had maturity dates of June 30, 2018 (the "June 30th Notes"). On June 30, 2018, the June 30th Notes, which had a principal balance of \$26.4 million went into default. The Company obtained consents from the holders of such notes to initially extend the maturity date of the June 30th Notes to July 15, 2018 and then requested and received consents to extend the maturity date to July 25, 2018, at which time such notes were converted to common stock in connection with the Company's IPO.

Series G Notes Payable

Between April 20, 2018 and June 29, 2018, the Company issued \$2,813,000 of 15% OID Senior Secured Promissory Notes due June 15, 2018 ("Series G Notes"), raising an aggregate principal amount of \$2,200,000 and cancelling \$50,000 of expense reimbursements payable by the Company to Mr. Moyer. Medalist Partners Harvest Master Fund, Ltd. and Medalist Partners Opportunity Master Fund A, LP, each of which Brian Herr, a member of the Company's board of directors, is co-portfolio manager, each participated in the Series G Notes financing. The Series G Notes had a senior priority security interest in all the personal property, fixtures and intellectual property and products of the Company. Additionally, in connection with the Series G Note financing, all of the Company's Series F Convertible Note holders were required by the terms of the Series G Notes to subordinate their notes to the Series G Notes. As of June 15, 2018, the Company was in default on \$1,725,000 of the Series G Notes. On June 28, 2018, the Company and the holders of the Series G Notes agreed to extend the maturity date of such notes from June 30, 2018 to July 15, 2018 in consideration for increasing the original issue discount of such notes from 15% to 20% and the issuance of warrants to purchase 208,350 shares of common stock.

As of July 15, 2018, the Company was in default on \$2,813,000 of the Series G Notes. On July 20, 2018, the Company and the holders of the Series G Notes agreed to (i) extend the maturity date of such notes from July 15, 2018 to July 25, 2018 and (ii) agreed to make the Series G Notes automatically convertible in connection with an initial public offering at a conversion price of the lesser of \$4.50 or 60% of the highest price of the common stock sold in an initial public offering. In consideration for the extension of the maturity date and the agreement to make the Series G Notes automatically convertible, the Company agreed to issue warrants to purchase an additional 625,000 shares of common stock to the Series G Note holders. As a result of the agreement, the Series G Notes were reclassified from promissory notes to convertible notes payable as of the date of the agreement.

The Company has recognized interest expense of \$113,000 and \$563,000 for the three and nine months ended September 30, 2018, respectively. On July 25, 2018, the outstanding convertible notes automatically converted into 1,406,250 shares of common stock in connection with the Company's IPO.

In connection with the issuance of the Series G Notes, the Company issued warrants to the lender and investment bankers to purchase common shares of 833,350 and 58,334, respectively (see Note 6 – Fair Value Measurements for fair value computation). The sum of the fair value of the warrants, the BCF, the embedded conversion feature and issuance costs for the Series G Notes described above were recorded as debt discounts to be amortized to interest expense over the respective term using the effective interest method. During the three and nine months ended September 30, 2018, the Company recognized interest expense of \$9,622,000 and \$9,819,000, respectively, from the amortization of the debt discounts.

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5. Convertible Notes Payable, continued

Derivative Liability

The February 2016 Note, the Series C Convertible Notes, the Series D Convertible Notes, the Series E Convertible Notes, the Series F Convertible Notes, and the Series G Notes contain an embedded conversion feature that the Company has determined is a derivative requiring bifurcation. In July 2018, the derivative liability was reclassified to additional paid-in capital as of the date of the Company's IPO.

6. Fair Value Measurements

The Company measures the fair value of financial instruments using a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Each level of input has different levels of subjectivity and difficulty involved in determining fair value.

- Level 1 – Inputs used to measure fair value are unadjusted quoted prices that are available in active markets for the identical assets or liabilities as of the reporting date. Therefore, determining fair value for Level 1 investments generally does not require significant judgment, and the estimation is not difficult.
- Level 2 – Pricing is provided by third-party sources of market information obtained through investment advisors. The Company does not adjust for or apply any additional assumptions or estimates to the pricing information received from its advisors.
- Level 3 – Inputs used to measure fair value are unobservable inputs that are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions. The determination of fair value for Level 3 instruments involves the most management judgment and subjectivity.

The Company's financial assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2019 and December 31, 2018 by level within the fair value hierarchy, are as follows:

	September 30, 2019		
	Quoted prices in active markets	Significant other observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
(in thousands)			
Liabilities:			
Derivative liability	\$ -	\$ -	\$ 387
Warrant liability	\$ -	\$ -	\$ 21

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6. Fair Value Measurements, continued

(in thousands)	December 31, 2018		
	Quoted prices in active markets	Significant other observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
Liabilities:			
Warrant liability	\$ -	\$ -	\$ 210

There were no transfers between Level 1, 2 or 3 during the three and nine months ended September 30, 2019 or September 30, 2018.

Warrant Liability

The following table includes a summary of changes in fair value of the Company's warrant liability measured at fair value using significant unobservable inputs (Level 3) for the three and nine months ended September 30, 2019 and 2018:

(in thousands)	For the three months ended		For the nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Beginning balance	\$ 39	\$ 5,350	\$ 210	\$ 1,228
Additions	-	111	4	176
Change in fair value	(18)	3,878	(193)	8,127
Reclass to additional paid-in capital	-	(9,118)	-	(9,310)
Ending balance	\$ 21	\$ 221	\$ 21	\$ 221

The changes in fair value of the warrant liability are recorded in change in fair value of warrant liability in the condensed consolidated statements of operations.

A summary of the weighted average significant unobservable inputs (Level 3 inputs) used in measuring the Company's warrant liability that is categorized within Level 3 of the fair value hierarchy as of September 30, 2019 and December 31, 2018 is as follows:

	September 30, 2019	December 31, 2018
Common Stock Price	\$ 0.90	\$ 3.42
Term (Years)	3.52	4.27
Volatility	58%	58%
Risk-free rate of interest	1.56%	2.58%
Dividend Yield	0.0%	0.0%

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6. Fair Value Measurements, continued

Derivative Liability

The following table includes a summary of changes in fair value of the Company's derivative liability measured at fair value using significant unobservable inputs (Level 3) for the three and nine months ended September 30, 2019 and 2018:

(in thousands)	For The Three Months Ended		For The Nine Months Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Beginning balance	\$ 387	\$ 25,776	\$ -	\$ 20,832
Additions	-	6,328	216	7,886
Change in fair value	-	10,908	171	14,294
Reclassification to equity at initial public offering	-	(43,012)	-	(43,012)
Ending balance	<u>\$ 387</u>	<u>\$ -</u>	<u>\$ 387</u>	<u>\$ -</u>

On July 25, 2018, the derivative liability was reclassified to equity upon the Company's initial public offering. As of July 25, 2018, the Company measured the fair value of the derivative by estimating the fair value using the offering price of \$5.00.

As of September 30, 2019, the Company measured the fair value of the derivative by estimating the fair value of the Series A Preferred Stock as if conversion occurred on September 30, 2019. The Company calculated value of the conversion feature using the Fixed Conversion Price of the Series A Preferred Stock, as adjusted to 95% of the volume weighted average price of the common stock for the previous ten trading days and the specified floor price of \$1.50. There was no change in the fair value of the derivative liability for the three months ended September 30, 2019 because the volume weighted average price of the common stock was below the specified floor price.

7. Preferred Stock and Stockholders' Equity

Preferred Stock

On July 26, 2018, upon the closing of the IPO, all shares of Original Preferred Stock then outstanding were automatically converted into 2,762,594 shares of common stock.

Series A 8% Senior Convertible Preferred Stock

On April 18, 2019, the Company entered into a Securities Purchase Agreement, dated as of April 18, 2019, with Ms. Walsh (the "Preferred SPA"), pursuant to which we issued 250,000 shares of our Series A Preferred Stock, par value \$0.0001 per share, which shares have a stated value of \$4.00 (the "Stated Value"), grant holders the same voting rights as holders of our shares of common stock, and are convertible into shares of our common stock at price of \$4.00 per share, subject to a floor price of \$1.50 and to adjustment under our Certificate of Designations of the Preferences, Rights and Limitations of the Series A Preferred Stock (the "Certificate of Designations"), in consideration for \$1,000,000 (the "Initial Tranche"). The Series A Preferred Stock may be issued in tranches of at least \$500,000 and in an aggregate of up to \$5 million. In connection with the Initial Tranche, the Company also issued to Ms. Walsh a warrant to purchase 255,102 shares of our common stock.

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7. Preferred Stock and Stockholders' Equity, continued

The Series A Preferred Stock contains an embedded conversion feature that the Company has determined is a derivative requiring bifurcation. The fair value of the derivative liability at the issuance of the Series A Preferred Stock was \$216,000, which was recorded as a derivative liability with the offset recorded as a discount to the Series A Preferred Stock. (See Note 6 – Fair Value Measurements for the fair value computation.)

The authorized, issued and outstanding shares of Series A Preferred Stock and liquidation preferences as of September 30, 2019, were as follows:

	Number of Shares Authorized	Number of Shares Issued and Outstanding	Proceeds Net of Issuance Costs	Conversion Price per Share	Liquidation Preference
Series A 8 % Senior Convertible Preferred Stock	1,250,000	250,000	\$ 920,000	\$ 4.00	\$ 1,036,000

The Series A Preferred Stock rights, privileges and preferences are as follows:

Dividends — The holders of the Series A Preferred Stock are entitled to receive cumulative dividends at the rate per share of 8% per annum, payable on conversion. The form of the dividend payment on the Series A Preferred Stock will be determined based on the legal availability of funds for the payment and the satisfaction of the Equity Conditions (as defined in the Certificate of Designations) for the 5 consecutive trading days immediately prior to the payment date. The form of the payment, depending on the priority, may be made in cash or shares of common stock at the Company's option. If funds are not available and the Equity Conditions have not been met, the dividends will accrue to the next payment date or accrete to the Stated Value. The Company accrued dividends of \$20,000 and \$36,000 for the three months and nine months ended September 30, 2019, respectively.

Liquidation Rights — In the event of any liquidation, dissolution, or winding-up of the Company, each holder of Series A Preferred Stock is entitled to receive an amount equal to the Stated Value, plus accrued and unpaid dividends and any other fees or liquidated damages before any distribution will be made to holders of junior securities. If assets are insufficient for such payment, then the entire assets will be distributed only to the holders of the Series A Preferred Stock. A fundamental or change of control transaction is not deemed a liquidation.

Conversion — Each share of Series A Preferred Stock is convertible at the option of the holder into the number of shares of common stock (subject to adjustment for certain events, including dilutive issuances, stock splits, and reclassifications) determined by multiplying such number by the ratio of the Stated Value by a conversion price, which price is originally equal to \$4.00 (the "Fixed Conversion Price"). However, if the closing price of the common stock is less than the Fixed Conversion Price, then the Fixed Conversion Price may be reduced to equal 95% of the lowest volume weighted average price of the common stock for the previous 10 trading days, which price shall not be less than \$1.50. Notwithstanding the foregoing, unless the Company obtains stockholder approval pursuant to the rules and regulations of The NASDAQ Capital Market, the Company cannot issue shares of common stock upon conversion of the Series A Preferred Stock in the event that such issuance exceeds 19.99% of the issued and outstanding shares of the Company's common stock as of April 18, 2019 or if such conversion is considered a "change of control" under NASDAQ rules and regulations.

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7. Preferred Stock and Stockholders' Equity, continued

Yoting Rights— Each holder has the right to one vote for each share of common stock into which such preferred stock could be converted. So long as any shares of Series A Preferred Stock are outstanding, the Company shall not, without first obtaining the approval of more than 67% of the holders of Series A Preferred Stock then outstanding, voting together as a separate class (a) alter or amend the Certificate of Designations or alter or change adversely the powers, rights or preferences of the Series A Preferred Stock, including amending the Company's certificate of incorporation or other charter documents in any manner adversely affecting the holders of the Series A Preferred Stock; (b) authorize or create any class of stock ranking as to dividends, redemption or distribution of assets upon a liquidation senior to, or otherwise pari passu with, the Series A Preferred Stock; (c) increase the total number of authorized shares of Series A Preferred Stock; or (d) enter into any agreement with respect to any of the foregoing.

Redemption— The Series A Preferred Stock is not mandatorily redeemable as it does not have a set redemption date or a date after which the shares may be redeemed by the holders. However, if a Triggering Event (as defined in the Certificate of Designations) occurs, then each holder will receive 120% of the aggregate Stated Value, plus all accrued and unpaid dividends and any other fees or liquidated damages. Additionally, upon such an event, the dividend rate of the Series A Preferred Stock increases to 18% per annum. A Triggering Event is defined as any (1) default on credit obligations; (2) default on payment of certain Series A Preferred Stock payments or a default under the Certificate of Designations and any related transaction document entered into in connection with the issuance of the Series A Preferred Stock; (3) bankruptcy of the Company; (4) ineligibility for listing of the Company's common stock on a trading market; (5) change of control or fundamental transaction entered into by the Company, or other transaction entered into by the Company where more than 51% of the Company's assets are sold; (6) failure of the Company to perform certain regulatory reporting; (7) failure to timely deliver certificates representing shares of common stock upon conversion of the shares of Series A Preferred Stock; (8) failure of the Company to maintain a sufficient number of reserved shares pursuant to the Preferred SPA; and (9) judgment is entered or filed against the Company or its subsidiaries in excess of an aggregate of \$100,000 or the Company or any of its subsidiaries experiences a loss of property in excess of an aggregate of \$100,000. The Company has elected not to adjust the carrying values of the Series A Preferred Stock to the liquidation preferences of such shares because it is uncertain whether or when an event would occur that would obligate the Company to pay the liquidation preferences to holders of shares and at the balance sheet date, these circumstances were not probable. Subsequent adjustments to the carrying values of the liquidation preferences will be made only when it becomes probable that such a liquidation event will occur.

Rights Upon a Subsequent Financing— So long as holders of shares of Series A Preferred Stock hold such shares with an aggregate Stated Value equal to or exceeding \$250,000, upon any issuance of shares of our common stock, Common Stock Equivalents (as defined in the Preferred SPA), conventional debt or a combination of such securities and/or debt (a "Subsequent Financing"), unless the proposed terms of a Subsequent Financing shall have first been delivered to such holders in reasonable detail and such holders have first been granted the option to purchase such securities pursuant to such terms, such holders have the right to purchase all, and no less than all, of the securities offered to investors in a Subsequent Financing on the same terms, conditions and price provided for in the Subsequent Financing. In addition, so long as holders of shares of Series A Preferred Stock hold such shares with an aggregate Stated Value equal to or exceeding \$500,000, if we effect a Subsequent Financing, such holders have a right to tender shares of Series A Preferred Stock for the securities offered pursuant to a Subsequent Financing.

Subsequent Equity Sales— In the event that we or any of our subsidiaries issue additional shares of common stock and/or Common Stock Equivalents in connection with a financing pursuant to which the effective price per share for such securities is less than the then conversion price of the Series A Preferred Stock, then subject to certain exceptions set forth in the Certificate of Designations, such conversion price will be reduced to such the effective price of such issued securities.

Common Stock

On January 30, 2018, the Company's board of directors approved the establishment of the Company's 2018 Long-Term Stock Incentive Plan (the "LTIP") and termination of its Carve-Out Plan (the "Plan"). Under the LTIP, the aggregate maximum number of shares of common stock (including shares underlying options) that may be issued under the LTIP pursuant to awards of restricted shares or options will be limited to 15% of the outstanding shares of common stock, which calculation shall be made on the first (1st) business day of each new fiscal year; provided that for fiscal year 2018, upon approval of the LTIP by the Company's shareholders, up to 300,000 shares of common stock were initially available for participants under the LTIP. Thereafter, the 15% evergreen provision governs the LTIP. For fiscal year 2019, up to 2,304,909 shares of common stock are available for participants under the LTIP.

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7. Preferred Stock and Stockholders' Equity, *continued*

In connection with the termination of the Plan, on January 31, 2018, the Company issued to its employees and directors 1,284,470 and 153,126 shares of restricted common stock ("January 2018 Restricted Stock Grant"), respectively. Such shares of restricted common stock were granted outside the LTIP's first year share availability pool, are fully vested, and were released to the employees and directors in three tranches at the rate of 33.4%, 33.3% and 33.3% on September 1, 2018, March 1, 2019 and September 1, 2019, respectively. In the event an employee voluntarily resigns, the release dates of the shares will be extended such that only 16.5% of the shares are released every nine months, until 100% are released. In the event that a director voluntarily resigns, each of the release dates will be extended nine months.

The LTIP and January 2018 Restricted Stock Grant were approved by a majority of the Company's stockholders on January 31, 2018. In connection with the January 2018 Restricted Stock Grant, the Company recorded stock-based compensation expense of \$0 and \$2,156,000 for the three and nine months ended September 30, 2018, respectively.

On September 1, 2018, the Company released its first tranche of restricted shares under the January 2018 Restricted Stock Grant. The majority of the restricted stock that were released were net-share settled such that the Company withheld shares with value equivalent to the employees' minimum statutory obligation for the applicable income and other employment taxes, and remitted the cash to the appropriate taxing authorities. The total shares withheld were based on the value of the restricted stock on their release date as determined by our closing stock price. These net-share settlements had the effect of share repurchases as they reduced and retired the number of shares that would have otherwise been issued as a result of the release and did not represent an expense to us. For the three and nine months ended September 30, 2018, 473,091 shares of restricted stock were released with an intrinsic value of approximately \$2.3 million. Of the restricted stock released, 123,255 shares were forfeited and we withheld 92,555 shares to satisfy approximately \$499,000 of employees' minimum tax obligation on the released restricted stock.

On March 1, 2019 and September 1, 2019, the Company released its second and third tranche, respectively, of restricted shares under the January 2018 Restricted Stock Grant. A portion of the restricted stock that was released were net-share settled such that the Company withheld shares with value equivalent to the employees' minimum statutory obligation for the applicable income and other employment taxes, and remitted the cash to the appropriate taxing authorities. The total shares withheld were based on the value of the restricted stock on their release date as determined by our closing stock price. These net-share settlements had the effect of share repurchases as they reduced and retired the number of shares that would have otherwise been issued as a result of the release and did not represent an expense to us. For the three months ended September 30, 2019, 471,676 shares of restricted stock were released with an intrinsic value of approximately \$481,000. Of the restricted stock released, 39,662 shares were forfeited and we withheld 21,735 shares to satisfy approximately \$22,000 of employees' minimum tax obligation on the released restricted stock. For the nine months ended September 30, 2019, 943,373 shares of restricted stock were released with an intrinsic value of approximately \$1.5 million. Of the restricted stock released, 362,824 shares were forfeited and we withheld 46,422 shares to satisfy approximately \$87,000 of employees' minimum tax obligation on the released restricted stock. As of September 30, 2019, there were 21,132 shares of restricted stock remaining under the January 2018 Restricted Stock Grant to be released to a terminated employee in three equal tranches over the next 17 months.

On February 28, 2018, in connection with the extension of the maturity date of the Series C Convertible Note to August 28, 2018, the Company issued 327 shares of its common stock to the note holder. The Company recorded nominal interest expense for the three and nine months ended September 30, 2018.

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7. Preferred Stock and Stockholders' Equity, continued

On January 4, 2019, the Company awarded 400,000 deferred shares to Michael Howse, a member of the Company's board of directors, in connection with a Deferred Shares Agreement under the LTIP. The shares vest immediately prior to a significant change in ownership, defined as a Fundamental Transaction in the agreement. In light of this performance vesting condition, the Company has not recorded any stock compensation expense for the issuance of these shares during the three and nine months ended September 30, 2019.

On September 9, 2019, the Company issued 150,000 shares of restricted common stock to George Oliva, the Company's new Chief Financial Officer, as an inducement grant. Such shares were issued outside the Company's LTIP. The Company will record stock compensation expense over the four-year vest period.

During the three and nine months ended September 30, 2019, the Company issued 11,250 and 172,780 common shares, respectively, in exchange for services. During the three and nine months ended September 30, 2018, the Company issued 94,160 common shares in exchange for services.

During the three and nine months ended September 30, 2019, the Company issued 70,000 common shares, to employees under the Company's LTIP. During the three and nine months ended September 30, 2018, the Company did not issue any shares under the Company's LTIP.

Warrants for Common Shares

The Company has issued warrants to purchase common shares to employees and consultants as compensation for services rendered, as well as in conjunction with the purchase of common shares in equity and debt transactions. A summary of the warrant activity and related information that occurred for the nine months ended September 30, 2019 and 2018 is provided in the following paragraphs.

In connection with the Series D Convertible Notes, the Company recognized the fair value of the warrants as a liability, as the warrants included a price protection provision adjusting the exercise price of the warrant in the event that the Company issued shares (i) at a price per share less than the exercise price then in effect or (ii) without consideration. Upon removal in February 2018 of the price protection provision, the Company reclassified the fair value of the warrant at that date to additional paid-in capital.

In connection with an amendment to the Series D Convertible Notes to extend the maturity date to June 30, 2018, the Company issued warrants to purchase 1,017,717 common shares at an exercise price of \$5.40 per share with a five-year term during the three months ended March 31, 2018. The grant date fair value of the warrants was \$210,000 which was recorded as warrant liability with the offset recorded as a discount to the Series D Convertible Notes. The fair value of the warrants was determined using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$1.50, expected dividend yield 0%, expected volatility 56%, risk-free interest rate 2.54% and expected life of 4 years.

In connection with an amendment to extend the various other convertible notes payable (excluding Series C, Series D and Series F Convertible Notes payable) to a maturity date of June 30, 2018, the Company issued warrants to purchase 44,408 common shares at an exercise price of \$5.40 per share with a five-year term during the three months ended March 31, 2018. The grant date fair value of the warrants was \$13,000 which was recorded as debt discount with the offset recorded to additional paid-in capital on the condensed consolidated balance sheet. The fair value of the warrants was determined using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$1.50, expected dividend yield 0%, expected volatility 57%, risk-free interest rate 2.65% and expected life of 5 years.

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7. Preferred Stock and Stockholders' Equity, *continued*

In connection with the Series F Convertible Notes issued during the three months ended March 31, 2018, the Company issued warrants to purchase 149,447 common shares at an exercise price of \$5.40 per share with a five-year term. The grant date fair value of the warrants was \$45,000 which was recorded as debt discount with the offset recorded to additional paid-in capital on the condensed consolidated balance sheet. The fair value of the warrants was determined using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$1.50, expected dividend yield 0%, expected volatility 57%, risk-free interest rate 2.56% and expected life of 5 years.

In connection with the Series F Convertible Notes issued during the three months ended March 31, 2018, the Company issued warrants to investment bankers to purchase 29,889 common shares at an exercise price of \$5.40 per share with a five-year term. The grant date fair value of the warrants was \$9,000 which was recorded as debt discount with the offset recorded to additional paid-in capital on the condensed consolidated balance sheet. The fair value of the warrants was determined using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$1.50, expected dividend yield 0%, expected volatility 57%, risk-free interest rate 2.56% and expected life of 5 years.

In April 2018, the Company granted warrants to purchase up to 275,000 shares of common stock to Michael Howse, a member of the Company's board of directors in connection with a consulting agreement. The warrants have an exercise price of \$5.40 per share and warrants to purchase up to 110,000 shares of common stock vest over nine months. The remaining warrants vest upon certain performance milestones. As of March 31, 2019, warrants to purchase 110,000 shares of common stock were vested. All of the warrants immediately vest upon a change of control, and the exercise price is subject to certain price protection provisions. The fair value of the warrants that vested in the three months ended March 31, 2019 was \$4,000 which was recorded as consulting expense with the offset recorded to warrant liability. The fair value of the warrants was estimated using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$1.99, expected dividend yield 0%, expected volatility 59%, risk-free interest rate 2.22% and expected life of 4.02 years.

In connection with the Series F Convertible Notes issued during the three months ended June 30, 2018, the Company issued warrants to purchase 25,000 common shares at an exercise price of \$5.40 per share with a five-year term. The grant date fair value of the warrants was \$44,000 which was recorded as debt discount with the offset recorded to additional paid-in capital on the consolidated balance sheet. The fair value of the warrants was determined using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$4.03, expected dividend yield 0%, expected volatility 57%, risk-free interest rate 2.82% and expected life of 5 years.

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In connection with the Series F Convertible Notes issued during the three months ended June 30, 2018, the Company issued warrants to investment bankers to purchase 3,222 common shares at an exercise price of \$5.40 per share with a five-year term. The grant date fair value of the warrants was \$5,700 which was recorded as debt discount with the offset recorded to additional paid-in capital on the consolidated balance sheet. The fair value of the warrants was determined using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$4.03, expected dividend yield 0%, expected volatility 57%, risk-free interest rate 2.82% and expected life of 5 years.

In connection with the Series G Notes issued during the three months ended June 30, 2018, the Company issued warrants to purchase 208,350 common shares at an exercise price of \$5.40 per share with a five-year term. The grant date fair value of the warrants was \$366,000 which was recorded as debt discount with the offset recorded to additional paid-in capital on the consolidated balance sheet. The fair value of the warrants was determined using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$4.03, expected dividend yield 0%, expected volatility 57%, risk-free interest rate 2.81% and expected life of 5 years.

In connection with the Series G Notes issued during the three months ended June 30, 2018, the Company issued warrants to investment bankers to purchase 58,334 common shares at an exercise price of \$5.40 per share with a five-year term. The grant date fair value of the warrants was \$102,000 which was recorded as debt discount with the offset recorded to additional paid-in capital on the consolidated balance sheet. The fair value of the warrants was determined using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$4.03, expected dividend yield 0%, expected volatility 57%, risk-free interest rate 2.82% and expected life of 5 years.

In connection with a settlement agreement entered into in July 2018 with the original holder of the Series E Convertible Note, the Company issued a warrant to purchase 487,864 common shares at an exercise price of \$3.00 per share with a five-year term. The grant date fair value of the warrant was \$1,590,095 which was recorded as interest expense with the offset recorded to additional paid-in capital on the consolidated balance sheet. The fair value of the warrant was determined using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$5.00, expected dividend yield 0%, expected volatility 59%, risk-free interest rate 2.82% and expected life of 5 years.

On July 25, 2018, as part of the agreement with the investment bankers in connection with the initial public offering, the Company issued warrants to purchase 72,000 common shares at an exercise price of \$6.25 per share with a five-year term. The grant date fair value of the warrants was \$169,000 which was recorded as issuance costs in additional paid-in capital with the offset also recorded to additional paid-in capital on the condensed consolidated balance sheet. The fair value of the warrants was determined using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$5.00, expected dividend yield 0%, expected volatility 59%, risk-free interest rate 2.86% and expected life of 5 years.

In August 2018, as payment for investor relations services, the Company issued a warrant to purchase 50,000 common shares at an exercise price of \$4.00 per share with a three-year term to a vendor. The grant date fair value of the warrant was \$117,300 which was recorded as consulting expense with the offset recorded to additional paid-in capital on the condensed consolidated balance sheet. The fair value of the warrant was determined using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$4.30, expected dividend yield 0%, expected volatility 60%, risk-free interest rate 2.88% and expected life of 3 years.

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7. Preferred Stock and Stockholders' Equity, continued

In connection with the Series G Notes amendment, entered into during the three months ended September 30, 2018, the Company issued warrants to purchase 625,000 common shares at an exercise price of \$4.50 per share with a five-year term. The grant date fair value of the warrants was \$2,506,250 which was recorded as debt discount with the offset recorded to additional paid-in capital on the consolidated balance sheet. The fair value of the warrants was determined using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$4.03, expected dividend yield 0%, expected volatility 59%, risk-free interest rate 2.77% and expected life of 5 years.

In April 2019, the Company granted warrants to purchase up to 225,102 shares of common stock to Ms. Walsh, holder of Series A Preferred Stock. The warrants have an exercise price of \$1.98 per share and are fully vested. The fair value of the warrants at issuance was \$216,000. The fair value of the warrants was estimated using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$2.08, expected dividend yield 0%, expected volatility 59%, risk-free interest rate 2.38% and expected life of 5.0 years. The Company determined the relative fair value of the warrant and the related Series A Preferred Stock, and recorded the warrant at \$200,000, with the offset recorded to additional paid-in capital.

In April 2019, the Company agreed to grant warrants to purchase up to 40,816 shares of common stock to Alexander Capital, L.P. in connection with the issuance of the Series A Preferred Stock. The warrants have an exercise price of \$2.18 per share and are fully vested but not exercisable until October 2019. The fair value of the warrants at issuance was \$43,000. The fair value of the warrants was estimated using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$2.08, expected dividend yield 0%, expected volatility 59%, risk-free interest rate 2.38% and expected life of 5.0 years. The fair value was recorded as a cost of issuance of the Series A Preferred Stock, with the offset to additional paid-in capital.

In May 2019, the Company agreed to grant warrants to purchase up to 122,272 shares of common stock to Alexander Capital, L.P. in connection with the Public Offering. The warrants have an exercise price of \$1.66 per share and are fully vested but not exercisable until May 2020. The fair value of the warrants at issuance was \$70,000. The fair value of the warrants was estimated using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$1.36, expected dividend yield 0%, expected volatility 60%, risk-free interest rate 2.18% and expected life of 4.0 years. The fair value was recorded as a cost of issuance of the common stock, with the offset to additional paid-in capital.

In July 2019, the Company granted warrants to purchase up to 40,000 shares of common stock to Lippert/Heishorn Associates Inc. The warrants have an exercise price of \$1.24 per share and are fully vested. The fair value of the warrants at issuance was \$23,000. The fair value of the warrants was estimated using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$1.16, expected dividend yield 0%, expected volatility 58%, risk-free interest rate 1.88% and expected life of 5.0 years. The fair value was recorded as professional services with the offset to additional paid-in capital.

In August 2019, the Company granted warrants to purchase up to 50,000 shares of common stock to DFC Advisory Services, LLC. The warrants have an exercise price of \$1.31 per share and are fully vested. The fair value of the warrants at issuance was \$23,000. The fair value of the warrants was estimated using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$1.01, expected dividend yield 0%, expected volatility 58%, risk-free interest rate 1.51% and expected life of 5.0 years. The fair value was recorded as professional services with the offset to additional paid-in capital.

Summit Wireless Technologies, Inc.

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7. Preferred Stock and Stockholders' Equity, continued

Between September 25 and September 30, 2019, the Company and certain holders (the "Holders") of the Company's common stock warrants with exercise prices between \$3.00 and \$5.40, (collectively, the "Original Warrants"), were offered the ability to enter into Warrant Amendment and Exercise Agreements (the "Warrant Amendment Agreements"), pursuant to which the Company would agree to reduce the exercise price of each Original Warrant exercised by a Holder to \$0.80 (the "Reduced Exercise Price") to purchase shares of common stock of the Company, and in connection with the exercise, the Company would reduce the exercise price of up to an equivalent number of remaining shares underlying the Original Warrants to \$0.79 (the "Amended Exercise Price"). The Company entered into the Warrant Amendment Agreements with eight Holders, under which Original Warrants were exercised for a total of 83,520 common shares and the Company received gross proceeds of \$67,000. Remaining Original Warrants for 47,547 common shares had their exercise price adjusted to the Amended Exercise Price. The Company calculated the incremental change in the fair value of the Original Warrants as a result of the Warrant Amendment Agreements and recorded a charge of \$46,000 as other expense with the offset to additional paid-in capital.

Information regarding warrants for common stock outstanding and exercisable as of September 30, 2019 is as follows:

Exercise Price	Warrants Outstanding as of September 30, 2019	Remaining Life (years)	Warrants Exercisable as of September 30, 2019
\$0.79 - \$2.18	830,737	3.17	502,649
\$3.00 - \$4.00	5,520,409	3.41	5,520,409
\$4.50 - \$4.95	187,767	1.66	187,767
\$5.40 - \$6.25	2,366,408	2.86	2,366,408
\$10.35	1,634	1.54	1,634
\$3.61	<u>8,906,955</u>	3.19	<u>8,578,867</u>

Warrants exercisable as of September 30, 2019 excludes (i) warrants to purchase 165,000 common shares issued to Mr. Howse which have not yet vested and (ii) warrants to purchase 163,088 common shares issued to Alexander Capital L.P., which are fully vested, but are exercisable in the amounts of 40,816 and 122,272 after October 18, 2019 and May 24, 2020, respectively.

8. Income Taxes

The Company recorded a provision for income taxes of \$7,000 for the nine months ended September 30, 2019 and \$8,000 for the nine months ended September 30, 2018. The provision for income taxes recorded for the nine months ended 2019 and 2018 was primarily due to state income tax expense.

The Company's effective tax rate was (0.09)% for the nine months ended September 30, 2019 and (0.01)% for the nine months ended September 30, 2018. The difference between the effective tax rate and the federal statutory tax rate for the nine months ended September 30, 2019 and 2018 primarily relates to the valuation allowance on the Company's deferred tax assets.

Summit Wireless Technologies, Inc.

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8. Income Taxes, continued

For interim periods, the Company estimates its annual effective income tax rate and applies the estimated rate to the year-to-date income or loss before income taxes. The Company also computes the tax provision or benefit related to items reported separately and recognizes the items net of their related tax effect in the interim periods in which they occur. The Company also recognizes the effect of changes in enacted tax laws or rates in the interim periods in which the changes occur.

As of September 30, 2019, the Company retains a full valuation allowance on its deferred tax assets. The realization of the Company's deferred tax assets depends primarily on its ability to generate taxable income in future periods. The amount of deferred tax assets considered realizable in future periods may change as management continues to reassess the underlying factors it uses in estimating future taxable income.

The provision for income taxes for the nine months ended September 30, 2019 and 2018 was calculated on a jurisdiction basis.

9. Commitments and Contingencies

Operating Leases

The Company rents its Beaverton, Oregon office under an operating lease, which was set to expire in October 2018. In July 2018, the Company extended its lease through October 31, 2020. Under the terms of the lease, the Company is responsible for taxes, insurance and maintenance expense. The Company recognizes rent expense on a straight-line basis over the lease period. Rent expense for the three months ended September 30, 2019 and 2018 was \$93,000 and \$78,000, respectively. Rent expense for the nine months ended September 30, 2019 and 2018 was \$282,000 and \$257,000, respectively.

Future annual minimum lease payments under the non-cancelable operating lease as of September 30, 2019 are \$90,000 and \$304,000, respectively, for the years ending December 31, 2019 and 2020.

Contingencies

In the normal course of business, the Company may become involved in legal proceedings. The Company will accrue a liability for such matters when it is probable that a liability has been incurred and the amount can be reasonably estimated. When only a range of a possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. The accrual for a litigation loss contingency might include, for example, estimates of potential damages, outside legal fees and other directly related costs expected to be incurred.

The Company's management does not believe that any such matters, individually or in the aggregate, will have a materially adverse effect on the Company's condensed consolidated financial statements.

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10. Related Parties

Brett Moyer

Mr. Moyer has served as the Company's President, Chief Executive Officer and a board member since the Company's founding in August 2010. Effective February 28, 2018, Mr. Moyer agreed to extend the maturity date of his Series D Convertible Note to June 30, 2018, which was later amended to extend the maturity date to July 25, 2018. In connection with the maturity date extension, Mr. Moyer received a warrant to purchase 9,058 shares of common stock at an exercise price of \$5.40 and which accrued an additional 10% interest on the first day of every month, beginning March 1, 2018, so long as such Series D Convertible Note remains outstanding. In April 2018, the Company issued Mr. Moyer a \$63,000 Series G Note, initially due June 15, 2018, in consideration for \$50,000 of expenses incurred by Mr. Moyer. In June 2018, in consideration for extending the maturity date of the Series G Note to July 15, 2018, Mr. Moyer was granted a warrant to purchase 4,630 shares of common stock at an exercise price equal to the lesser of (i) \$4.50 or (ii) the price per share of common stock sold in the Company's IPO, multiplied by 60%. In July 2018, in consideration for the extension of the Series G Note maturity date to July 25, 2018 and the agreement to make the Series G Note automatically convertible, Mr. Moyer was granted a warrant to purchase 13,889 shares of common stock at an exercise price equal to the lesser of (i) \$4.50 or (ii) the price per share of common stock sold in the Company's IPO, multiplied by 60%. On July 25, 2018, in connection with the Company's IPO, \$537,000 of principal under convertible promissory notes, and all accrued interest, was automatically converted into a total of 157,881 shares of common stock and the warrants issued in connection with the Series G Notes had their exercise price adjusted to \$3.00. As of September 30, 2019 and December 31, 2018, Mr. Moyer was owed \$0 of principal under convertible promissory notes and owned 1.6% and 1.5% of the outstanding shares of the Company's common stock respectively.

Michael Fazio

Mr. Fazio is the chairman of MARCorp Financial LLC, a private equity firm located in Illinois. Mr. Fazio served as a member of the Company's board of directors from May 2017 to June 2019. On May 17, 2017, the Company entered into a securities purchase agreement with MARCorp Signal, LLC, pursuant to which the Company borrowed a total of \$5,000,000 from MARCorp Signal, LLC in consideration for the Series E Convertible Note. MARCorp Signal, LLC is a wholly-owned subsidiary of MARCorp Financial LLC. In connection with such borrowings, MARCorp Signal, LLC was issued a warrant to purchase 2,614,381 of the Company's common units, which warrant was exercisable at \$4.50 per unit and had a five-year life. On November 30, 2017, MARCorp Signal, LLC's Series E Convertible Note was repaid by the Company in full. Pursuant to a settlement agreement that the Company entered into with MARCorp Signal, LLC on July 25, 2018, a warrant to purchase an aggregate of 487,864 shares of common stock was issued to MARCorp Signal, LLC, and following the Company's IPO, the exercise price of the warrants issued in connection with the Series E Convertible Note became \$3.00. On June 19, 2019, Mr. Fazio notified the Company of his decision to resign from the Company's board of directors effective June 19, 2019. Mr. Fazio resigned to focus on managing MARCorp Financial LLC and not due to any disagreement between the Company and Mr. Fazio, or any matter related to the Company's operations, policies or practices. As of September 30, 2019 and December 31, 2018, Mr. Fazio was owed \$0 of principal under convertible promissory notes and owned less than 1% of the outstanding shares of the Company's common stock.

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10. Related Parties, continued

Jonathan Gazdak

Mr. Gazdak is Managing Director – Head of Investment Banking for Alexander Capital, L.P., an investment banking firm based in New York. Mr. Gazdak has been a member of the Company’s board of directors since September 2015. Alexander Capital, L.P. has acted as the lead investment bank in a number of the Company’s private financings. Effective February 28, 2018, Mr. Gazdak agreed to extend the maturity date of his Series D Convertible Note to June 30, 2018, which was later amended to extend the maturity date to July 25, 2018. In connection with the maturity date extension, Mr. Gazdak received a warrant to purchase 1,569 shares of common stock at an exercise price of \$5.40 and accrued an additional 10% interest on the first day of every month, beginning March 1, 2018, so long as such Series D Convertible Note remains outstanding. On July 25, 2018, in connection with the Company’s IPO, \$21,000 of principal under convertible promissory notes, and all accrued interest, were automatically converted into a total of 5,647 shares of common stock. As of September 30, 2019 and December 31, 2018, Mr. Gazdak was owed \$0 of principal under convertible promissory notes and owned less than 1% of the outstanding shares of the Company’s common stock.

The Company signed an engagement letter with Alexander Capital, L.P. in August of 2014 (“August 2014 Engagement Letter”), under which Alexander Capital, L.P. earned a fee on total investments by its clients. Alexander Capital, L.P. earned fees of \$200,000 and \$321,000 for the three and nine months ended September 30, 2018, respectively, under the August 2014 Engagement Letter. As of September 30, 2019, Alexander Capital, L.P. has been issued warrants to purchase a total of 588,391 shares of common stock, exercisable at prices between \$3.30 and \$5.40 per share and for five years from the date of issuance, under the August 2014 Engagement Letter. The August 2014 Engagement Letter was terminated upon the completion of the IPO.

Pursuant to the underwriting agreement entered into between the Company and Alexander Capital, L.P. in connection with the IPO (the “Underwriting Agreement”), Alexander Capital, L.P. was paid a cash fee of \$900,000, as well as a non-accountable expense allowance of \$120,000 and reimbursements of \$100,000. Pursuant to the Underwriting Agreement, we issued Alexander Capital, L.P. warrants to purchase 72,000 shares of common stock. Such warrants are fully vested, exercisable at a per share price of \$6.25 and are exercisable at any time during the five-year period commencing 180 days from the effective date of the IPO, which period shall not exceed five years from such effective date.

The Company signed an engagement letter with Alexander Capital, L.P. in April of 2019 (“April 2019 Engagement Letter”), under which Alexander Capital, L.P. earns a fee on total investments by its clients. Alexander Capital, L.P. earned fees of \$0 and \$80,000 for the three and nine months ended September 30, 2019, respectively, under the April 2019 Engagement Letter. As of September 30, 2019, Alexander Capital, L.P. has been issued warrants to purchase a total of 40,816 shares of common stock at an exercise price of \$2.18 per share, under the April 2019 Engagement Letter. The warrant is fully vested and exercisable after October 18, 2019 through April 18, 2024.

Pursuant to the underwriting agreement entered into between the Company and Alexander Capital, L.P. in connection with the Public Offering (the “Public Offering Underwriting Agreement”), Alexander Capital, L.P. was paid a cash fee of \$406,554, as well as a non-accountable expense allowance of \$54,207 and reimbursements of \$100,000. Pursuant to the Underwriting Agreement, we issued Alexander Capital, L.P. warrants to purchase 122,272 shares of common stock. Such warrants are fully vested, exercisable at a per share price of \$1.66 and are exercisable at any time during the five-year period commencing 365 days from the effective date of the Public Offering, which period shall not exceed five years from such effective date.

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10. Related Parties, continued

Brian Herr

Mr. Herr has been a member of the Company's board of directors since February 2018. Mr. Herr is Chief Investment Officer and Co-Head of Structured Credit and Asset Finance for the Medalist Partners platform (f/k/a Candlewood Structured Strategy Funds) and serves as a co-portfolio manager for the Medalist Partners Harvest Master Fund, Ltd. and Medalist Partners Opportunity Master Fund A, LP (collectively, the "Medalist Funds"). Mr. Herr was granted a seat on the Company's board of directors pursuant to a securities purchase agreement, dated as of November 30, 2017, between the Company and the Medalist Funds, pursuant to which the Company also issued to the Medalist Funds an aggregate of \$2,000,000 Series F Convertible Notes, due June 30, 2018, which was later amended to extend the maturity date to July 25, 2018, and warrants to purchase an aggregate of 222,222 shares of our common stock. In addition, between April 20, 2018 and June 29, 2018, the Company issued an aggregate of \$2,438,000 of Series G Notes due July 15, 2018, as amended to the Medalist Funds and warrants to purchase an aggregate of 180,570 shares of our common stock. In July 2018, in consideration for the extension of the Series G Note maturity date to July 25, 2018 and the agreement to make the Series G Note automatically convertible, the Medalist Funds were granted a warrant to purchase 541,666 shares of common stock at an exercise price equal to the lesser of (i) \$4.50 or (ii) the price per share of common stock sold in the Company's IPO, multiplied by 60%. On July 25, 2018, in connection with the Company's IPO, \$3,950,000 of principal under convertible promissory notes, and all accrued interest, were automatically converted into a total of 1,950,348 shares of common stock and the exercise price of the warrants issued in connection with the Series G Notes became \$3.00. As of September 30, 2019 and December 31, 2018, the Medalist Funds were owed \$0 of principal under convertible promissory notes and owned 9.6% and 12.7% of the outstanding shares of the Company's common stock, respectively.

Michael Howse

We are party to an agreement with Michael Howse, dated April 6, 2018, as amended effective as of December 27, 2018 (the "Howse Agreement"), pursuant to which Mr. Howse was appointed interim role as chief strategy officer on an "at-will" basis in consideration for a monthly cash salary as well as (i) a warrant to purchase 110,000 shares of our common stock, exercisable at a per share price of \$2.00 and which vested monthly over a nine-month period and which fully vested on January 6, 2019 and (ii) a warrant to purchase 165,000 shares of our common stock, exercisable at a per share price of \$2.00, which shall vest, so long as Mr. Howse continues to serve as interim chief strategy officer and/or as a member of our board of directors, (x) as to 110,000 shares of common stock upon the achievement of a significant milestone and (y) as to 65,000 shares of common stock upon the achievement of an additional significant milestone. The foregoing exercise prices are subject to adjustment as provided in each warrant. Pursuant to the Howse Agreement, such warrants shall fully vest on the earlier of (1) immediately prior to a Fundamental Transaction, as defined in such agreement, and (2) Mr. Howse's removal from our board of directors for any reason other than his resignation, his intentional illegal conduct or gross misconduct, or his conviction for any felony, theft, embezzlement or violent crime. In addition, pursuant to the Howse Agreement, we also agreed to appoint Mr. Howse to our board of directors, where he may only be removed for cause, or his termination or resignation.

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10. Related Parties, continued

Under the Howse Agreement, if the Company raises capital in one or more financings from certain pre-approved strategic investors, or is acquired by a third-party during the period that Mr. Howse serves as interim chief strategy officer (or within six months thereafter), he will receive a percentage cash bonus concurrently with the closing of such transaction based on the amount raised or consideration paid for the Company, as applicable, (A) which bonus doubles in the event that the Company does not incur an amount equal to 2% or more of the consideration (as defined in the Howse Agreement) in fees to any investment bank in connection with such transaction, if such transaction is a Fundamental Transaction, and (B) 50% of which bonus may be paid as a convertible note or preferred equity with the same terms as the other participants in such transaction, if such transaction is a financing. Pursuant to the Howse Agreement, we may terminate Mr. Howse at any time, with or without cause, upon 90 days' prior written notice. Such agreement provides for Company-sponsored benefits in accordance with our policies. Pursuant to the Howse Agreement, effective November 1, 2018, Mr. Howse was placed on our payroll and is now considered a part-time Company employee.

In connection with the Howse Agreement, the Company is also party to the Deferred Shares Agreement, entered into as January 4, 2019 (the "Deferred Shares Agreement"), pursuant to which the Company granted Mr. Howse up to 400,000 deferred shares under the LTIP (the "Deferred Shares"). Pursuant to such agreement, if a Fundamental Transaction has not occurred within 180 days of the earlier of the date on which Mr. Howse no longer serves (i) as our interim chief strategy officer or (ii) on our board of directors, all of the Deferred Shares shall be forfeited and Mr. Howse will have no further rights to such shares. Pursuant to such agreement, the Deferred Shares shall vest immediately prior to a Fundamental Transaction, and the number of Deferred Shares that shall vest is based on the consideration paid for the Company in such transaction, which number of Deferred Shares that shall vest to double in the event that the Company does not incur general expenses (as defined). As of September 30, 2019, Mr. Howse has vested warrants to purchase 110,000 shares of common stock and owns 0% of the outstanding shares of the Company's common stock.

Helge Kristensen

Mr. Kristensen has served as a member of the Company's board of directors since 2010. Mr. Kristensen serves as vice president of Hansong Technology, an original device manufacturer of audio products based in China, president of Platin Gate Technology (Nanjing) Co. Ltd, a company with focus on service-branding in lifestyle products as well as pro line products based in China and co-founder and director of Inizio Capital, an investment company based in the Cayman Islands. Effective February 28, 2018, Inizio Capital and Hansong Technology agreed to extend the maturity dates of the Five February 2016 Note and the December 2015 Note, respectively to June 30, 2018, which was later amended to extend the maturity date to July 25, 2018. In connection with the maturity date extensions, Inizio Capital and Hansong Technology received warrants to purchase 1,341 and 942 shares of common stock, respectively, at an exercise price of \$5.40. On July 25, 2018, in connection with the Company's IPO, \$50,000 of principal under convertible promissory notes, and all accrued interest, were automatically converted into a total of 27,923 shares of common stock. In August 2019, the Company issued Hansong Technology a purchase order in the amount of \$360,000, to purchase wireless audio speaker systems, for delivery in the fourth quarter of 2019. As of September 30, 2019 and December 31, 2018, affiliates of Mr. Kristensen were owed \$0 of principal under convertible promissory notes and owned less than 1.0% of the outstanding shares of the Company's common stock.

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10. Related Parties, continued

Significant Shareholders

In January 2017, Carl E. Berg invested the aggregate sum of \$300,000 in the Company's Series D Convertible Note financing described in Note 5 of the Notes to the Consolidated Financial Statements and was granted a warrant to purchase 39,216 shares of common stock at an exercise price of \$5.40. Effective February 28, 2018, Mr. Berg agreed to extend the maturity date of his Series D Convertible Note to June 30, 2018, which was later amended to extend the maturity date to July 25, 2018. In connection with the maturity date extension, Mr. Berg received a warrant to purchase 39,216 shares of common stock at an exercise price of \$5.40 and accrued an additional 10% interest on the first day of every month, beginning March 1, 2018, so long as such Series D Convertible Note remained outstanding. In addition, Mr. Berg agreed to extend the maturity date of his various other convertibles notes to June 30, 2018, which was later amended to extend the maturity date to July 25, 2018. In connection with the maturity date extensions, Mr. Berg received warrants to purchase a total of 25,965 shares of common stock at an exercise price of \$5.40. On July 25, 2018, in connection with the Company's IPO, \$1,479,000 of principal under convertible promissory notes, and all accrued interest, were automatically converted into a total of 464,687 shares of common stock. As of September 30, 2019 and December 31, 2018, Mr. Berg was owed \$0 of principal under convertible promissory notes and owned 7.9% and 10.4% of the outstanding shares of the Company's common stock, respectively.

In November 2017, Lisa Walsh invested \$6,500,000 in the Company's Series F Convertible Note financing and was issued warrants to purchase 722,222 shares of common stock at an exercise price of \$5.40 per share. Effective February 28, 2018, Ms. Walsh agreed to extend the maturity date of her Series D Convertible Note to June 30, 2018, which was later amended to extend the maturity date to July 25, 2018. In connection with the maturity date extension, Ms. Walsh received a warrant to purchase 112,419 shares of common stock at an exercise price of \$5.40 and accrued an additional 10% interest on the first day of every month, beginning March 1, 2018, so long as such Series D Convertible Note remained outstanding. In May 2018, the Company issued Ms. Walsh a \$288,000 Series G Note, initially due June 15, 2018. In June 2018, in consideration for extending the maturity date of the Series G Note to July 15, 2018, Ms. Walsh was granted a warrant to purchase 23,150 shares of common stock at an exercise price equal to the lesser of (i) \$4.50 or (ii) the price per share of common stock sold in the Company's IPO, multiplied by 60%. In July 2018, in consideration for the extension of the Series G Note maturity date to July 25, 2018 and the agreement to make the Series G Note automatically convertible, Ms. Walsh was granted a warrant to purchase 69,444 shares of common stock at an exercise price equal to the lesser of (i) \$4.50 or (ii) the price per share of common stock sold in the Company's IPO, multiplied by 60%. On July 25, 2018, in connection with the Company's IPO, \$8,330,000 of principal under convertible promissory notes, and all accrued interest, were automatically converted into a total of 2,938,650 shares of common stock and the exercise price of the warrants issued in connection with the Series G Notes became \$3.00. On April 18, 2019, Ms. Walsh agreed to purchase 250,000 shares of our Series A Preferred Stock in consideration for \$1,000,000. Ms. Walsh was granted a warrant to purchase 255,102 shares of our common stock at an exercise price of \$1.98 per share. As of September 30, 2019 and December 31, 2018, Ms. Walsh was owed \$0 of principal under convertible promissory notes and owned 20.0% and 26.4% of the outstanding shares of the Company's common stock, respectively. In addition, Ms. Walsh owns 100% of the Company's Series A Preferred Stock.

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11. Segment Information

The Company operates in one business segment, wireless audio products. Our chief decision-maker, the President and Chief Executive Officer, evaluates our performance based on company-wide consolidated results.

Net revenue from customers is designated based on the geographic region to which the product is delivered. Net revenue by geographic region for the three and nine months ended September 30, 2019 and 2018 was as follows:

(in thousands)	For the three months ended September 30,		For the nine months ended September 30,	
	2019	2018	2019	2018
United States	\$ -	\$ 5	\$ 3	\$ 7
Europe	94	178	381	354
Asia Pacific	325	202	852	685
Total	\$ 419	\$ 385	\$ 1,236	\$ 1,046

Substantially all of our long-lived assets are located in the United States.

12. Subsequent Events

Warrant Amendment and Exercise Agreements

Between October 2 and October 8, 2019, the Company and certain holders (the "Holders") of the Original Warrants, including the Company's Series D common stock warrants, Series F common stock warrants (the "Series F Warrants") and Series G common stock warrants (the "Series G Warrants"), entered into Warrant Amendment Agreements, pursuant to which the Company agreed to reduce the exercise price of each Original Warrant to \$0.80 (the "Reduced Exercise Price"), and for each Original Warrant exercised by a Holder at the Reduced Exercise Price, the Company agreed to reduce the exercise price of Original Warrants to purchase up to an equivalent number of shares of common stock (the "Amended Warrants") to \$0.79 (the "Amended Exercise Price"). The Company entered into Warrant Amendment Agreements with 24 Holders, under which Original Warrants were exercised for a total of 1,044,861 shares of common stock and the Company received gross proceeds of \$836,000. Remaining Original Warrants for 1,333,860 shares of common stock had their exercise price adjusted to the Amended Exercise Price of \$0.79.

In connection with the Warrant Amendment Agreement entered into with the Medalist Funds, the Company also executed Amendment No. 1 to the Series F Warrants held by the Medalist Funds (the "Series F Warrant Amendment"), pursuant to which each such Series F Warrant was further amended to add, among other things, fundamental transaction and subsequent rights offerings provisions as well as a 9.99% beneficial ownership limitation (the "Beneficial Ownership Limitation").

Pursuant to Warrant Amendment Agreements entered into with the Medalist Funds, with respect to the Series F Warrants and Series G Warrants, if the exercise of an Original Warrant at the Reduced Exercise Price would cause each of the Medalist Funds to exceed the Beneficial Ownership Limitation, in lieu of receiving such number of shares of common stock in excess of the Beneficial Ownership Limitation, the Company will only issue such number of shares of common stock to each of the Medalist Funds as would not cause each of the Medalist Funds to exceed the maximum number of shares of common stock permitted under the Beneficial Ownership Limitation, and each of the Medalist Funds shall be issued, at an exercise price equal to the Reduced Exercise Price less \$0.01 per share, pre-funded common stock warrants covering such number of shares of common stock as would otherwise have been in excess of the Beneficial Ownership Limitation (the "Pre-Funded Warrants"). In connection with such exercises, the Medalist Funds were issued Pre-Funded Warrants to purchase an aggregate of 414,364 shares of common stock. The Company received aggregate gross proceeds of approximately \$327,000 in connection with the Pre-Funded Warrants.

Additionally, pursuant to the Warrant Amendment Agreements, the Company agreed to prepare and file with the SEC, as soon as practicable, but in no event later than November 4, 2019, a registration statement on Form S-3 to register all shares of common stock received by the Holders upon exercise of any Warrant (as defined in the Warrant Amendment Agreements) and all shares of common stock underlying the Original Warrants (as defined in the Warrant Amendment Agreements).

From November 3, 2019 to November 6, 2019, the Company entered into settlement agreements (the "Settlement Agreements") with (i) each of the Holders, other than the Medalist Funds, pursuant to which it agreed to issue such Holders an aggregate of 152,944 additional shares of common stock, and (ii) the Medalist Funds, pursuant to which it agreed to pay the Medalist Funds an aggregate of \$47,223 in cash, with such shares and cash meant to compensate such Holders for the difference between the Amended Exercise price and the lower priced shares that were offered to investors in connection with the Registered Direct Offering (as defined below). In addition, pursuant to the Settlement Agreements, the Company and the Holders agreed to extend the date by which the Company would file a registration statement on Form S-3 to register all shares of common stock received by the Holders upon exercise of any Warrant (as defined in the Warrant Amendment Agreements) and all shares of common stock underlying the Original Warrants (as defined in the Warrant Amendment Agreements) from November 4, 2019 to November 18, 2019.

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12. Subsequent Events, continued

Registered Direct Offering and Underwriting Agreement

On October 16, 2019, the Company closed a registered direct offering with certain institutional investors for 2,500,000 registered common shares (the “Shares”) priced at \$0.70 per share (the “Registered Direct Offering”). The Registered Direct Offering was registered and the Shares were issued pursuant to the Company’s effective shelf registration statement on Form S-3 (File No. 333-233433) (the “Registration Statement”), which was initially filed with the SEC on August 23, 2019, and was declared effective on September 6, 2019, and the related base prospectus included in the Registration Statement, as supplemented by the preliminary prospectus supplement dated October 16, 2019 (the “Prospectus Supplement”). In connection with the Registered Direct Offering, the Company issued its shares of common stock for gross proceeds of approximately \$1,800,000. The Company intends to use the net proceeds of approximately \$1,400,000 from the offering for working capital purposes.

Nasdaq Notification

On October 16, 2019, the Company received a written notification (the “Notice”) from the Nasdaq Stock Market LLC (“Nasdaq”) indicating that the Company was not in compliance with Nasdaq Listing Rule 5550(a)(2), as the closing bid price of the Company’s common stock was below \$1.00 per share for the previous thirty (30) consecutive business days. Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the Company has been granted a 180 calendar day compliance period, or until April 13, 2020, to regain compliance with Nasdaq’s minimum bid price requirements. During the compliance period, the Company’s shares of common stock will continue to be listed and traded on Nasdaq. To regain compliance, the closing bid of the common stock must meet or exceed \$1.00 per share for at least ten (10) consecutive business days during such 180 calendar day grace period. If the Company is not in compliance by April 13, 2020, the Company may be afforded a second 180 calendar day grace period. To qualify, the Company would be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for Nasdaq, with the exception of the minimum bid price requirements. In addition, the Company would be required to notify Nasdaq of its intent to cure such minimum bid price deficiency by effecting a reverse stock split, if necessary. If the Company does not regain compliance within the allotted compliance period(s), including any extensions that may be granted by Nasdaq, Nasdaq will provide notice that the Company’s shares of common stock will be subject to delisting. The Company intends to monitor the closing bid price for its common stock between now and April 13, 2020, and will consider available options to resolve the Company’s noncompliance with Nasdaq’s minimum bid price requirement, as may be necessary. There can be no assurance that the Company will be able to regain compliance with such minimum bid price requirement or will otherwise be in compliance with other Nasdaq listing criteria.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Cautionary Notice Regarding Forward Looking Statements

The information contained in Item 2 contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Actual results may materially differ from those projected in the forward-looking statements as a result of certain risks and uncertainties set forth in this report. Although management believes that the assumptions made and expectations reflected in the forward-looking statements are reasonable, there is no assurance that the underlying assumptions will, in fact, prove to be correct or that actual results will not be different from expectations expressed in this report.

This filing contains a number of forward-looking statements which reflect management’s current views and expectations with respect to our business, strategies, products, future results and events, and financial performance. All statements made in this filing other than statements of historical fact, including statements addressing operating performance, events, or developments which management expects or anticipates will or may occur in the future, and also including statements related to distributor channels, volume growth, revenues, profitability, new products, adequacy of funds from operations, statements expressing general optimism about future operating results, and non-historical information, are forward looking statements. In particular, the words “believe,” “expect,” “intend,” “anticipate,” “estimate,” “may,” variations of such words, and similar expressions identify forward-looking statements, but are not the exclusive means of identifying such statements, and their absence does not mean that the statement is not forward-looking. These forward-looking statements are subject to certain risks and uncertainties, including those discussed below. Our actual results, performance or achievements could differ materially from historical results as well as those expressed in, anticipated, or implied by these forward-looking statements. We do not undertake any obligation to revise these forward-looking statements to reflect any future events or circumstances.

Readers should not place undue reliance on these forward-looking statements, which are based on management’s current expectations and projections about future events, are not guarantees of future performance, are subject to risks, uncertainties and assumptions (including those described below), and apply only as of the date of this filing. Our actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements.

Overview

We were formed as Summit Semiconductor, LLC, a Delaware limited liability company, on July 23, 2010. We converted to a Delaware corporation, effective December 31, 2017, at which time we changed our name to Summit Semiconductor, Inc. Effective as of September 11, 2018, we changed our name to Summit Wireless Technologies, Inc. We run our operations through Summit Wireless Technologies, Inc., as well as through our wholly-owned subsidiaries, Summit Semiconductor K.K., a Japanese corporation and WiSA, LLC, a Delaware limited liability company. The address of our corporate headquarters is 6840 Via Del Oro, Ste. 280, San Jose, CA 95119. Our website address is www.summitwireless.com. The information contained in or accessible through our website is not part of this Report and is intended for informational purposes only.

We are an early stage technology company and our primary business focus is to enable mainstream consumers and audio enthusiasts to experience high quality audio. We intend to continue selling our semiconductors and wireless modules to consumer electronics companies while also increasing our focus on implementing a software licensing business segment.

Our plan also anticipates that our technology will address some of the main issues that we perceive are hindering the growth of the home theater: complexity and cost. We believe consumers want to experience theater quality surround sound from the comfort of their homes. However, wired home theater systems often require expensive audio-visual (“AV”) receivers to decode the audio stream, leaving the consumer with the burden of concealing the wires. Hiring a professional to hide the wires into the walls or floor is invasive, complicated, costly and time consuming. Further, people that rent as opposed to own may not be able to install these systems as the installation construction needed may not be permitted under a lease agreement. Our first-generation wireless technology addresses these problems by transmitting wireless audio to each speaker at Blu-ray quality (uncompressed 24-bit audio up to 96 kHz sample rates) and emphasizing ease of setup. To our knowledge, our custom chip and module technology is one of the only technologies available today that can stream up to eight separate wireless audio channels with low latency, removing lip-sync issues between the audio and video sources. In addition, every speaker within a system that utilizes our technology can be synchronized to less than one microsecond, thus eliminating phase distortion between speakers. Our first-generation technology shows that wireless home theater systems are viable home audio solutions for the average consumer and audio enthusiast alike.

We are currently developing certain proprietary software that we believe will provide similar functionality and quality and allow us to enable smart devices, that have Wi-Fi and video media, to deliver surround sound audio. We believe our software based-solution which other brands can integrate into their devices and will (i) reduce integration costs for mass market use, (ii) utilize Wi-Fi for wireless connectivity, making the need for complex physical wire installations unnecessary, (iii) provide a low power consumption option to allow for use in battery powered devices, and (iv) provide compatibility with Linux, iOS or Android operating systems.

To date, our operations have been funded through sales of our common and preferred equity, debt instruments, and revenue from the sale of our products. Our consolidated financial statements contemplate the continuation of our business as a going concern. However, we are subject to the risks and uncertainties associated with an emerging business, as noted above we have no established source of capital, and we have incurred recurring losses from operations since inception.

On July 26, 2018, the Company closed its initial public offering of its common stock ("IPO"). The Company's registration statement on Form S-1 relating to the IPO was declared effective by the U.S. Securities and Exchange Commission (the "SEC") on July 25, 2018. The shares began trading on The NASDAQ Capital Market under the ticker symbol "WISA" on July 27, 2018. Pursuant to the IPO, the Company issued 2,400,000 shares of common stock at an offering price of \$5.00 per share, raising gross proceeds of \$12,000,000. In aggregate, the shares issued in the offering generated approximately \$10,273,000 in net proceeds.

On May 24, 2019, the Company closed a public offering of the Company's common stock ("Public Offering"). The Company's registration statement on Form S-1 relating to the Public Offering was declared effective by the SEC on May 21, 2019. In connection with the Public Offering, the Company issued an aggregate of 4,075,726 shares of common stock at a public offering price of \$1.33 per share for gross proceeds of approximately \$5,420,000. The net proceeds to the Company, after deducting underwriting discounts and commissions and other offering expenses, were approximately \$4,664,000.

On October 16, 2019, the Company closed a registered direct offering with certain institutional investors of an aggregate of 2,500,000 shares of its common stock (the "Shares"), priced at \$0.70 per share (the "Registered Direct Offering"). The Registered Direct Offering was registered and the Shares were issued pursuant to the Company's effective shelf registration statement on Form S-3 (File No. 333-233433) (the "Registration Statement"), which was initially filed with the SEC on August 23, 2019, and was declared effective on September 6, 2019, and the related base prospectus included in the Registration Statement, as supplemented by the preliminary prospectus supplement dated October 16, 2019 (the "Prospectus Supplement"). In connection with the Registered Direct Offering, the Company issued its shares of common stock for gross proceeds of approximately \$1,800,000. The Company intends to use the net proceeds of approximately \$1,400,000 from the offering for working capital purposes.

Comparison of the Three and Nine Months Ended September 30, 2019 and 2018

Revenue

Revenue for the three months ended September 30, 2019 was \$419,000, an increase of \$34,000 or 9%, compared to the same period of 2018. The increase in revenue was attributable to higher module sales.

Revenue for the nine months ended September 30, 2019 was \$1,236,000, an increase of \$190,000 or 18%, compared to the same period of 2018. The increase in revenue was attributable to higher module sales.

Cost of Revenue and Operating Expenses

Cost of Revenue

Cost of revenue for the three months ended September 30, 2019 was \$387,000, a decrease of \$26,000, compared to the same period of 2018. Cost of revenue decreased as a result of decreased salary, incentive compensation and benefit expenses of approximately \$35,000, decreased facility allocation charges of \$9,000 and increased overhead capitalization of \$20,000, partially offset by the \$31,000 increase as a direct result of the increased revenue between comparable time periods.

Cost of revenue for the nine months ended September 30, 2019 was \$1,124,000, a decrease of \$120,000, compared to the same period of 2018. Cost of revenue decreased as a result of decreased salary and benefit expenses of \$115,000, as two employees transferred to our research and development department, increased overhead capitalization of \$60,000, reduced facility allocation charges of \$34,000 and reduced stock compensation charges of approximately \$24,000, partially offset by the \$97,000 increase as a direct result of the increased revenue between comparable time periods.

Research and development

Research and development expenses for the three months ended September 30, 2019 were \$1,429,000, an increase of \$387,000, compared to the same period of 2018. The increase in research and development expenses is primarily related to increased salary, incentive compensation and benefit expenses of approximately \$92,000, between comparison periods, increased consulting fees of \$126,000, increased direct material and prototype expenses of \$84,000 and increased facility allocation charges of \$64,000 due to the additional headcount.

Research and development expenses for the nine months ended September 30, 2019 were \$4,195,000, an increase of \$555,000, compared to the same period of 2018. The increase in research and development expenses is primarily related to increased salary and benefit expenses of \$315,000, as we increased our average headcount by two employees, increased consulting expenses of \$551,000, increased facility allocation charges of \$194,000 due to the additional headcount, increased direct material and prototype expenses of \$92,000 and additional recruiting fees of \$29,000, partially offset by decreased stock compensation charges of approximately \$657,000.

Sales and marketing

Sales and marketing expenses for the three months ended September 30, 2019 were \$694,000, an increase of \$14,000, compared to the same period of 2018. The increase in sales and marketing expenses is primarily related to increased salary, incentive compensation and benefit expenses of \$200,000, as we increased our average headcount by three employees, increased stock compensation charges of \$11,000, increased travel and public relation expenses of approximately \$28,000 each, partially offset by reduced consulting fees of approximately \$240,000, which includes \$154,000 of decreased stock compensation charges.

Sales and marketing expenses for the nine months ended September 30, 2019 were \$2,119,000, an increase of \$58,000, compared to the same period of 2018. The increase in sales and marketing expenses is primarily related to increased salary and benefit expenses of \$535,000, as we increased our average headcount by three employees, increased travel, tradeshow and public relation expenses of \$52,000, \$16,000 and \$75,000, respectively, partially offset by decreased stock compensation charges of approximately \$360,000 and decreased consulting expenses of \$142,000, which includes decreased stock compensation expenses.

General and Administrative

General and administrative expenses for the three months ended September 30, 2019 were \$588,000, a decrease of \$624,000, compared to the same period of 2018. The decrease in general and administrative expenses is primarily related to decreased investor relation expenses of \$593,000, which includes \$469,000 of stock compensation charges, and decreased legal fees of \$68,000 as we concluded an initial public offering in July 2018, partially offset by increased accounting fees of \$26,000.

General and administrative expenses for the nine months ended September 30, 2019 were \$1,860,000, a decrease of \$1,000,000, compared to the same period of 2018. The decrease in general and administrative expenses is primarily related to decreased stock compensation charges of approximately \$809,000, decreased investor relation stock compensation charges of \$266,000, partially offset by increased salary and benefit expenses of \$46,000 and increased investor relations fees of \$126,000.

Interest Expense

Interest expense for the three months ended September 30, 2019 was \$0, compared to \$14,171,000 for the same period of 2018. Interest expense for the three months ended September 30, 2018 was due to the amortization of debt discount charges and interest expense associated with the convertible debt outstanding as of July 25, 2018, the date of the Company's initial public offering. No interest expense was booked in the three months ended September 30, 2019, as the Company had no outstanding debt.

Interest expense for the nine months ended September 30, 2019 was \$0, compared to \$33,502,000 for the same period of 2018. Interest expense for the nine months ended September 30, 2018 was due to the amortization of debt discount charges and interest expense associated with the convertible debt outstanding as of July 25, 2018, the date of the Company's initial public offering. No interest expense was booked in the nine months ended September 30, 2019, as the Company had no outstanding debt.

Change in Fair Value of Warrant Liability

Change in fair value of warrant liability for the three months ended September 30, 2019 resulted in a gain of \$18,000, compared to an expense of \$3,878,000 in the same period of 2018. The gain for the three months ended September 30, 2019 was due to the decrease in our common stock price during the period. The expense for the three months ended September 30, 2018 was due to the increase in our common stock price, as we prepared for and then concluded an initial public offering on July 25, 2018, which led to an increase in the fair value of the warrants.

Change in fair value of warrant liability for the nine months ended September 30, 2019 resulted in a gain of \$193,000, compared to an expense of \$8,127,000 during the same period of 2018. The gain for the nine months ended September 30, 2019 was due to the decrease in our common stock price during the period. The expense for the nine months ended September 30, 2018 was due to the increase in our common stock price as we prepared for and then concluded an initial public offering on July 25, 2018, which led to an increase in the fair value of the warrants.

Change in Fair Value of Derivative Liability

Change in fair value of derivative liability for the three months ended September 30, 2019 was \$0, compared to an expense of \$10,908,000 in the same period of 2018. The \$10,908,000 expense recorded in the three months ended September 30, 2018 was related to the fair value of the embedded conversion feature included in nearly all of the Company's outstanding convertible notes as of July 25, 2018, the date of our initial public offering.

Change in fair value of derivative liability for the nine months ended September 30, 2019 resulted in an expense of \$171,000, compared to an expense of \$14,294,000 in the same period of 2018. The \$171,000 expense recorded in the nine months ended September 30, 2019 was related to the change in fair value of the embedded conversion feature included in the Company's Series A 8% Senior Convertible Preferred Stock, par value \$0.0001 per share (the "Series A Preferred Stock") as of September 30, 2019. The \$14,294,000 expense recorded in the nine months ended September 30, 2018 was related to the fair value of the embedded conversion feature included in nearly all of the Company's outstanding convertible notes as of July 25, 2018, the date of our initial public offering.

Liquidity and Capital Resources

Cash and cash equivalents as of September 30, 2019 were \$284,000, compared to \$3,218,000 as of December 31, 2018. The decrease in cash and cash equivalents during the nine months ended September 30, 2019 was directly related to the use of cash to fund operations and working capital requirements, partially offset by the April 2019 offering and sale of Series A Preferred Stock, whereby the Company raised net proceeds of \$920,000 and the Public Offering, under which the Company raised net proceeds of \$4,664,000.

We incurred a net loss of \$8,097,000 for the nine months ended September 30, 2019 and used net cash in operating activities of \$8,454,000. For the nine months ended September 30, 2018, we incurred a net loss of \$64,617,000 and used net cash in operating activities of \$7,086,000. Excluding non-cash adjustments, the primary reasons for the use of net cash from operating activities during the nine months ended September 30, 2019 was related to the increase in inventories and prepaid expenses and other assets of \$653,000 and \$481,000, respectively, offset partially by the increase in accounts payable and accrued liabilities of \$164,000 and \$187,000, respectively.

We are an early stage company and have generated losses from operations since inception. In order to execute our long-term strategic plan to further develop and fully commercialize our core products, we will need to raise additional funds, through public or private equity offerings, debt financings, or other means. These conditions raise substantial doubt about our ability to continue as a going concern.

During the nine months ended September 30, 2019, the Company did not borrow any funds. During the nine months ended September 30, 2018, the Company borrowed \$7,519,000 from secured lenders, receiving net proceeds of \$7,018,000 after issuance costs.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a smaller reporting company, as defined in Rule 12b-2 of the Exchange Act, we are not required to provide the information required by this Item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that material information required to be disclosed in our periodic reports filed under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and to ensure that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of our disclosure controls and procedures. Based on the foregoing evaluation, our management concluded that, as of September 30, 2019, our disclosure controls and procedures were not effective to provide reasonable assurance that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Our management, including our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), does not expect that our disclosure controls and procedures will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Changes in Internal Controls

There were no changes in the Company's internal control over financial reporting that occurred during the three months ended September 30, 2019 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time we may be involved in various claims and legal actions arising in the ordinary course of our business. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company or any of our subsidiaries, threatened against or affecting our company, or any of our subsidiaries in which an adverse decision could have a material adverse effect upon our business, operating results, or financial condition.

Item 1A. Risk Factors

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On July 9, 2019, the Company granted warrants to purchase up to 40,000 shares of common stock to Lippert/Heishorn Associates Inc. The warrants have an exercise price of \$1.24 per share and are fully vested. The fair value of the warrants at issuance was \$23,000. The fair value of the warrants was estimated using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$1.16, expected dividend yield 0%, expected volatility 58%, risk-free interest rate 1.88% and expected life of 5.0 years. The fair value was recorded as professional services with the offset to additional paid-in capital.

On August 14, 2019, the Company granted warrants to purchase up to 50,000 shares of common stock to DFC Advisory Services, LLC. The warrants have an exercise price of \$1.31 per share and are fully vested. The fair value of the warrants at issuance was \$23,000. The fair value of the warrants was estimated using the Black-Scholes Model based on the following weighted average assumptions: common share price on date of grant \$1.01, expected dividend yield 0%, expected volatility 58%, risk-free interest rate 1.51% and expected life of 5.0 years. The fair value was recorded as professional services with the offset to additional paid-in capital.

On September 9, 2019, as a material inducement to George Oliva's acceptance of employment as the Company's Chief Financial Officer, the Company issued Mr. Oliva 150,000 shares of restricted stock of the Company (the "Stock Award"). The Stock Award was approved by the compensation committee of the Company's board of directors and such shares were issued in accordance with Nasdaq Listing Rule 5635(c)(4) outside of the Company's 2018 Long-Term Stock Incentive Plan. Such shares will vest equally over a period of four years, with the first tranche to vest on September 1, 2020, and in the event that Mr. Oliva is terminated within one year of a change in control of the Company (defined as over a 50% change in ownership of the Company) or his role is diminished as a result of such change in control, all incentive equity compensation granted to him will fully accelerate and vest.

The sales and the issuances of the shares of warrants and restricted shares of common stock issued to the consultants and Mr. Oliva, as applicable, described above were offered and sold in reliance upon exemptions from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act") and/or Rule 506 of Regulation D promulgated under the Securities Act ("Regulation D"). We made this determination based on the representations of each investor which included, in pertinent part, that each such investor was either (a) an "accredited investor" within the meaning of Rule 501 of Regulation D or (b) a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and upon such further representations from each investor that (i) such investor acquired the securities for his, her or its own account for investment and not for the account of any other person and not with a view to or for distribution, assignment or resale in connection with any distribution within the meaning of the Securities Act, (ii) such investor agreed not to sell or otherwise transfer the purchased securities unless they are registered under the Securities Act and any applicable state securities laws, or an exemption or exemptions from such registration are available, (iii) such investor had knowledge and experience in financial and business matters such that he, she or it was capable of evaluating the merits and risks of an investment in us, (iv) such investor had access to all of our documents, records, and books pertaining to the investment and was provided the opportunity to ask questions and receive answers regarding the terms and conditions of the offering and to obtain any additional information which we possessed or were able to acquire without unreasonable effort and expense, and (v) such investor had no need for the liquidity in its investment in us and could afford the complete loss of such investment. In addition, there was no general solicitation or advertising for securities issued in reliance upon these exemptions.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Warrant Amendment and Exercise Agreements

Between October 2 and 8, 2019, the Company and certain holders (the “Holders”) of the Company’s common stock purchase warrants with exercise prices between \$3.00 and \$5.40, including the Company’s Series D common stock purchase warrants, Series F common stock purchase warrants (the “Series F Warrants”) and Series G common stock purchase warrants (the “Series G Warrants”) (all such warrants, collectively, the “Original Warrants”), entered into warrant amendment and exercise agreements (the “Warrant Amendment Agreements”), pursuant to which the Company agreed to reduce the exercise price of each Original Warrant to \$0.80 (the “Reduced Exercise Price”), and for each Original Warrant exercised by a Holder at the Reduced Exercise Price, the Company agreed to reduce the exercise price of Original Warrants to purchase up to an equivalent number of shares of common stock (the “Amended Warrants”) to \$0.79 (the “Amended Exercise Price”). The Company entered into Warrant Amendment Agreements with 24 Holders, under which Original Warrants were exercised for a total of 1,044,861 shares of common stock and the Company received gross proceeds of \$836,000. Remaining Original Warrants for 1,333,860 shares of common stock had their exercise price adjusted to the Amended Exercise Price of \$0.79.

In connection with the Warrant Amendment Agreement entered into with the Medalist Funds, the Company also executed Amendment No. 1 to the Series F Warrants held by the Medalist Funds (the “Series F Warrant Amendment”), pursuant to which each such Series F Warrant was further amended to add, among other things, fundamental transaction and subsequent rights offerings provisions as well as a 9.99% beneficial ownership limitation (the “Beneficial Ownership Limitation”).

Pursuant to Warrant Amendment Agreements entered into with the Medalist Funds, with respect to the Series F Warrants and Series G Warrants, if the exercise of an Original Warrant at the Reduced Exercise Price would cause each of the Medalist Funds to exceed the Beneficial Ownership Limitation, in lieu of receiving such number of shares of common stock in excess of the Beneficial Ownership Limitation, the Company will only issue such number of shares of common stock to each of the Medalist Funds as would not cause each of the Medalist Funds to exceed the maximum number of shares of common stock permitted under the Beneficial Ownership Limitation, and each of the Medalist Funds shall be issued, at an exercise price equal to the Reduced Exercise Price less \$0.01 per share, pre-funded common stock purchase warrants covering such number of shares of common stock as would otherwise have been in excess of the Beneficial Ownership Limitation (the “Pre-Funded Warrants”). In connection with such exercises, the Medalist Funds were issued Pre-Funded Warrants to purchase an aggregate of 414,364 shares of common stock. The Company received aggregate gross proceeds of approximately \$1,163,000 from the transactions described herein from all of the Holders.

Additionally, pursuant to the Warrant Amendment Agreements, the Company agreed to prepare and file with the SEC, as soon as practicable, but in no event later than November 4, 2019, a registration statement on Form S-3 to register all shares of common stock received by the Holders upon exercise of any Warrant (as defined in the Warrant Amendment Agreements) and all shares of common stock underlying the Original Warrants (as defined in the Warrant Amendment Agreements).

From November 3, 2019 to November 6, 2019, the Company entered into settlement agreements (the “Settlement Agreements”) with (i) each of the Holders, other than the Medalist Funds, pursuant to which it agreed to issue such Holders an aggregate of 152,944 additional shares of common stock, and (ii) the Medalist Funds, pursuant to which it agreed to pay the Medalist Funds an aggregate of \$47,223.20 in cash, with such shares and cash meant to compensate such Holders for the difference between the Amended Exercise price and the lower priced shares that were offered to investors in connection with the Registered Direct Offering (as defined below). In addition, pursuant to the Settlement Agreements, the Company and the Holders agreed to extend the date by which the Company would file a registration statement on Form S-3 to register all shares of common stock received by the Holders upon exercise of any Warrant (as defined in the Warrant Amendment Agreements) and all shares of common stock underlying the Original Warrants (as defined in the Warrant Amendment Agreements) from November 4, 2019 to November 18, 2019.

Registered Direct Offering and Underwriting Agreement

On October 16, 2019, the Company closed a registered direct offering with certain institutional investors of an aggregate of 2,500,000 shares of its common stock (the “Shares”), priced at \$0.70 per share (the “Registered Direct Offering”). The Registered Direct Offering was registered and the Shares were issued pursuant to the Company’s effective shelf registration statement on Form S-3 (File No. 333-233433) (the “Registration Statement”), which was initially filed with the Securities and Exchange Commission on August 23, 2019, and was declared effective on September 6, 2019, and the related base prospectus included in the Registration Statement, as supplemented by the preliminary prospectus supplement dated October 16, 2019 (the “Prospectus Supplement”). In connection with the Registered Direct Offering, the Company issued its shares of common stock for gross proceeds of approximately \$1,800,000. The Company intends to use the net proceeds of approximately \$1,400,000 from the offering for working capital purposes.

Nasdaq Notification

On October 16, 2019, the Company received a written notification (the “Notice”) from the Nasdaq Stock Market LLC (“Nasdaq”) indicating that the Company was not in compliance with Nasdaq Listing Rule 5550(a)(2), as the closing bid price of the Company’s common stock was below \$1.00 per share for the previous thirty (30) consecutive business days. Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the Company has been granted a 180 calendar day compliance period, or until April 13, 2020, to regain compliance with Nasdaq’s minimum bid price requirements. During the compliance period, the Company’s shares of common stock will continue to be listed and traded on Nasdaq. To regain compliance, the closing bid of the common stock must meet or exceed \$1.00 per share for at least ten (10) consecutive business days during such 180 calendar day grace period. If the Company is not in compliance by April 13, 2020, the Company may be afforded a second 180 calendar day grace period. To qualify, the Company would be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for Nasdaq, with the exception of the minimum bid price requirements. In addition, the Company would be required to notify Nasdaq of its intent to cure such minimum bid price deficiency by effecting a reverse stock split, if necessary. If the Company does not regain compliance within the allotted compliance period(s), including any extensions that may be granted by Nasdaq, Nasdaq will provide notice that the Company’s shares of common stock will be subject to delisting. The Company intends to monitor the closing bid price for its common stock between now and April 13, 2020, and will consider available options to resolve the Company’s noncompliance with Nasdaq’s minimum bid price requirement, as may be necessary. There can be no assurance that the Company will be able to regain compliance with such minimum bid price requirement or will otherwise be in compliance with other Nasdaq listing criteria.

Nominating Committee Procedures

There have been no material changes to the procedures by which security holders may recommend nominees to our board of directors.

Item 6. Exhibits

Exhibit Number	Description
4.1	Form of Pre-Funded Warrant
4.2	Form of Amendment No. 1 to Warrant to Purchase Common Stock
10.1	Form of Series F Warrant Amendment and Exercise Agreement by and between the Company and each of the Medalist Funds
10.2	Form of Series G Warrant Amendment and Exercise Agreement by and between the Company and each of the Medalist Funds
10.3	Form of Warrant Amendment and Exercise Agreement by and between the Company and certain other holders of the Company's common stock purchase warrants
10.4	Form of Warrant Settlement Agreement by and between the Company and certain holders of the Company's common stock purchase warrants
10.5	Form of Warrant Settlement Agreement by and between the Company and the Medalist Funds
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document

In accordance with SEC Release 33-8238, Exhibits 32.1 and 32.2 are being furnished and not filed.

SIGNATURES

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

Summit Wireless Technologies, Inc.

Date: November 14, 2019

By: /s/ Brett Moyer
Brett Moyer
Chief Executive Officer
(Duly Authorized Officer and
Principal Executive Officer)

Date: November 14, 2019

By: /s/ George Oliva
George Oliva
Principal Financial Officer
(Duly Authorized Officer and
Principal Financial Officer)

EXHIBIT INDEX

Exhibit Number	Description
4.1	Form of Pre-Funded Warrant
4.2	Form of Amendment No. 1 to Warrant to Purchase Common Stock
10.1	Form of Series F Warrant Amendment and Exercise Agreement by and between the Company and each of the Medalist Funds
10.2	Form of Series G Warrant Amendment and Exercise Agreement by and between the Company and each of the Medalist Funds
10.3	Form of Warrant Amendment and Exercise Agreement by and between the Company and certain other holders of the Company's common stock purchase warrants
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101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

In accordance with SEC Release 33-8238, Exhibits 32.1 and 32.2 are being furnished and not filed.

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THE SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

PREFUNDED COMMON STOCK PURCHASE WARRANT

SUMMIT WIRELESS TECHNOLOGIES, INC.

Warrant Shares: []

Original Issue Date: October [], 2019

THIS PREFUNDED COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, [] or [his/her/its] assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth and in the Series [G] or [F] Warrant Amendment and Exercise Agreement, dated as of October [], 2019, by and among the Company, the Holder and the other signatories thereto (the "Exercise Agreement"), at any time on or after the Original Issue Date until the date that this Warrant is exercised in full, to subscribe for and purchase from Summit Wireless Technologies, Inc., a Delaware corporation (the "Company"), up to [] shares of Common Stock (as subject to adjustment hereunder, the "Warrant Shares"). The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b). This Warrant is a Prefunded Common Stock Purchase Warrant and as such the full exercise price of \$0.80, less the Exercise Price hereunder, has been paid at the closing of the transactions contemplated by the Exercise Agreement (the "Closing").

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Exercise Agreement.

Section 2. Exercise.

a) Exercise of Warrant. Subject to the terms and conditions hereof (including, without limitation, the limitations set forth in Section 2(e), exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Original Issue Date by delivery to the Company (or such other office or agency of the Company as the Company may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed original or electronic copy of the Notice of Exercise form annexed hereto and within three (3) trading days of the date said Notice of Exercise is delivered to the Company, the Company shall have received payment of the aggregate Exercise Price of the Common Stock thereby purchased by wire transfer to an account designated by the Company or cashier's check drawn on a United States bank or, if available, pursuant to the cashless exercise procedure specified in Section 2(c) below. If the amount of payment received by the Company is less than the aggregate Exercise Price of the Common Stock being purchased, the Holder shall make payment of the deficiency within three (3) trading days following notice thereof. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) trading days of the date that the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall automatically reduce the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise Form within two (2) Business Days of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.

b) Exercise Price. The exercise price per share of Common Stock under this Warrant shall be \$0.01 (the "Exercise Price"). This Warrant is a Prefunded Common Stock Purchase Warrant and as such the full exercise price of \$0.80, less the Exercise Price hereunder, has been paid at the Closing.

c) Cashless Exercise. In connection with a cashless exercise of the Warrant, this Warrant shall represent the right to subscribe for and acquire the number of Warrant Shares equal to (i) the number of Warrant Shares specified by the Holder in its Notice of Exercise (the "Total Number") less (ii) the number of Warrant Shares equal to the quotient obtained by dividing (A) the product of the Total Number and the applicable existing Exercise Price by (B) the Fair Market Value. "Fair Market Value" shall mean: (1) if the Warrant Shares are listed on the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, the OTC Bulletin Board or the Pink OTC Markets (or any successors to any of the foregoing), the last reported sale price of the Warrant Shares on such exchange or Nasdaq on the date for which the determination is being made; or (2) if the Warrant Shares are not so listed, "Fair Market Value" shall be determined in good faith by the board of directors of the Company.

d) Mechanics of Exercise.

i. Delivery of Certificates Upon Exercise. If Holder exercises this Warrant, certificates for Common Stock purchased hereunder shall be transmitted by the Company's transfer agent to the Holder by crediting the account of the Holder's prime broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder and such Warrant Shares have been sold or (B) the Common Stock is eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 promulgated under the Securities Act ("Rule 144"), and otherwise by physical delivery to the address specified by the Holder in the Notice of Exercise by the date that is five (5) trading days after the latest of (A) the delivery to the Company of the Notice of Exercise, (B) surrender of this Warrant (if required), and (C) payment of the aggregate Exercise Price as set forth above (including by cashless exercise, if permitted) (such date, the "Warrant Share Delivery Date"). The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised in accordance with the requirements of the preceding sentence and with payment to the Company of the Exercise Price (or by cashless exercise, if permitted) and all taxes required to be paid by the Holder, if any, pursuant to Section 2(d)(vi) prior to the issuance of such Common Stock, having been paid.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the certificate or certificates representing Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Company's transfer agent to transmit to the Holder a certificate or the certificates representing the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Company's transfer agent to transmit to the Holder a certificate or the certificates representing the Warrant Shares pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder subject to payment of the Exercise Price therefor. For example, if the Holder purchases Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted exercise of Common Stock with an aggregate sale price giving rise to such purchase obligation of \$10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Common Stock. No fractional Common Stock shall be issued upon the exercise of this Warrant. As to any fraction of a Common Stock which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round to the nearest whole Common Stock.

e) Beneficial Ownership Limitation on Exercises. Notwithstanding anything to the contrary contained herein, the Company shall not effect the exercise of any portion of this Warrant, and the Holder shall not have the right to exercise any portion of this Warrant, pursuant to the terms and conditions of this Warrant and any such exercise shall be null and void and treated as if never made, to the extent that after giving effect to such exercise, the Holder together with the other Attribution Parties (as defined below) collectively would beneficially own in excess of 9.99% (the "Maximum Percentage") of the number of shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by the Holder and the other Attribution Parties shall include the number of shares of Common Stock held by the Holder and all other Attribution Parties plus the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (A) exercise of the remaining, unexercised portion of this Warrant beneficially owned by the Holder or any of the other Attribution Parties and (B) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company (including, without limitation, any convertible notes or convertible preferred stock or warrants) beneficially owned by the Holder or any other Attribution Party subject to a limitation on conversion or exercise analogous to the limitation contained in this Section 2(e). For purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act"). For purposes of this Warrant, in determining the number of outstanding Common Stock the Holder may acquire upon the exercise of this Warrant without exceeding the Maximum Percentage, the Holder may rely on the number of outstanding Common Stock as reflected in (x) the Company's most recent Annual Report on Form 10-K, Current Report on Form 8-K or other public filing made by the Company with the Securities and Exchange Commission (the "SEC"), as the case may be, (y) a more recent public announcement by the Company or (z) any other written notice by the Company or the Company's transfer agent setting forth the number of Common Stock outstanding (the "Reported Outstanding Share Number"). If the Company receives a Notice of Exercise from the Holder at a time when the actual number of shares of outstanding Common Stock is less than the Reported Outstanding Share Number, the Company shall (i) notify the Holder in writing of the number of shares of Common Stock then outstanding and, to the extent that such Notice of Exercise would otherwise cause the Holder's beneficial ownership, as determined pursuant to this Section 2(e), to exceed the Maximum Percentage, the Holder must notify the Company of a reduced number of Warrant Shares to be purchased pursuant to such Notice of Exercise (the number of shares by which such purchase is reduced, the "Reduction Shares") and (ii) as soon as reasonably practicable, the Company shall return to the Holder any exercise price paid by the Holder for the Reduction Shares. For any reason at any time, upon the written or oral request of the Holder, the Company shall within one (1) Business Day confirm orally and in writing or by electronic mail to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder and any other Attribution Party since the date as of which the Reported Outstanding Share Number was reported. In the event that the issuance of Common Stock to the Holder upon exercise of this Warrant results in the Holder and the other Attribution Parties being deemed to beneficially own, in the aggregate, more than the Maximum Percentage of the number of outstanding Common Stock (as determined under Section 13(d) of the 1934 Act), the number of shares so issued by which the Holder's and the other Attribution Parties' aggregate beneficial ownership exceeds the Maximum Percentage (the "Excess Shares") shall be deemed null and void and shall be cancelled ab initio, and the Holder shall not have the power to vote or to transfer the Excess Shares. As soon as reasonably practicable after the issuance of the Excess Shares has been deemed null and void, the Company shall return to the Holder the exercise price paid by the Holder for the Excess Shares. Upon delivery of a written notice to the Company, the Holder, in its sole discretion may from time to time increase or decrease the Maximum Percentage to any other percentage not in excess of 9.99%; provided, however, that (i) any such increase in the Maximum Percentage will not be effective until the sixty-first (61st) day after such notice is delivered to the Company and (ii) any such increase or decrease will apply only to the Holder and the other Attribution Parties and not to any other holder of the Warrants that is not an Attribution Party of the Holder. For purposes of clarity, the Common Stock issuable pursuant to the terms of this Warrant in excess of the Maximum Percentage shall not be deemed to be beneficially owned by the Holder for any purpose including for purposes of Section 13(d) or Rule 16a-1(a)(1) of the 1934 Act. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to the extent necessary to correct this paragraph or any portion of this paragraph which may be defective or inconsistent with the intended beneficial ownership limitation contained in this Section 2(e) or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitation contained in this paragraph may not be waived and shall apply to a successor holder of this Warrant. For purposes of this Section 2(e), "Attribution Parties" means, collectively, the following Persons: (i) any investment vehicle, including, any funds, feeder funds or managed accounts, currently, or from time to time after the Original Issue Date of this Warrant, directly or indirectly managed or advised by the Holder's investment manager or any of its Affiliates or principals, (ii) any direct or indirect Affiliates of the Holder or any of the foregoing, (iii) any Person acting or who could be deemed to be acting as a "group" (as such term is used in Section 13(d) of the 1934 Act and as defined in Rule 13d-5 thereunder) together with the Holder or any of the foregoing and (iv) any other Persons whose beneficial ownership of the Common Stock would or could be aggregated with the Holder's and the other Attribution Parties for purposes of Section 13(d) of the 1934 Act. For clarity, the purpose of the foregoing is to subject collectively the Holder and all other Attribution Parties to the Maximum Percentage.

Section 3. Certain Adjustments.

a) Stock Splits and Dividends. If the Company at any time on or after the Original Issue Date subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced and the number of Warrant Shares will be proportionately increased. If the Company at any time on or after the Original Issue Date combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding Common Stock into a smaller number of shares, the Exercise Price in effect immediately prior to such combination will be proportionately increased and the number of Warrant Shares will be proportionately decreased. Any adjustment under this Section 3(a) shall become effective at the close of business on the date the subdivision or combination becomes effective.

b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock (or securities with similar characteristics) or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

(c) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction.

d) Other Events. If any event occurs of the type contemplated by the provisions of this Section 3, but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's board of directors will make an appropriate adjustment in the Exercise Price and the number of Warrant Shares so as to protect the rights of the Holder.

e) Certificate of Adjustment. Whenever the Exercise Price or number of Warrant Shares is adjusted as herein provided, the Company shall promptly deliver to the Holder a certificate of the Company's chief financial officer or other authorized officer setting forth the Exercise Price and number of Warrant Shares following such adjustment and setting forth a brief statement of the facts resulting in such adjustment.

f) Notice to Holder. If (i) the Company shall declare a dividend on the Common Stock, (ii) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (iii) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any Common Stock of any class or of any rights, (iv) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock are converted into other securities, cash or property, or (v) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be mailed to the Holder at its last address as it shall appear upon the Warrant Register of the Company, at least ten (10) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or Common Stock exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or Common Stock exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously publicly disclose such notice.

g) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share of Common Stock, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock issued and outstanding.

h) Voluntary Adjustment by Company. The Company may at any time during the term of this Warrant reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the board of directors of the Company.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws and the conditions set forth in Section 4(d) hereof, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer, but only after such transferee agrees to be bound by the provisions of this Agreement. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Original Issue Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d) Transfer Restrictions. The Warrant may only be disposed of in compliance with state and federal securities laws and shall not be transferred unless the Warrant is (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144.

e) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

Section 5. Miscellaneous.

a) No Rights as a Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Common Stock. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (ii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder or Company shall operate as a waiver of such right or otherwise prejudice the Holder's or Company's rights, powers or remedies. If either the Company or the Holder willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the other, such party shall pay to the other party such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the affected party in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (i) the date of transmission, if such notice or communication is delivered via email or facsimile at the email address or facsimile number set forth on the signature pages attached to the Exercise Agreement at or prior to 5:30 p.m. (New York City time) on a trading days, (ii) the next trading days after the date of email or facsimile transmission, if such notice or communication is delivered via email or facsimile at the email address or facsimile number set forth on the signature pages attached to the Exercise Agreement on a day that is not a trading days or later than 5:30 p.m. (New York City time) on any trading days, (iii) the second (2nd) trading days following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (iv) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature page attached to the Exercise Agreement.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived in accordance with the terms of the Exercise Agreement.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

[The Remainder of this Page is Blank]

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

SUMMIT WIRELESS TECHNOLOGIES, INC.

By: _____
Name:
Title:

NOTICE OF EXERCISE

TO: SUMMIT WIRELESS TECHNOLOGIES, INC.

- (1) The undersigned hereby elects to purchase Warrant Shares of the Company pursuant to the terms of the attached Warrant, and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.
- (2) Payment shall take the form of (check applicable box): [] lawful money of the United States; or [] if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).
- (3) Please issue a certificate or certificates representing said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number or by physical delivery of a certificate to:

- (4) Accredited Investor. The undersigned is an “accredited investor” as defined in Regulation D promulgated under the Securities Act of 1933, as amended, and that the aforesaid shares of Common Stock are being acquired for the account of the undersigned for investment and not with a view to, or for resale, in connection with the distribution thereof, and that the undersigned has no present intention of distributing or reselling such shares of Common Stock.

[SIGNATURE OF HOLDER]

Name of Investing Person: _____

Signature of Authorized Signatory of Investing Person: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing warrant, execute this form and supply required information. Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, all of the [or [_____]] shares of Common Stock of the foregoing Warrant and all rights evidenced thereby are hereby assigned to

_____ whose address is

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of limited liability companies and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

**AMENDMENT NO. 1 TO
WARRANT TO PURCHASE COMMON STOCK**

This AMENDMENT NO. 1 TO COMMON STOCK PURCHASE WARRANT (this “**Amendment**”) dated as of October [] 2019, (the “**Effective Date**”) is entered into by Summit Wireless Technologies, Inc. (the “**Company**”), and [] or its assigns (the “**Holder**”) of the Original Warrant (as defined below).

WHEREAS, the Holder is the registered holder hereof or its permitted assigns (the “**Holder**”), was issued that certain WARRANT TO PURCHASE COMMON STOCK, by the Company, dated []; and

WHEREAS, the Holder is entitled to purchase from Company, at the Exercise Price (as defined below) then in effect, upon exercise of a Warrant to Purchase Common Stock (including any Warrants to Purchase Common Stock issued in exchange, transfer or replacement hereof, the “**Original Warrant**”), certain fully paid and non-assessable shares of Common Stock (as defined below) the (“**Warrant Shares**”); and

WHEREAS, the Holder and the Company have recently been made aware that the Original Warrant inadvertently omitted certain sections customarily found in such documents; and

WHEREAS, the parties desire that the Original Warrant be amended to reflect the addition of these certain provisions as specified below.

NOW, THEREFORE, in consideration of the foregoing, and of the mutual representations, warranties, covenants, and agreements herein contained, the parties hereto agree as follows:

Agreement

Section 1. **Defined Terms**. Unless otherwise indicated herein, all terms which are capitalized but are not otherwise defined herein shall have the meaning ascribed to them in the Original Warrant.¹

Section 2. **Amendments to Original Warrant**.

- (a) Section 2(a) of the Original Warrant is hereby amended by the addition of the following clause to the first sentence of Section 2(a): “Subject to the terms and conditions hereof (including without limitation, the limitations set forth in Section 2(e),” such that, the first sentence of Section 2(a) shall now read:

“Subject to the terms and conditions hereof (including, without limitation, the limitations set forth in Section 2(e), exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Original Issue Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as the Company may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy of the Notice of Exercise form annexed hereto and within three (3) trading days of the date said Notice of Exercise is delivered to the Company, the Company shall have received payment of the aggregate Exercise Price of the Common Stock thereby purchased by wire transfer to an account designated by the Company or cashier’s check drawn on a United States bank or, if available, pursuant to the cashless exercise procedure specified in Section 2(c) below.”

¹ To account for the Company’s conversion from a limited liability company to a corporation, in the Original Warrant, all references to “Warrant Units” shall be replaced by “Warrant Shares” and all references to “Common Unit” shall be replaced with “Common Shares,” which shall mean the Company’s common stock, par value \$0.0001 per share.

(b) Section 2 of the Original Warrant is hereby amended by the addition of the following Subsection:

“(e) Holder’s Exercise Limitations. Notwithstanding anything to the contrary contained herein, the Company shall not effect the exercise of any portion of this Warrant, and the Holder shall not have the right to exercise any portion of this Warrant pursuant to the terms and conditions of this Warrant and any such exercise shall be null and void and treated as if never made, to the extent that after giving effect to such exercise, the Holder together with the other Attribution Parties (as defined below) collectively would beneficially own in excess of 9.99% (the “Maximum Percentage”) of the number of shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by the Holder and the other Attribution Parties shall include the number of shares of Common Stock held by the Holder and all other Attribution Parties plus the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (A) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of the other Attribution Parties and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any convertible notes or convertible preferred stock or warrants) beneficially owned by the Holder or any other Attribution Party subject to a limitation on conversion or exercise analogous to the limitation contained in this Section 2(e). For purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the “1934 Act”). For purposes of this Warrant, in determining the number of outstanding shares of Common Stock the Holder may acquire upon the exercise of this Warrant without exceeding the Maximum Percentage, the Holder may rely on the number of outstanding shares of Common Stock as reflected in (x) the Company’s most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other public filing with the Securities and Exchange Commission (“SEC”), as the case may be, (y) a more recent public announcement by the Company or (z) any other written notice by the Company or the Company’s transfer agent, if any, setting forth the number of shares of Common Stock outstanding (the “Reported Outstanding Share Number”). If the Company receives a Notice of Exercise from the Holder at a time when the actual number of outstanding shares of Common Stock is less than the Reported Outstanding Share Number, the Company shall notify the Holder in writing of the number of shares of Common Stock then outstanding and, to the extent that such Notice of Exercise would otherwise cause the Holder’s beneficial ownership, as determined pursuant to this Section 2(e), to exceed the Maximum Percentage, the Holder must notify the Company of a reduced number of shares of Common Stock to be purchased pursuant to such Notice of Exercise (the number of shares by which such purchase is reduced, the “Reduction Shares”) and (ii) as soon as reasonably practicable, the Company shall return to the Holder any exercise price paid by the Holder for the Reduction Shares. For any reason at any time, upon the written or oral request of the Holder, the Company shall within one (1) Business Day confirm orally and in writing or by electronic mail to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder and any other Attribution Party since the date as of which the Reported Outstanding Share Number was reported. In the event that the issuance of shares of Common Stock to the Holder upon exercise of this Warrant results in the Holder and the other Attribution Parties being deemed to beneficially own, in the aggregate, more than the Maximum Percentage of the number of outstanding shares of Common Stock (as determined under Section 13(d) of the 1934 Act), the number of shares so issued by which the Holder’s and the other Attribution Parties’ aggregate beneficial ownership exceeds the Maximum Percentage (the “Excess Shares”) shall be deemed null and void and shall be cancelled ab initio, and the Holder shall not have the power to vote or to transfer the Excess Shares. As soon as reasonably practicable after the issuance of the Excess Shares has been deemed null and void, the Company shall return to the Holder the exercise price paid by the Holder for the Excess Shares. Upon delivery of a written notice to the Company, the Holder, in its sole discretion, may from time to time increase or decrease the Maximum Percentage to any other percentage not in excess of 9.99% as specified in such notice; provided, however, that (i) any such increase in the Maximum Percentage will not be effective until the sixty-first (61st) day after such notice is delivered to the Company and (ii) any such increase or decrease will apply only to the Holder and the other Attribution Parties and not to any other holder of the Warrants that is not an Attribution Party of the Holder; and provided, further, that this Maximum Percentage shall not apply to any Holder whose beneficial ownership, without regard to this Warrant exceeds 9.99%. For purposes of clarity, the shares of Common Stock issuable pursuant to the terms of this Warrant hereunder in excess of the Maximum Percentage shall not be deemed to be beneficially owned by the Holder for any purpose including for purposes of Section 13(d) or Rule 16a-1(a)(1) of the 1934 Act. No prior inability to exercise this Warrant pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to the extent necessary to correct this paragraph (or any portion of this paragraph) which may be defective or inconsistent with the intended beneficial ownership limitation contained in this Section 2(e) or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitation contained in this paragraph may not be waived and shall apply to a successor holder this Warrant. For the purpose of this Agreement: (x) “Attribution Parties” means, collectively, the following Persons and entities: (i) any investment vehicle, including, any funds, feeder funds or managed accounts, currently, or from time to time after the Original Issue Date of this Warrant, directly or indirectly managed or advised by the Holder’s investment manager or any of its Affiliates or principals, (ii) any direct or indirect Affiliates of the Holder or any of the foregoing, (iii) any Person acting or who could be deemed to be acting as a Group together with the Holder or any of the foregoing and (iv) any other Persons whose beneficial ownership of the Company’s Common Stock would or could be aggregated with the Holder’s and the other Attribution Parties for purposes of Section 13(d) of the 1934 Act. For clarity, the purpose of the foregoing is to subject collectively the Holder and all other Attribution Parties to the Maximum Percentage, (y) “Group” means a “group” as that term is used in Section 13(d) of the 1934 Act and as defined in Rule 13d-5 thereunder and (z) “Affiliate” means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person, it being understood for purposes of this definition that “control” of a Person means the power directly or indirectly either to vote 10% or more of the stock having ordinary voting power for the election of directors of such Person or direct or cause the direction of the management and policies of such Person whether by contract or otherwise.”

(c) Section 3 of the Original Warrant is hereby amended by deleting Section 3 in its entirety and replacing it with the following:

“(a) Stock Splits and Dividends. If the Company at any time on or after the Original Issue Date subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced and the number of Warrant Shares will be proportionately increased. If the Company at any time on or after the Original Issue Date combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding Common Stock into a smaller number of shares, the Exercise Price in effect immediately prior to such combination will be proportionately increased and the number of Warrant Shares will be proportionately decreased. Any adjustment under this Section 3(b) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock (or securities with similar characteristics) or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the “Purchase Rights”), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder’s right to participate in any such Purchase Right would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

(c) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction.

(d) Other Events. If any event occurs of the type contemplated by the provisions of this Section 3, but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's board of directors will make an appropriate adjustment in the Exercise Price and the number of Warrant Shares so as to protect the rights of the Holder.

(e) Certificate of Adjustment. Whenever the Exercise Price or number of Warrant Shares is adjusted as herein provided, the Company shall promptly deliver to the Holder a certificate of the Company's chief financial officer or other authorized officer setting forth the Exercise Price and number of Warrant Shares following such adjustment and setting forth a brief statement of the facts resulting in such adjustment.

(f) Notice to Allow Exercise by Holder. If (i) the Company shall declare a dividend on the Common Stock, (ii) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (iii) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any Common Stock of any class or of any rights, (iv) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock are converted into other securities, cash or property, or (v) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be mailed to the Holder at its last address as it shall appear upon the Warrant Register of the Company, at least ten (10) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or Common Stock exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or Common Stock exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously publicly disclose such notice.

(g) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share of Common Stock, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock issued and outstanding.

(h) Voluntary Adjustment by Company. The Company may at any time during the term of this Warrant reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the board of directors of the Company.”

Section 3. Representations and Warranties of the Company. The Company hereby makes the representations and warranties set forth below to the Holder that:

- (a) the Company has all requisite power and authority to execute and deliver this Amendment and to perform its obligations hereunder. The execution and delivery by the Company of this Amendment have been duly authorized by all necessary action on the part of the Company, and no other authorization or consent of the Company, its board of directors, its stockholders or any other Person under applicable law, the Company’s organizational documents, the Purchase Agreement, the Original Warrant or any other contracts to which the Company is a party to. This Amendment has been duly executed by the Company and, when delivered in accordance with the terms hereof will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors’ rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law;

- (b) the Company is a duly organized and validly existing corporation in good standing under the laws of the State of Delaware; and
- (c) the execution, delivery and performance of this Amendment by the Company and the consummation by the Company of the transactions contemplated hereby do not and will not: (i) conflict with or violate any provision of the Company's certificate of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any lien upon any of the properties or assets of the Company, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any material agreement, credit facility, debt or other material instrument (evidencing Company debt or otherwise) or other material understanding to which the Company is a party or by which any property or asset of the Company is bound or affected, or (iii) conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company is bound or affected.

Section 4. Representations and Warranties of the Holder. The Holder hereby makes the representations and warranties set forth below to the Company that:

- (a) The Holder represents and warrants that (i) the execution and delivery of this Amendment by it and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary action on its behalf and (ii) this Amendment has been duly executed and delivered by the Holder and constitutes the valid and binding obligation of the Holder, enforceable against it in accordance with its terms; and
- (b) The Holder represents and warrants that the execution, delivery and performance of this Amendment by the Holder and the consummation by the Holder of the transactions contemplated hereby do not and will not: (i) conflict with or violate any provision of the Holder's organizational or charter documents, or (ii) conflict with or result in a violation of any agreement, law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority which would interfere with the ability of the Holder to perform its obligations under this Amendment.

Section 5. Ratifications: Inconsistent Provisions. Except as otherwise expressly provided herein, the Original Warrant, is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that on and after the Effective Date, all references in the Original Warrant to "this Warrant", "hereto", "hereof", "hereunder" or words of like import referring to the Original Warrant shall mean the Original Warrant as amended by this Amendment. Notwithstanding the foregoing to the contrary, to the extent that there is any inconsistency between the provisions of the Original Warrant and this Amendment, the provisions of this Amendment shall control and be binding.

Section 6. Counterparts. This Amendment may be executed in any number of counterparts, all of which will constitute one and the same instruments and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party. Facsimile or other electronic transmission of any signed original document shall be deemed the same as delivery of an original.

Section 7. Replacement Warrant. The Holder may, at its sole discretion, elect to request that the Company exchange this Amendment and the Original Warrant for a new warrant (the "New Warrant") that incorporates these amendments *mutatis mutandis*.

[The Remainder of this Page is Blank]

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed as of the date first written above by its respective officers thereunto duly authorized.

SUMMIT WIRELESS TECHNOLOGIES, INC.

By: _____

Name: Brett Moyer

Title: President and CEO

[Signature Page to Amendment No. 1 to Series F Warrant]

Acknowledged and Accepted as of the date first written above:

[]
Name of Holder

By: _____
Name:
Title:

[Signature Page to Amendment No. 1 to Series F Warrant]

WARRANT AMENDMENT AND EXERCISE AGREEMENT

This Warrant Amendment and Exercise Agreement (this "Agreement"), dated as of October [], 2019, is by and between Summit Wireless Technologies, Inc., a Delaware corporation (the "Company"), and the undersigned holder identified on Schedule A hereto (the "Holder") of warrants to purchase shares of the Company's common stock, par value \$0.0001 per share (the "Common Stock").

WHEREAS, the Holder beneficially owns in the aggregate the number of warrants to purchase Common Stock identified on Schedule A hereto at an exercise price of \$5.40 per share that were issued in connection with the Series F Senior Secured Original Issue Discount Convertible Notes issued to the Holder as set forth on the Holder's signature page hereto (the "Original Warrants");

WHEREAS, the Original Warrants were previously amended by that certain amendment dated as of October [], 2019 to include certain sections that were inadvertently omitted from the Original Warrants;

WHEREAS, in order to induce the Holder to exercise the Original Warrants from time to time and in any event on or prior to October [], 2019 (the "Amendment Expiration Date"), the Company and the Holder hereby agree to: amend the Original Warrants to reduce the exercise price and as provided herein for every warrant that the Holder exercises the Company will reduce the exercise price for an equal number of unexercised Original Warrants as provided herein; and

WHEREAS, in compliance with Section 5(l) of the Original Warrants, this Agreement shall be effective upon the due execution and delivery of this Agreement by the Company and the Holder.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Holder and the Company agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.1 Definitions. Capitalized terms not defined in this Agreement shall have the meanings ascribed to such terms in the Original Warrants.

**ARTICLE II
AMENDMENT OF ORIGINAL WARRANTS**

Section 2.1 Amendment of Original Warrants.

(a) On the date hereof, the Original Warrants shall be amended by the following amendments (the "Original Warrant Amendments" and, together with together with the Original Warrant after giving effect to the Original Warrant Amendments, the "Amended Warrant"):

i. the introductory paragraph of the Original Warrants shall be amended by adding the following provision to the end of the first sentence in such introductory paragraph: "*provided*, in the event the Holder's decision to exercise this Warrant would cause the Holder to beneficially own in excess of the Maximum Percentage of the number of shares of Common Stock outstanding immediately after giving effect to such exercise, in lieu of receiving shares of Common Stock such Holder shall be issued, at an exercise price equal to the Exercise Price hereunder less \$0.01 per share, prefunded Common Stock purchase warrants in the form attached hereto, covering such number of shares of Common Stock as would otherwise have been in excess of the Maximum Percentage"; and the other provisions of the Original Warrants shall be deemed updated as may be reasonably necessary, in light of the circumstances, to give effect to any such issuance of prefunded Common Stock purchase warrants, with such form of prefunded Common Stock purchase warrants attached hereto as Exhibit B (the "Prefunded Warrants"); and

(ii) the defined term "Exercise Price" set forth in Section 2(b) of the Original Warrants shall be amended to equal \$0.80 (the "Amended Exercise Price").

(b) Except as expressly set forth in this Agreement, all terms of the Original Warrants are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects, and the Holder reserves all of its rights, remedies, powers, and privileges.

(c) As soon as practicable, and in any event no later than November 4, 2019, the Company hereby covenants and agrees to file a registration statement on Form S-3 to register all shares of Common Stock received by the Holder as a result of any exercise of any Warrant (as defined below), as well as all shares of Common Stock underlying the remaining Original Warrants. Until such registration statement is declared effective, neither the Warrant Shares (as defined below) nor any other shares of Common Stock underlying the Warrants, will be freely tradeable if exercised for cash.

Section 2.2 Waiver of Section 2(c) of Original Warrants. The Holder expressly understands, acknowledges, agrees, and waives Section 2(c) of the Original Warrant providing for cashless exercise. This waiver shall expire on October 30, 2019.

ARTICLE III AMENDED WARRANTS

Section 3.1 Closing. Upon any exercise of Amended Warrants pursuant to the terms hereof, the Company shall deliver to the Holder the number of shares of Common Stock specified in the applicable Notice of Exercise Form or Prefunded Warrants, as applicable, and the Holder shall deliver to the Company by wire transfer of immediately available funds an amount being equal to the sum of (1) the number of shares of Common Stock received multiplied by the Amended Exercise Price and (2) the number of Prefunded Warrants received multiplied by \$0.79.

Section 3.2 Permanent Amendment of Warrants. For each Original Warrant exercised as an Amended Warrant (including in the event Prefunded Warrants are issued in lieu of Common Stock in accordance of Section 3.1 of this Agreement) pursuant to this Agreement on or prior to October [], 2019, the Company covenants that, for an equal number of Original Warrants exercised pursuant to this Agreement, the Company will reduce the Exercise Price for an equal number of Original Warrants at the lesser of the 15 day VWAP ending on October 2, 2019, or a 5% discount (the "Permanent Amended Exercise Price") to the closing price for the Company's Common Stock on October 2, 2019. Such amended warrants (the "Permanent Amended Warrants") and, collectively with the Amended Warrants and the Prefunded Warrants, the "Warrants") will contain the Permanent Amended Exercise Price for the duration of the Permanent Amended Warrant until and including its Termination Date, as defined in the Original Warrant. The Holder understands, acknowledges, and agrees that it shall not be entitled to exercise a Permanent Amended Warrant for the Permanent Amended Exercise Price in the event it fails to exercise any of its Original Warrants on or prior to October [], 2019. By way of example, if a Holder has an Original Warrant to purchase 100 shares of Common Stock and exercises such warrant for 25 shares of Common Stock pursuant to this Agreement, the Holder will, post exercise, own an Original Warrant to purchase 50 shares of Common Stock, an Amended Warrant to purchase 25 shares of Common Stock at the Permanent Amended Exercise Price, and 25 shares of Common Stock.

Section 3.3 Legends: Restricted Securities.

(a) The Holder understands that the shares of Common Stock underlying the Amended Warrants (the "Amended Warrant Shares"), the Permanent Amended Warrants (the "Permanent Amended Warrant Shares") and the Prefunded Warrants (the "Prefunded Warrant Shares") and, collectively with the Amended Warrant Shares and the Permanent Amended Warrant Shares, the "Warrant Shares") are not, and may never be, registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state and, accordingly, each certificate, if any, representing such securities shall bear a legend substantially similar to the following:

"THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES."

(b) Certificates evidencing the Warrant Shares shall not contain any legend (including the legend set forth in this Section 3.2(a)), (i) for shares resold via prospectus while a registration statement covering the resale of such Warrant Shares is effective under the Securities Act, (ii) following any sale of such Warrant Shares pursuant to Rule 144, promulgated under the Securities Act (“Rule 144”) (iii) if such Warrant Shares are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Warrant Shares and without volume or manner-of-sale restrictions if such shares Warrant Shares are exercised on a cashless basis (except as provided in this Agreement pursuant to the waiver in Section 2.2 hereof), or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Securities and Exchange Commission (the “Commission”). The Company shall cause its counsel to issue a legal opinion to the transfer agent promptly after the Delegend Date (as defined below) if required by the Company and/or the transfer agent, or requested by the Holder, to effect the removal of the legend hereunder. If such Warrant Shares may be sold under Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Warrant Shares shall be issued free of all legends. The Company agrees that following the Delegend Date or at such time as such legend is no longer required under this Section 3.2(b), it will, no later than two (2) trading days (which shall be defined as any day the Nasdaq Stock Market is open for business) (“Trading Days”) following the delivery by the Holder to the Company or the Company’s transfer agent of a certificate representing the Warrant Shares issued with a restrictive legend (such second Trading Day, the “Legend Removal Date”), deliver or cause to be delivered to the Holder a certificate representing such shares that is free from all restrictive and other legends or, at the request of the Holder shall credit the account of the Holder’s prime broker with the Depository Trust Company System as directed by the Holder. The Company may not make any notation on its records or give instructions to the transfer agent that enlarge the restrictions on transfer set forth in this Section 3.2(b). As used herein, “Delegend Date” means the earliest of the date that (a) a registration statement with respect to the Warrant Shares has been declared effective by the Commission or (b) the Warrant Shares have been sold pursuant to Rule 144 or may be sold pursuant to Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 and without volume or manner-of-sale restrictions or (c) following the six (6) month anniversary of the date of the related cash exercise of any Warrants, provided, in each case that the applicable holder of the Warrants or the Warrant Shares, as the case may be, is not an Affiliate of the Company, the Company is in compliance with the current public information required under Rule 144 (“Current Public Information Requirement”) and all such Warrant Shares may be sold pursuant to Rule 144 or an exemption from registration under Section 4(a)(1) of the Securities Act without volume or manner-of-sale restrictions; provided, further, that if the Company fails to comply with the Current Public Information Requirement at any time following the date of this Agreement, the Company shall promptly provide notice to the Holder and the Holder undertakes not to sell such Warrant Shares pursuant to Rule 144 until the Company notifies the Holder that it has regained compliance with the Current Public Information Requirement; and provided, further, that if a delegending is in effect solely as the result of the effectiveness of a registration statement covering the resale of any Warrant Shares, the Holder undertakes not to sell any such Warrant Shares if the Holder is notified or otherwise becomes aware that such registration statement has been withdrawn or suspended, contains a material misstatement or omission or has become stale. The Holder agrees with the Company that the Holder will sell or transfer any Warrants or Warrant Shares pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if such securities are sold pursuant to a registration statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing any such securities as set forth in this Section 3.2 or otherwise is predicated upon the Company’s reliance upon this understanding.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of the Company. The Company hereby makes the representations and warranties set forth below to the Holder that as of the date of its execution of this Agreement:

(a) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement by the Company and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary action on the part of such Company and no further action is required by such Company, its board of directors, its stockholders or any other Person under applicable law, the Company’s organizational documents, the Purchase Agreement, the Original Warrant or any other contracts to which the Company is a party to in connection therewith. This Agreement has been duly executed by the Company and, when delivered in accordance with the terms hereof will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors’ rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Organization. The Company is a duly organized and validly existing corporation in good standing under the laws of the State of Delaware.

(c) No Conflicts. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby do not and will not: (i) conflict with or violate any provision of the Company's certificate of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any lien upon any of the properties or assets of the Company, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any material agreement, credit facility, debt or other material instrument (evidencing Company debt or otherwise) or other material understanding to which the Company is a party or by which any property or asset of the Company is bound or affected, or (iii) conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company is bound or affected.

(d) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by this Agreement, the Company confirms that neither it nor any other Person acting on its behalf has provided any of Holder or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Company understands and confirms that the Holder will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Holder regarding the Company and its subsidiaries, their respective businesses and the transactions contemplated hereby, including but not limited to the disclosure set forth in the SEC Reports (as defined below), is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. As used herein, "SEC Reports" means all reports, schedules, forms, statements and other documents required to be filed by the Company with the Commission pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended, including all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein.

(e) Amendment of Warrants. The amendment of the Original Warrants is duly authorized and, upon amendment in accordance with the terms of this Agreement, the Warrants shall be validly issued and free from all preemptive or similar rights (except for those which have been validly waived prior to the date hereof), taxes, liens and charges and other encumbrances with respect to the issue thereof. As of the date hereof, a number of shares of Common Stock shall have been duly authorized and reserved for issuance which equals or exceeds the maximum number of Warrant Shares (without taking into account any limitations on the exercise of any Warrants as set forth therein). Upon exercise of any Warrants in accordance with such Warrants, such Warrant Shares when issued will be validly issued, fully paid and nonassessable and free from all preemptive or similar rights, taxes, liens, charges and other encumbrances with respect to the issue thereof, with the holders being entitled to all rights accorded to a holder of Common Stock. Assuming the accuracy of each of the representations and warranties set forth in Section 4.2 of this Agreement, any exercise of the Warrants by the Holder is exempt from registration under the Securities Act.

(f) No General Solicitation. Neither the Company, nor any of its subsidiaries or affiliates, nor any Person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D promulgated under the Securities Act) in connection with this Agreement.

(g) NASDAQ. The Company will file all documents and obtain all necessary approvals in connection with this Agreement.

(h) Prior Amendments to Warrant. All prior amendments to the Original Warrants were duly authorized, entered into and executed by all necessary action of the Company and any other Person as required, and such prior amendments were entered into and executed in compliance with applicable law, the Company's organizational documents, the Purchase Agreement and the Original Warrant, and all such prior amendments constitute valid and binding obligations of the Company enforceable against the Company in accordance with such terms.

(i) Shell Company Status. The Company is not and has never been a "shell company" (as that term is defined in Rule 144(i)(1)(i)-(ii)) of the Securities Act.

Section 4.2 Representations and Warranties of the Holder. The Holder hereby makes the representations and warranties set forth below to the Company that as of the date of its execution of this Agreement.

(a) Due Authorization. The Holder represents and warrants that (i) the execution and delivery of this Agreement by it and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary action on its behalf and (ii) this Agreement has been duly executed and delivered by the Holder and constitutes the valid and binding obligation of the Holder, enforceable against it in accordance with its terms.

(b) No Conflicts. The Holder represents and warrants that the execution, delivery and performance of this Agreement by the Holder and the consummation by the Holder of the transactions contemplated hereby do not and will not: (i) conflict with or violate any provision of the Holder's organizational or charter documents, or (ii) conflict with or result in a violation of any agreement, law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority which would interfere with the ability of the Holder to perform its obligations under this Agreement.

(c) Access to Information. The Holder acknowledges that it has had the opportunity to review this Agreement and the SEC Reports and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the exercise of the Original Warrants and the merits and risks of investing in any Warrant Shares; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment. Neither such inquiries nor any other due diligence investigations conducted by the Holder or its advisors, if any, or its representatives shall modify, amend or affect the Holder's right to rely on the Company's representations and warranties contained herein. The Holder acknowledges and agrees that no one has provided the Holder with any information or advice with respect to the Original Warrants or the Warrants, nor is such information or advice necessary or desired nor any affiliate of the Company made or makes any representation as to the Company or the quality of the securities issued and issuable hereunder and pursuant to the Original Warrants or the Warrants.

(d) Holder Status. The Holder represents and warrants that it is an "accredited investor" as defined in Rule 501 of Regulation D under the Securities Act and confirms that it has a substantive and preexisting relationship with the Company.

(e) Knowledge. The Holder, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Warrant Shares and has so evaluated the merits and risks of such investment. The Holder is able to bear the economic risk of an investment in the Warrant Shares and, at the present time, is able to afford a complete loss of such investment.

ARTICLE V MISCELLANEOUS

Section 5.1 Filing of Form 8-K. Prior to 5:30 P.M. New York time on October 9, 2019, the Company shall file a Current Report on Form 8-K disclosing the material terms of the transactions contemplated hereby (the "8-K Filing"). From and after the issuance of the 8-K Filing, the Company represents to the Holder that it shall not be in possession of any material, nonpublic information received from the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents, that is not disclosed in the 8-K Filing. In addition, effective upon the filing of the 8-K Filing, the Company acknowledges and agrees that any and all confidentiality or similar obligations to the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents under any agreement, whether written or oral, between the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and the Holder or any of its affiliates, on the other hand, shall terminate and be of no further force or effect. The Company shall not, and shall cause each of its subsidiaries and its and each of their respective officers, directors, affiliates employees and agents, not to, provide the Holder with any material, nonpublic information regarding the Company or any of its subsidiaries from and after the date hereof without the express prior written consent of the Holder. To the extent that the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents, delivers any material, non-public information to the Holder without the Holder's prior written consent, the Company hereby covenants and agrees that the Holder shall not have any duty of confidentiality to the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents with respect to, or a duty to the to the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agent not to trade on the basis of, such material, non-public information. The Company understands and confirms that the Holder will rely on the foregoing representations in effecting transactions in securities of the Company.

Section 5.2 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be made by email to the email address of the Holder set forth on Holders' signature page.

Section 5.3 Survival. All warranties and representations (as of the date such warranties and representations were made) made herein or in any certificate or other instrument delivered by it or on its behalf under this Agreement shall be considered to have been relied upon by the parties hereto and shall survive the issuance of any new securities pursuant to this Agreement. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties hereto; provided however that no party may assign this Agreement or the obligations and rights of such party hereunder without the prior written consent of the other party hereto.

Section 5.4 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by electronic mail or similar transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

Section 5.5 Several, Not Joint Obligations. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holders hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Holders are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Holder shall be entitled to protect and enforce its rights, including, but not limited to, the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose.

Section 5.6 Severability. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties hereto will attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

Section 5.7 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined pursuant to the governing law provision in Section 5(e) of the Original Warrants.

Section 5.8 Entire Agreement. The Agreement, together with the exhibits and schedules hereto, contain the entire understanding of the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties hereto acknowledge have been merged into such documents, exhibits and schedules.

Section 5.9 Construction. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rules of strict construction will be applied against any party hereto.

Section 5.10 Ratifications; Inconsistent Provisions. Except as otherwise expressly provided herein, the Original Warrant, including any amendments, is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that on and after the Effective Date, all references in the Original Warrant to "this Warrant", "hereto", "hereof", "hereunder" or words of like import referring to the Original Warrant shall mean the Original Warrant as amended by this Amendment. Notwithstanding the foregoing to the contrary, to the extent that there is any inconsistency between the provisions of the Original Warrant and this Agreement, the provisions of this Agreement shall control and be binding.

[Balance of the Page Intentionally Left Blank; Signatures Follow on Subsequent Pages]

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first written above.

COMPANY:

By: _____
Name: Brett Moyer
Title: President and CEO

[Signature Page to Series F Warrant Amendment and Exercise Agreement]

**[HOLDER SIGNATURE PAGES TO SUMMIT WIRELESS TECHNOLOGIES, INC.
WARRANT AMENDMENT AND EXERCISE AGREEMENT]**

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed by its authorized signatory as of the date first indicated above.

Name of Holder: _____

Signature of Authorized Signatory of Holder: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Email Address of Holder: _____

Number of Original Warrants held: _____

Number of Amended Warrants exercised: _____

Number of Shares underlying exercise: _____

Number of Pre-funded Warrants underlying exercise: _____

Address for Delivery of Amended Warrants for Holder: _____

Address for Delivery of Shares/Pre-Funded:
(if different from address above) _____

[Signature Page to Series F Warrant Amendment and Exercise Agreement]

Schedule A

Warrant Holder and Original Warrants Held

Date of Original Warrant	Name of Original Warrant Holder	Original Warrants Owned as of 10/2/2019
	Total	

Note: Unless otherwise detailed by the Series F warrant holder, the Company will exercise and reprice the Warrants with the shortest remaining life.

Exhibit A

Company Wire Instructions

Exhibit B

Form of Prefunded Warrant

See attached.

WARRANT AMENDMENT AND EXERCISE AGREEMENT

This Warrant Amendment and Exercise Agreement (this "Agreement"), dated as of October [], 2019, is by and between Summit Wireless Technologies, Inc., a Delaware corporation (the "Company"), and the undersigned holder identified on Schedule A hereto (the "Holder") of warrants to purchase shares of the Company's common stock, par value \$0.0001 per share (the "Common Stock").

WHEREAS, the Holder beneficially owns in the aggregate the number of warrants to purchase Common Stock identified on Schedule A hereto at an exercise price of \$3.00 per share that were issued in connection with the Series G Senior Secured Original Issue Discount Convertible Notes issued to the Holder as set forth on the Holder's signature page hereto (the "Original Warrants");

WHEREAS, in order to induce the Holder to exercise the Original Warrants from time to time and in any event on or prior to October [], 2019 (the "Amendment Expiration Date"), the Company and the Holder hereby agree to: amend the Original Warrants to reduce the exercise price and as provided herein for every warrant that the Holder exercises the Company will reduce the exercise price for an equal number of unexercised Original Warrants as provided herein;

WHEREAS, the Holder and the Company have recently been made aware that the Original Warrants inadvertently omitted certain sections customarily found in such documents; and

WHEREAS, the parties desire that the Original Warrants be amended to reflect the addition of those certain provisions as specified below; and

WHEREAS, the Holder and the Company have recently been made aware that the Original Warrants inadvertently omitted certain sections customarily found in such documents; and

WHEREAS, the parties desire that the Original Warrants be amended to reflect the addition of those certain provisions as specified below; and

WHEREAS, in compliance with Section 5(l) of the Original Warrants, this Agreement shall be effective upon the due execution and delivery of this Agreement by the Company and the Holder.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Holder and the Company agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.1 Definitions. Capitalized terms not defined in this Agreement shall have the meanings ascribed to such terms in the Original Warrants.

**ARTICLE II
AMENDMENT OF ORIGINAL WARRANTS**

Section 2.1 Amendment of Original Warrants.

(a) On the date hereof, the Original Warrants shall be amended by the following amendments (the “Original Warrant Amendments” and, together with together with the Original Warrant after giving effect to the Original Warrant Amendments, the “Amended Warrant”):

i. the introductory paragraph of the Original Warrants shall be amended by adding the following provision to the end of the first sentence in such introductory paragraph: “; *provided*, in the event the Holder’s decision to exercise this Warrant would cause the Holder to beneficially own in excess of the Maximum Percentage of the number of shares of Common Stock outstanding immediately after giving effect to such exercise, in lieu of receiving shares of Common Stock such Holder shall be issued, at an exercise price equal to the Exercise Price hereunder less \$0.01 per share, prefunded Common Stock purchase warrants in the form attached hereto, covering such number of shares of Common Stock as would otherwise have been in excess of the Maximum Percentage”; and the other provisions of the Original Warrants shall be deemed updated as may be reasonably necessary, in light of the circumstances, to give effect to any such issuance of prefunded Common Stock purchase warrants, with such form of prefunded Common Stock purchase warrants attached hereto as Exhibit B (the “Prefunded Warrants”); and

ii. the defined term “Exercise Price” set forth in Section 2(b) of the Original Warrants shall be amended to equal \$0.80 (the “Amended Exercise Price”).

(c) Except as expressly set forth in this Agreement, all terms of the Original Warrants are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects, and the Holder reserves all of its rights, remedies, powers, and privileges.

(d) As soon as practicable, and in any event no later than November 4, 2019, the Company hereby covenants and agrees to file a registration statement on Form S-3 to register all shares of Common Stock received by the Holder as a result of any exercise of any Warrant (as defined below), as well as all shares of Common Stock underlying the remaining Original Warrants. Until such registration statement is declared effective, neither the Warrant Shares (as defined below) nor any other shares of Common Stock underlying the Warrants, will be freely tradeable if exercised for cash.

Section 2.2 Waiver of Section 2(c) of Original Warrants. The Holder expressly understands, acknowledges, agrees, and waives Section 2(c) of the Original Warrant providing for cashless exercise. This waiver shall expire on October 30, 2019.

Section 2.3 Addition of Section 3(b) of the Original Warrants. Section 3 of the Original Warrants is hereby amended by the addition of the following Subsection:

“(b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock (or securities with similar characteristics) or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the “Purchase Rights”), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder’s right to participate in any such Purchase Right would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

Section 2.4 Addition of New Section 3(c) of the Original Warrants. Section 3 of the Original Warrants is hereby amended by the addition of the following Subsection, and the existing numbering of Subsections 3(c) through 3(g) shall be updated to reflect such inserted Subsection so that such Subsections shall now be numbered 3(d) through 3(h):

“(c) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a “Fundamental Transaction”), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), consideration (the “Alternate Consideration”) receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction.”

ARTICLE III AMENDED WARRANTS

Section 3.1 Closing. Upon any exercise of Amended Warrants pursuant to the terms hereof, the Company shall deliver to the Holder the number of shares of Common Stock specified in the applicable Notice of Exercise Form or Prefunded Warrants, as applicable, and the Holder shall deliver to the Company by wire transfer of immediately available funds an amount being equal to the sum of (1) the number of shares of Common Stock received multiplied by the Amended Exercise Price and (2) the number of Prefunded Warrants received multiplied by \$0.79.

Section 3.2 Permanent Amendment of Warrants. For each Original Warrant exercised as an Amended Warrant (including in the event Prefunded Warrants are issued in lieu of Common Stock in accordance of Section 3.1 of this Agreement) pursuant to this Agreement on or prior to October [], 2019, the Company covenants that, for an equal number of Original Warrants exercised pursuant to this Agreement, the Company will reduce the Exercise Price for an equal number of Original Warrants at the lesser of the 15 day VWAP ending on October 2, 2019, or a 5% discount (the "Permanent Amended Exercise Price") to the closing price for the Company's Common Stock on October 2, 2019. Such amended warrants (the "Permanent Amended Warrants") and, collectively with the Amended Warrants and the Prefunded Warrants, the "Warrants") will contain the Permanent Amended Exercise Price for the duration of the Permanent Amended Warrant until and including its Termination Date, as defined in the Original Warrant and (for the avoidance of doubt) will also contain the amendments referenced in Sections 2.3 and 2.4 of this Agreement. The Holder understands, acknowledges, and agrees that it shall not be entitled to exercise a Permanent Amended Warrant for the Permanent Amended Exercise Price in the event it fails to exercise any of its Original Warrants on or prior to October [], 2019. By way of example, if a Holder has an Original Warrant to purchase 100 shares of Common Stock and exercises such warrant for 25 shares of Common Stock pursuant to this Agreement, the Holder will, post exercise, own an Original Warrant to purchase 50 shares of Common Stock, an Amended Warrant to purchase 25 shares of Common Stock at the Permanent Amended Exercise Price, and 25 shares of Common Stock.

Section 3.3 Legends: Restricted Securities.

(a) The Holder understands that the shares of Common Stock underlying the Amended Warrants (the "Amended Warrant Shares"), the Permanent Amended Warrants (the "Permanent Amended Warrant Shares") and the Prefunded Warrants (the "Prefunded Warrant Shares" and, collectively with the Amended Warrant Shares and the Permanent Amended Warrant Shares, the "Warrant Shares") are not, and may never be, registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state and, accordingly, each certificate, if any, representing such securities shall bear a legend substantially similar to the following:

"THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES."

(b) Certificates evidencing the Warrant Shares shall not contain any legend (including the legend set forth in this Section 3.2(a)), (i) for shares resold via prospectus while a registration statement covering the resale of such Warrant Shares is effective under the Securities Act, (ii) following any sale of such Warrant Shares pursuant to Rule 144, promulgated under the Securities Act ("Rule 144") (iii) if such Warrant Shares are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Warrant Shares and without volume or manner-of-sale restrictions if such shares Warrant Shares are exercised on a cashless basis (except as provided in this Agreement pursuant to the waiver in Section 2.2 hereof), or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Securities and Exchange Commission (the "Commission")). The Company shall cause its counsel to issue a legal opinion to the transfer agent promptly after the Delegend Date (as defined below) if required by the Company and/or the transfer agent, or requested by the Holder, to effect the removal of the legend hereunder. If such Warrant Shares may be sold under Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Warrant Shares shall be issued free of all legends. The Company agrees that following the Delegend Date or at such time as such legend is no longer required under this Section 3.2(b), it will, no later than two (2) trading days (which shall be defined as any day the Nasdaq Stock Market is open for business) ("Trading Days") following the delivery by the Holder to the Company or the Company's transfer agent of a certificate representing the Warrant Shares issued with a restrictive legend (such second Trading Day, the "Legend Removal Date"), deliver or cause to be delivered to the Holder a certificate representing such shares that is free from all restrictive and other legends or, at the request of the Holder shall credit the account of the Holder's prime broker with the Depository Trust Company System as directed by the Holder. The Company may not make any notation on its records or give instructions to the transfer agent that enlarge the restrictions on transfer set forth in this Section 3.2(b). As used herein, "Delegend Date" means the earliest of the date that (a) a registration statement with respect to the Warrant Shares has been declared effective by the Commission or (b) the Warrant Shares have been sold pursuant to Rule 144 or may be sold pursuant to Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 and without volume or manner-of-sale restrictions or (c) following the six (6) month anniversary of the date of the related cash exercise of any Warrants, provided, in each case that the applicable holder of the Warrants or the Warrant Shares, as the case may be, is not an Affiliate of the Company, the Company is in compliance with the current public information required under Rule 144 ("Current Public Information Requirement") and all such Warrant Shares may be sold pursuant to Rule 144 or an exemption from registration under Section 4(a)(1) of the Securities Act without volume or manner-of-sale restrictions; provided, further, that if the Company fails to comply with the Current Public Information Requirement at any time following the date of this Agreement, the Company shall promptly provide notice to the Holder and the Holder undertakes not to sell such Warrant Shares pursuant to Rule 144 until the Company notifies the Holder that it has regained compliance with the Current Public Information Requirement; and provided, further, that if a delegending is in effect solely as the result of the effectiveness of a registration statement covering the resale of any Warrant Shares, the Holder undertakes not to sell any such Warrant Shares if the Holder is notified or otherwise becomes aware that such registration statement has been withdrawn or suspended, contains a material misstatement or omission or has become stale. The Holder agrees with the Company that the Holder will sell or transfer any Warrants or Warrant Shares pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if such securities are sold pursuant to a registration statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing any such securities as set forth in this Section 3.2 or otherwise is predicated upon the Company's reliance upon this understanding. (a) a registration statement with respect to the Amended Warrant Shares has been declared effective by the Commission or (b) the Amended Warrant Shares have been sold pursuant to Rule 144 or may be sold pursuant to Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 and without volume or manner-of-sale restrictions or (c) following the six (6) month anniversary of the date of the related cash exercise of the Amended Warrants, provided, in each case that the applicable holder of the Amended Warrants or the Amended Warrant Shares, as the case may be, is not an Affiliate of the Company, the Company is in compliance with the current public information required under Rule 144 ("Current Public Information Requirement") and all such Amended Warrant Shares may be sold pursuant to Rule 144 or an exemption from registration under Section 4(a)(1) of the Securities Act without volume or manner-of-sale restrictions; provided, further, that if the Company fails to comply with the Current Public Information Requirement at any time following the date of this Agreement, the Company shall promptly provide notice to the Holder and the Holder undertakes not to sell such Amended Warrant Shares pursuant to Rule 144 until the Company notifies the Holder that it has regained compliance with the Current Public Information Requirement; and provided, further, that if a delegending is in effect solely as the result of the effectiveness of a registration statement covering the resale of any Amended Warrant Shares, the Holder undertakes not to sell any such Amended Warrant Shares if the Holder is notified or otherwise becomes aware that such registration statement has been withdrawn or suspended, contains a material misstatement or omission or has become stale. The Holder agrees with the Company that the Holder will sell or transfer any Amended Warrants or Amended Warrant Shares pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if such securities are sold pursuant to a registration statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing any such securities as set forth in this Section 3.2 or otherwise is predicated upon the Company's reliance upon this understanding.

**ARTICLE IV
REPRESENTATIONS AND WARRANTIES**

Section 4.1 Representations and Warranties of the Company. The Company hereby makes the representations and warranties set forth below to the Holder that as of the date of its execution of this Agreement:

(a) Authorization: Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement by the Company and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary action on the part of such Company and no further action is required by such Company, its board of directors, its stockholders or any other Person under applicable law, the Company's organizational documents, the Purchase Agreement, the Original Warrant or any other contracts to which the Company is a party to in connection therewith. This Agreement has been duly executed by the Company and, when delivered in accordance with the terms hereof will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Organization. The Company is a duly organized and validly existing corporation in good standing under the laws of the State of Delaware.

(c) No Conflicts. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby do not and will not: (i) conflict with or violate any provision of the Company's certificate of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any lien upon any of the properties or assets of the Company, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any material agreement, credit facility, debt or other material instrument (evidencing Company debt or otherwise) or other material understanding to which the Company is a party or by which any property or asset of the Company is bound or affected, or (iii) conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company is bound or affected.

(d) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by this Agreement, the Company confirms that neither it nor any other Person acting on its behalf has provided any of Holder or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Company understands and confirms that the Holder will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Holder regarding the Company and its subsidiaries, their respective businesses and the transactions contemplated hereby, including but not limited to the disclosure set forth in the SEC Reports (as defined below), is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. As used herein, "SEC Reports" means all reports, schedules, forms, statements and other documents required to be filed by the Company with the Commission pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended, including all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein.

(e) Amendment of Warrants. The amendment of the Original Warrants is duly authorized and, upon amendment in accordance with the terms of this Agreement, the Warrants shall be validly issued and free from all preemptive or similar rights (except for those which have been validly waived prior to the date hereof), taxes, liens and charges and other encumbrances with respect to the issue thereof. As of the date hereof, a number of shares of Common Stock shall have been duly authorized and reserved for issuance which equals or exceeds the maximum number of Warrant Shares (without taking into account any limitations on the exercise of any Warrants as set forth therein). Upon exercise of any Warrants in accordance with such Warrants, such Warrant Shares when issued will be validly issued, fully paid and nonassessable and free from all preemptive or similar rights, taxes, liens, charges and other encumbrances with respect to the issue thereof, with the holders being entitled to all rights accorded to a holder of Common Stock. Assuming the accuracy of each of the representations and warranties set forth in Section 4.2 of this Agreement, any exercise of the Warrants by the Holder is exempt from registration under the Securities Act.

(f) No General Solicitation. Neither the Company, nor any of its subsidiaries or affiliates, nor any Person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D promulgated under the Securities Act) in connection with this Agreement.

(g) NASDAQ. The Company will file all documents and obtain all necessary approvals in connection with this Agreement.

(h) Prior Amendments to Warrant. All prior amendments to the Original Warrants were duly authorized, entered into and executed by all necessary action of the Company and any other Person as required, and such prior amendments were entered into and executed in compliance with applicable law, the Company's organizational documents, the Purchase Agreement and the Original Warrant, and all such prior amendments constitute valid and binding obligations of the Company enforceable against the Company in accordance with such terms.

(i) Shell Company Status. The Company is not and has never been a "shell company" (as that term is defined in Rule 144(i)(1)(i)-(ii)) of the Securities Act.

Section 4.2 Representations and Warranties of the Holder. The Holder hereby makes the representations and warranties set forth below to the Company that as of the date of its execution of this Agreement.

(a) Due Authorization. The Holder represents and warrants that (i) the execution and delivery of this Agreement by it and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary action on its behalf and (ii) this Agreement has been duly executed and delivered by the Holder and constitutes the valid and binding obligation of the Holder, enforceable against it in accordance with its terms.

(b) No Conflicts. The Holder represents and warrants that the execution, delivery and performance of this Agreement by the Holder and the consummation by the Holder of the transactions contemplated hereby do not and will not: (i) conflict with or violate any provision of the Holder's organizational or charter documents, or (ii) conflict with or result in a violation of any agreement, law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority which would interfere with the ability of the Holder to perform its obligations under this Agreement.

(c) Access to Information. The Holder acknowledges that it has had the opportunity to review this Agreement and the SEC Reports and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the exercise of the Original Warrants and the merits and risks of investing in any Warrant Shares; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment. Neither such inquiries nor any other due diligence investigations conducted by the Holder or its advisors, if any, or its representatives shall modify, amend or affect the Holder's right to rely on the Company's representations and warranties contained herein. The Holder acknowledges and agrees that no one has provided the Holder with any information or advice with respect to the Original Warrants or the Warrants, nor is such information or advice necessary or desired nor any affiliate of the Company made or makes any representation as to the Company or the quality of the securities issued and issuable hereunder and pursuant to the Original Warrants or the Warrants.

(d) Holder Status. The Holder represents and warrants that is an "accredited investor" as defined in Rule 501 of Regulation D under the Securities Act and confirms that it has a substantive and preexisting relationship with the Company.

(e) Knowledge. The Holder, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Warrant Shares and has so evaluated the merits and risks of such investment. The Holder is able to bear the economic risk of an investment in the Warrant Shares and, at the present time, is able to afford a complete loss of such investment.

**ARTICLE V
MISCELLANEOUS**

Section 5.1 Filing of Form 8-K. Prior to 5:30 P.M. New York time on October 9, 2019, the Company shall file a Current Report on Form 8-K disclosing the material terms of the transactions contemplated hereby (the "8-K Filing"). From and after the issuance of the 8-K Filing, the Company represents to the Holder that it shall not be in possession of any material, nonpublic information received from the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents, that is not disclosed in the 8-K Filing. In addition, effective upon the filing of the 8-K Filing, the Company acknowledges and agrees that any and all confidentiality or similar obligations to the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents under any agreement, whether written or oral, between the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and the Holder or any of its affiliates, on the other hand, shall terminate and be of no further force or effect. The Company shall not, and shall cause each of its subsidiaries and its and each of their respective officers, directors, affiliates employees and agents, not to, provide the Holder with any material, nonpublic information regarding the Company or any of its subsidiaries from and after the date hereof without the express prior written consent of the Holder. To the extent that the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents, delivers any material, non-public information to the Holder without the Holder's prior written consent, the Company hereby covenants and agrees that the Holder shall not have any duty of confidentiality to the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents with respect to, or a duty to the to the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agent not to trade on the basis of, such material, non-public information. The Company understands and confirms that the Holder will rely on the foregoing representations in effecting transactions in securities of the Company.

Section 5.2 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be made by email to the email address of the Holder set forth on Holders' signature page.

Section 5.3 Survival. All warranties and representations (as of the date such warranties and representations were made) made herein or in any certificate or other instrument delivered by it or on its behalf under this Agreement shall be considered to have been relied upon by the parties hereto and shall survive the issuance of any new securities pursuant to this Agreement. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties hereto; provided however that no party may assign this Agreement or the obligations and rights of such party hereunder without the prior written consent of the other party hereto.

Section 5.4 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by electronic mail or similar transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

Section 5.5 Several, Not Joint Obligations. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holders hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Holders are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Holder shall be entitled to protect and enforce its rights, including, but not limited to, the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose.

Section 5.6 Severability. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties hereto will attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

Section 5.7 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined pursuant to the governing law provision in Section 5(e) of the Original Warrants.

Section 5.8 Entire Agreement. The Agreement, together with the exhibits and schedules hereto, contain the entire understanding of the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties hereto acknowledge have been merged into such documents, exhibits and schedules.

Section 5.9 Construction. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rules of strict construction will be applied against any party hereto.

Section 5.10 Ratifications; Inconsistent Provisions. Except as otherwise expressly provided herein, the Original Warrant, including any amendments, is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that on and after the Effective Date, all references in the Original Warrant to “this Warrant”, “hereto”, “hereof”, “hereunder” or words of like import referring to the Original Warrant shall mean the Original Warrant as amended by this Amendment. Notwithstanding the foregoing to the contrary, to the extent that there is any inconsistency between the provisions of the Original Warrant and this Agreement, the provisions of this Agreement shall control and be binding.

[Balance of the Page Intentionally Left Blank; Signatures Follow on Subsequent Pages]

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first written above.

COMPANY:

By: _____
Name: Brett Moyer
Title: President and CEO

[Signature Page to Series G Warrant Amendment and Exercise Agreement]

**[HOLDER SIGNATURE PAGES TO SUMMIT WIRELESS TECHNOLOGIES, INC.
WARRANT AMENDMENT AND EXERCISE AGREEMENT]**

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed by its authorized signatory as of the date first indicated above.

Name of Holder: _____

Signature of Authorized Signatory of Holder: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Email Address of Holder: _____

Number of Original Warrants held: _____

Number of Amended Warrants exercised: _____

Number of Shares underlying exercise: _____

Number of Pre-funded Warrants underlying exercise: _____

Address for Delivery of Amended Warrants for Holder: _____

Address for Delivery of Shares: _____

(if different from address above) _____

[Signature Page to Series G Warrant Amendment and Exercise Agreement]

Schedule A

Warrant Holder and Original Warrants Held

Date of Original Warrant	Name of Original Warrant Holder	Original Warrants Owned as of 10/2/2019
	Total	

Note: Unless otherwise detailed by the Series G warrant holder, the Company will exercise and reprice the Warrants with the shortest remaining life.

Exhibit A

Company Wire Instructions

Exhibit B
Form of Prefunded Warrant

See attached.

WARRANT AMENDMENT AND EXERCISE AGREEMENT

This Warrant Amendment and Exercise Agreement (this "Agreement"), dated as of [____], 2019, is by and between Summit Wireless Technologies, Inc., a Delaware corporation (the "Company"), and the undersigned holder identified on Schedule A hereto (the "Holder") of warrants to purchase shares of the Company's common stock, par value \$0.0001 per share (the "Common Stock").

WHEREAS, the Holder beneficially owns in the aggregate the number of warrants to purchase Common Stock identified on Schedule A hereto at an exercise price of \$[] per share that were issued in connection with the Series [] Notes issued to the Holder as set forth on the Holder's signature page hereto (the "Original Warrants");

WHEREAS, in order to induce the Holder to exercise the Original Warrants from time to time and in any event prior to October [], 2019 (the "Amendment Expiration Date"), the Company and the Holder hereby agree to: amend the Original Warrants to reduce the exercise price and as provided herein for every warrant that the Holder exercises the Company will reduce the exercise price for an equal number of unexercised Original Warrants as provided herein; and

WHEREAS, in compliance with Section 5(l) of the Original Warrants, this Agreement shall be effective upon the due execution and delivery of this Agreement by the Company and the Holder.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Holder and the Company agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.1 Definitions. Capitalized terms not defined in this Agreement shall have the meanings ascribed to such terms in the Original Warrants.

**ARTICLE II
AMENDMENT OF ORIGINAL WARRANTS**

Section 2.1 Amendment of Original Warrants.

(a) On the date hereof, the defined term "Exercise Price" set forth in Section 2(b) of the Original Warrants shall be amended to equal \$ 0.80 (the "Amended Exercise Price") (the "Original Warrant Amendment" and together with the Original Warrant, after giving effect to the Original Warrant Amendment, the "Amended Warrant").

(b) Except as expressly set forth in this Agreement, all terms of the Original Warrants are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects, and the Holder reserves all of its rights, remedies, powers, and privileges. There will be no new warrants to purchase Common Stock issued for any Original Warrants exercised hereunder.

(c) As soon as practicable, and in any event no later than November 4, 2019, the Company hereby covenants and agrees to file a registration statement on Form S-3 to register all shares of Common Stock received by the Holder as a result of any exercise of an Amended Warrant or a Permanent Amended Warrant (as defined below) as well as all shares of Common Stock underlying the remaining Original Warrants. Until such registration statement is declared effective, neither the Amended Warrant Shares or Permanent Amended Warrant Shares, as defined below, nor any other shares of Common Stock underlying the Warrants, will be freely tradeable if exercised for cash.

Section 2.2 Waiver of Section 2(c) of Original Warrants. The Holder expressly understands, acknowledges, agrees, and waives Section 2(c) of the Original Warrant providing for cashless exercise. This waiver shall expire on October 30, 2019.

ARTICLE III AMENDED WARRANTS

Section 3.1 Permanent Amendment of Warrants. For each Original Warrant exercised as an Amended Warrant pursuant to this Agreement prior to October [], 2019, the Company covenants that, for an equal number of Original Warrants exercised pursuant to this Agreement, the Company will reduce the Exercise Price for an equal number of Original Warrants at the lesser of the 15 day VWAP ending on October 2, 2019, or a 5% discount (the "Permanent Amended Exercise Price") to closing price for the Company's Common Stock on October 2, 2019. Such amended warrants (the "Permanent Amended Warrants") will contain the Permanent Amended Exercise Price for the duration of the Permanent Amended Warrant until and including its Termination Date, as defined in the Original Warrant. The Holder understands, acknowledges, and agrees that it shall not be entitled to exercise a Permanent Amended Warrant for the Permanent Amended Exercise Price in the event it fails to exercise any of its Original Warrants prior to October [], 2019. By way of example, if a Holder has an Original Warrant to purchase 100 shares of Common Stock and exercises such warrant for 25 shares of Common Stock pursuant to this Agreement, the Holder will, post exercise, own an Original Warrants to purchase 50 shares of Common Stock, an Amended Warrant to purchase 25 shares of Common Stock at the Permanent Amended Exercise Price, and 25 shares of Common Stock.

Section 3.2 Legends: Restricted Securities.

(a) The Holder understands that the shares of Common Stock underlying the Amended Warrants (the "Amended Warrant Shares"), Permanent Amended Warrants (the "Permanent Amended Warrant Shares") are not, and may never be, registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state and, accordingly, each certificate, if any, representing such securities shall bear a legend substantially similar to the following:

"THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES."

(b) Certificates evidencing the Amended Warrant Shares shall not contain any legend (including the legend set forth in this Section 3.2(a)), (i) for shares resold via prospectus while a registration statement covering the resale of such Amended Warrant Shares is effective under the Securities Act, (ii) following any sale of such Amended Warrant Shares pursuant to Rule 144, promulgated under the Securities Act ("Rule 144") (iii) if such Amended Warrant Shares are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Amended Warrant Shares and without volume or manner-of-sale restrictions if such shares Amended Warrant Shares are exercised on a cashless basis (except as provided in this Agreement pursuant to the waiver in Section 2.2 hereof), or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Securities and Exchange Commission (the "Commission")). The Company shall cause its counsel to issue a legal opinion to the transfer agent promptly after the Delegend Date (as defined below) if required by the Company and/or the transfer agent, or requested by the Holder, to effect the removal of the legend hereunder. If such Amended Warrant Shares may be sold under Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Amended Warrant Shares shall be issued free of all legends. The Company agrees that following the Delegend Date or at such time as such legend is no longer required under this Section 3.2(b), it will, no later than two (2) trading days (which shall be defined as any day the Nasdaq Stock Market is open for business) ("Trading Days") following the delivery by the Holder to the Company or the Company's transfer agent of a certificate representing the Amended Warrant Shares issued with a restrictive legend (such second Trading Day, the "Legend Removal Date"), deliver or cause to be delivered to the Holder a certificate representing such shares that is free from all restrictive and other legends or, at the request of the Holder shall credit the account of the Holder's prime broker with the Depository Trust Company System as directed by the Holder. The Company may not make any notation on its records or give instructions to the transfer agent that enlarge the restrictions on transfer set forth in this Section 3.2(b). As used herein, "Delegend Date" means the earliest of the date that (a) a registration statement with respect to the Amended Warrant Shares has been declared effective by the Commission or (b) all of the Amended Warrant Shares have been sold pursuant to Rule 144 or may be sold pursuant to Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 and without volume or manner-of-sale restrictions or (c) following the six (6) month anniversary of the date of the related cash exercise of the Amended Warrants, provided, in each case that the applicable holder of the Amended Warrants or the Amended Warrant Shares, as the case may be, is not an Affiliate of the Company, the Company is in compliance with the current public information required under Rule 144 ("Current Public Information Requirement") and all such Amended Warrant Shares may be sold pursuant to Rule 144 or an exemption from registration under Section 4(a)(1) of the Securities Act without volume or manner-of-sale restrictions; provided, further, that if the Company fails to comply with the Current Public Information Requirement at any time following the date of this Agreement, the Company shall promptly provide notice to the Holder and the Holder undertakes not to sell such Amended Warrant Shares pursuant to Rule 144 until the Company notifies the Holder that it has regained compliance with the Current Public Information Requirement; and provided, further, that if a delegending is in effect solely as the result of the effectiveness of a registration statement covering the resale of any Amended Warrant Shares, the Holder undertakes not to sell any such Amended Warrant Shares if the Holder is notified or otherwise becomes aware that such registration statement has been withdrawn or suspended, contains a material misstatement or omission or has become stale. The Holder agrees with the Company that the Holder will sell or transfer any Amended Warrants or Amended Warrant Shares pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if such securities are sold pursuant to a registration statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing any such securities as set forth in this Section 3.2 or otherwise is predicated upon the Company's reliance upon this understanding.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of the Company. The Company hereby makes the representations and warranties set forth below to the Holder that as of the date of its execution of this Agreement:

(a) Authorization: Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement by the Company and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary action on the part of such Company and no further action is required by such Company, its board of directors or its stockholders in connection therewith. This Agreement has been duly executed by the Company and, when delivered in accordance with the terms hereof will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Organization. The Company is a duly organized and validly existing corporation in good standing under the laws of the State of Delaware.

(c) No Conflicts. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby do not and will not: (i) conflict with or violate any provision of the Company's certificate of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any lien upon any of the properties or assets of the Company, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any material agreement, credit facility, debt or other material instrument (evidencing Company debt or otherwise) or other material understanding to which the Company is a party or by which any property or asset of the Company is bound or affected, or (iii) conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company is bound or affected.

(d) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by this Agreement, the Company confirms that neither it nor any other Person acting on its behalf has provided any of Holder or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Company understands and confirms that the Holder will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Holder regarding the Company and its subsidiaries, their respective businesses and the transactions contemplated hereby, including but not limited to the disclosure set forth in the SEC Reports (as defined below), is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. As used herein, "SEC Reports" means all reports, schedules, forms, statements and other documents required to be filed by the Company with the Commission pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended, including all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein.

(e) Amendment of Warrants. The amendment of the Original Warrants is duly authorized and, upon amendment in accordance with the terms of this Agreement, the Amended Warrants and Permanent Amended Warrants shall be validly issued and free from all preemptive or similar rights (except for those which have been validly waived prior to the date hereof), taxes, liens and charges and other encumbrances with respect to the issue thereof. As of the date hereof, a number of shares of Common Stock shall have been duly authorized and reserved for issuance which equals or exceeds the maximum number of Amended Warrant Shares and Permanent Amended Warrant Shares (without taking into account any limitations on the exercise of the Amended Warrants or Permanent Amended Warrants set forth therein). Upon exercise of the Amended Warrants in accordance with the Amended Warrants (or the exercise of the Permanent Amended Warrants), the Amended Warrant Shares (or Permanent Amended Warrant Shares) when issued will be validly issued, fully paid and nonassessable and free from all preemptive or similar rights, taxes, liens, charges and other encumbrances with respect to the issue thereof, with the holders being entitled to all rights accorded to a holder of Common Stock. Assuming the accuracy of each of the representations and warranties set forth in Section 4.2 of this Agreement, any exercise of the Amended Warrants or Permanent Amended Warrants by the Holder is exempt from registration under the Securities Act.

(f) No General Solicitation. Neither the Company, nor any of its subsidiaries or affiliates, nor any Person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D promulgated under the Securities Act) in connection with this Agreement.

(g) NASDAQ. The Company will file all documents and obtain all necessary approvals in connection with this Agreement.

Section 4.2 Representations and Warranties of the Holder. The Holder hereby makes the representations and warranties set forth below to the Company that as of the date of its execution of this Agreement.

(a) Due Authorization. The Holder represents and warrants that (i) the execution and delivery of this Agreement by it and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary action on its behalf and (ii) this Agreement has been duly executed and delivered by the Holder and constitutes the valid and binding obligation of the Holder, enforceable against it in accordance with its terms.

(b) No Conflicts. The Holder represents and warrants that the execution, delivery and performance of this Agreement by the Holder and the consummation by the Holder of the transactions contemplated hereby do not and will not: (i) conflict with or violate any provision of the Holder's organizational or charter documents, or (ii) conflict with or result in a violation of any agreement, law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority which would interfere with the ability of the Holder to perform its obligations under this Agreement.

(c) Access to Information. The Holder acknowledges that it has had the opportunity to review this Agreement and the SEC Reports and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the exercise of the Original Warrants and the merits and risks of investing in the Amended Warrant Shares or Permanent Amended Warrant Shares; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment. Neither such inquiries nor any other due diligence investigations conducted by the Holder or its advisors, if any, or its representatives shall modify, amend or affect the Holder's right to rely on the Company's representations and warranties contained herein. The Holder acknowledges and agrees that no one has provided the Holder with any information or advice with respect to the Original Warrants, the Amended Warrants, or the Permanent Amended Warrants, nor is such information or advice necessary or desired nor any affiliate of the Company made or makes any representation as to the Company or the quality of the securities issued and issuable hereunder and pursuant to the Original Warrants, the Amended Warrants, or the Permanent Amended Warrants.

(d) Holder Status. The Holder represents and warrants that is an "accredited investor" as defined in Rule 501 of Regulation D under the Securities Act and confirms that it has a substantive and preexisting relationship with the Company.

(e) Knowledge. The Holder, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Amended Warrant Shares or Permanent Amended Warrant Shares, and has so evaluated the merits and risks of such investment. The Holder is able to bear the economic risk of an investment in the Amended Warrant Shares or Permanent Amended Warrant Shares and, at the present time, is able to afford a complete loss of such investment.

**ARTICLE V
MISCELLANEOUS**

Section 5.1 Filing of Form 8-K. Prior to 5:30 P.M. New York time on October [], 2019, the Company shall file a Current Report on Form 8-K disclosing the material terms of the transactions contemplated hereby (the "8-K Filing"). From and after the issuance of the 8-K Filing, the Company represents to the Holder that it shall not be in possession of any material, nonpublic information received from the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents, that is not disclosed in the 8-K Filing. In addition, effective upon the filing of the 8-K Filing, the Company acknowledges and agrees that any and all confidentiality or similar obligations to the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents under any agreement, whether written or oral, between the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and the Holder or any of its affiliates, on the other hand, shall terminate and be of no further force or effect. The Company shall not, and shall cause each of its subsidiaries and its and each of their respective officers, directors, affiliates employees and agents, not to, provide the Holder with any material, nonpublic information regarding the Company or any of its subsidiaries from and after the date hereof without the express prior written consent of the Holder. To the extent that the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents, delivers any material, non-public information to the Holder without the Holder's prior written consent, the Company hereby covenants and agrees that the Holder shall not have any duty of confidentiality to the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents with respect to, or a duty to the to the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agent not to trade on the basis of, such material, non-public information. The Company understands and confirms that the Holder will rely on the foregoing representations in effecting transactions in securities of the Company.

Section 5.2 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be made by email to the email address of the Holder set forth on Holders' signature page.

Section 5.3 Survival. All warranties and representations (as of the date such warranties and representations were made) made herein or in any certificate or other instrument delivered by it or on its behalf under this Agreement shall be considered to have been relied upon by the parties hereto and shall survive the issuance of any new securities pursuant to this Agreement. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties hereto; provided however that no party may assign this Agreement or the obligations and rights of such party hereunder without the prior written consent of the other party hereto.

Section 5.4 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by electronic mail or similar transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

Section 5.5 Several, Not Joint Obligations. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holders hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Holders are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Holder shall be entitled to protect and enforce its rights, including, but not limited to, the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose.

Section 5.6 Severability. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties hereto will attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

Section 5.7 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined pursuant to the governing law provision in Section 5(e) of the Original Warrants.

Section 5.8 Entire Agreement. The Agreement, together with the exhibits and schedules hereto, contain the entire understanding of the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties hereto acknowledge have been merged into such documents, exhibits and schedules.

Section 5.9 Construction. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rules of strict construction will be applied against any party hereto.

[Balance of the Page Intentionally Left Blank; Signatures Follow on Subsequent Pages]

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first written above.

COMPANY:

By: _____
Name: Brett A. Moyer
Title: President and CEO

[HOLDER SIGNATURE PAGES TO SUMMIT WIRELESS TECHNOLOGIES, INC. WARRANT AMENDMENT AND EXERCISE AGREEMENT]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed by its authorized signatory as of the date first indicated above.

Name of Holder: _____

Signature of Authorized Signatory of Holder: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Email Address of Holder: _____

Number of Original Warrants held: _____

Number of Amended Warrants exercised: _____

Address for Delivery of Amended Warrants for Holder: _____

Delivery of Shares:

Brokerage Firm: _____

DTC #: _____

Account Number: _____

Account Name: _____

Return to: George Oliva, CFO at [_____]@summitwireless.com

Schedule A

Warrant Holder and Original Warrants Held

See prior version for warrant details

Exhibit A

Company Wire Instructions

[SUMMIT LETTERHEAD]

[], 2019

Via Electronic Email

[Holder's email address]

Ladies and Gentlemen:

Reference is made to (i) that certain the Warrant Amendment and Exercise Agreement, dated as of [], 2019, the date on which the Holder's (as defined below) Exercise (as defined below) was received (the "Warrant Amendment Agreement"), by and between Summit Wireless Technologies, Inc., a Delaware corporation (the "Company"), and the holder named on the signature page attached hereto (the "Holder"); (ii) a repriced common stock purchase warrant held by the Holder to purchase an aggregate of [] shares (the "Repriced Warrant") of common stock, par value \$0.0001 per share, of the Company (the "Common Stock") as well as the previously exercised common stock purchase warrant for [] shares (the "Original Warrant"); and (iii) the registered direct offering by the Company on October 16, 2019 of up to 2,500,000 shares of Common Stock (the "Offering").

The undersigned parties hereby agree and acknowledge, in full and complete satisfaction of all claims that the Holder made or could have made against the Company arising in connection with the Original Warrant, the Repriced Warrant, and the Warrant Amendment Agreement (collectively, the "Transaction Documents"), the following:

1. In consideration for the Holder's release of such claims against the Company pursuant to the Transaction Documents, the Company shall, subject to approval by the Company's board of directors, issue to the Holder [] shares of Common Stock, the aggregate value of which represents the difference between the value of the payment that was made by the Holder to the Company upon exercise of the Original Warrant (the "Exercise") at its exercise price of \$0.80 and the payment that would have been made by the Holder to the Company upon exercise of the Original Warrant at \$0.70 per share, using the price of the shares of Common Stock offered to investors in the Offering.

2. Exhibit A attached hereto correctly states all shares of Common Stock and other securities of the Company held by the Holder as of the date of this letter.

In addition, the undersigned parties hereby agree that Section 2.1(c) of the Warrant Amendment Agreement, which requires the Company to file a registration statement on Form S-3 to register all shares of Common Stock received by the Holder upon exercise of any "Warrant" (as defined in the Warrant Amendment Agreement) and all shares of Common Stock issuable upon exercise of any Original Warrant (as defined in the Warrant Amendment Agreement) by November 4, 2019, is hereby amended to replace "November 4, 2019" with "November 18, 2019". Except as otherwise expressly provided herein, the Warrant Amendment Agreement is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects. To the extent there is any inconsistency between the provisions of the Warrant Amendment Agreement and this letter, the provisions of this letter shall control and be binding.

For the avoidance of doubt nothing contained in this letter constitutes an amendment, modification or waiver of any of the provisions of any of the Transaction Documents, which remain in full force and effect.

This letter shall be governed by the laws of the state of New York, without giving effect to the principles of conflicts of law thereof or of any other jurisdiction. This letter may not be amended except in a writing signed by each of the parties hereto. The undersigned parties acknowledge that this letter has been negotiated, executed, and delivered in the State of New York and is to be wholly performed within New York, and each of the undersigned party's actions in connection with the negotiation, execution, and delivery of this letter constitutes transacting business in New York.

Kindly confirm your agreement with the above by signing in the space indicated below and by PDFing a partially executed copy of this letter to the undersigned, and which may be executed in identical counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement. In the event that any signature is delivered by electronic mail or similar transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

[Signature page follows]

Very truly yours,

SUMMIT WIRELESS TECHNOLOGIES, INC.

By: _____
Name: George Oliva
Title: Chief Financial Officer

Agreed and Accepted:

Holder:

[HOLDER]

By: _____
Name:
Title:

Exhibit A

Holder's name	Shares of Common Stock owned as of October 31, 2019*	Warrant Shares Unexercised as of October 31, 2019	Shares of Common Stock to be issued to Holder pursuant to Section 1(b) of this letter
[]	[]	[]	[]

* Includes [] warrant shares exercised on []

[SUMMIT LETTERHEAD]

[], 2019

Via Electronic Email

[Medalist Funds email address]

Ladies and Gentlemen:

Reference is made to (i) those certain the Warrant Amendment and Exercise Agreements, dated as of October [], 2019 (the "Warrant Amendment Agreements"), by and between Summit Wireless Technologies, Inc., a Delaware corporation (the "Company"), and each of Medalist Partners Harvest Master Fund Ltd. and Medalist Partners Opportunity Master Fund A, L.P. (collectively, the "Holders"); (ii) pre-funded common stock purchase warrants held by each of the Holders to purchase an aggregate of 414,364 shares (the "Pre-Funded Warrants") of common stock, par value \$0.0001 per share, of the Company (the "Common Stock"); (iii) repriced Series F common stock purchase warrants held by each of the Holders to purchase an aggregate of 414,364 shares of Common Stock (the "Repriced Warrants"), as amended by Amendment No. 1 to each of the Warrants, dated October [], 2019 (collectively, the "Warrant Amendments"), as well as the previously exercised common stock purchase warrants for [] shares (the "Original Warrants"); and (iv) the registered direct offering by the Company on October 16, 2019 of up to 2,500,000 shares of Common Stock (the "Offering").

The undersigned parties hereby agree and acknowledge, in full and complete satisfaction of all claims that the Holders made or could have made against the Company arising in connection with the Pre-Funded Warrants, the Repriced Warrants, the Original Warrants, the Warrant Amendments and the Warrant Amendment Agreements (collectively, the "Transaction Documents"), the following:

1. In consideration for each Holder's release of such claims against the Company pursuant to the Transaction Documents, the Company shall deliver to the Holders an aggregate of \$[] in cash, which amount represents the difference between the funds paid by the Holders to the Company for the Pre-Funded Warrants, which are currently exercisable for \$0.79, and the price the Holders would have paid for the Pre-Funded Warrants based on an exercise price equal to \$0.70, which is the price of the shares of Common Stock offered to investors in the Offering.

In addition, the undersigned parties hereby agree that Section 2.1(c) of each of the Warrant Amendment Agreements, which require the Company to file a registration statement on Form S-3 to register all shares of Common Stock received by the Holders upon exercise of any "Warrants" (as defined in the Warrant Amendment Agreements) and all shares of Common Stock issuable upon exercise of any Original Warrant (as defined in the Warrant Amendment Agreements) by November 4, 2019, is hereby amended to replace "November 4, 2019" with "November 18, 2019". Except as otherwise expressly provided herein, the Warrant Amendment Agreements are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects. To the extent there is any inconsistency between the provisions of the Warrant Amendment Agreements and this letter, the provisions of this letter shall control and be binding.

For the avoidance of doubt nothing contained in this letter constitutes an amendment, modification or waiver of any of the provisions of any of the Transaction Documents, which remain in full force and effect.

This letter shall be governed by the laws of the state of New York, without giving effect to the principles of conflicts of law thereof or of any other jurisdiction. This letter may not be amended except in a writing signed by all of the parties hereto. The undersigned parties acknowledge that this letter has been negotiated, executed, and delivered in the State of New York and is to be wholly performed within New York, and each of the undersigned party's actions in connection with the negotiation, execution, and delivery of this letter constitutes transacting business in New York.

Kindly confirm your agreement with the above by signing in the space indicated below and by PDFing a partially executed copy of this letter to the undersigned, and which may be executed in identical counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement. In the event that any signature is delivered by electronic mail or similar transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

[Signature page follows]

Very truly yours,

SUMMIT WIRELESS TECHNOLOGIES, INC.

By: _____
Name: George Oliva
Title: Chief Financial Officer

Agreed and Accepted:

Holders:

Medalist Partners Harvest Master Fund Ltd.

By: _____
Name:
Title:

Medalist Partners Opportunity Master Fund A, L.P.

By: _____
Name:
Title:

**CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Brett Moyer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Summit Wireless Technologies, Inc. (the “registrant”):
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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a13a-15(f) and 15d-15(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(s) 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: November 14, 2019

/s/ Brett Moyer

Name: Brett Moyer

Title: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, George Oliva, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Summit Wireless Technologies, Inc. (the “registrant”):
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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a13a-15(f) and 15d-15(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(s) 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: November 14, 2019

/s/ George Oliva

Name: George Oliva
Title: Chief Financial Officer
(Principal Financial Officer)

**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 Summit Wireless Technologies, Inc. (the "Company") for the period ended September 30, 2019 (the "Report"), I, Brett Moyer, Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, 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.

Date: November 14, 2019

/s/ Brett Moyer

Name: Brett Moyer

Title: Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**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 Summit Wireless Technologies, Inc. (the "Company") for the period ended September 30, 2019 (the "Report"), I, George Oliva, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, 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.

Date: November 14, 2019

/s/ George Oliva

Name: George Oliva

Title: Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.
