

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 13, 2022

Network-1 Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-15288
(Commission
File Number)

11-3027591
(I.R.S. Employer
Identification No.)

65 Locust Avenue, New Canaan, Connecticut 06840
(Address of Principal Executive Offices) (Zip Code)

(203) 920-1055
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

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 \$0.01 per share	NTIP	NYSE American

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition.

On May 16, 2022, Network-1 Technologies, Inc., (the “Company”) issued a press release announcing its financial results for the quarter ended March 31, 2022. A copy of the press release is attached hereto as Exhibit 99.1.

Item 8.01 Other Events.

On May 13, 2022, the Company announced that the U.S. Patent and Trademark Office issued U.S. Patent No. 11,329,655 (Field Programmable Gate Array with Internal Phase-Locked Loop) to its wholly-owned subsidiary (HFT Solutions, LLC). The newly issued patent arises from a patent application contained in the HFT patent portfolio acquired by the Company in March 2022 (“HFT Patent Portfolio”). The HFT Patent Portfolio covers certain advanced technologies relating to high frequency trading, which inventions specifically address technological problems associated with speed and latency and provide critical latency gains in trading systems where the difference between success and failure may be measured in nanoseconds.

A copy of the press release is attached as Exhibit 99.2.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
<u>99.1</u>	<u>Press Release dated May 16, 2022</u>
<u>99.2</u>	<u>Press Release dated May 13, 2022</u>

SIGNATURE

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 hereunto duly authorized.

NETWORK-1 TECHNOLOGIES, INC.

Dated May 17, 2022

By: /s/ Corey M. Horowitz
Name: Corey M. Horowitz
Title: Chairman and Chief Executive Officer

FOR IMMEDIATE RELEASE

Corey M. Horowitz, Chairman and CEO
Network-1 Technologies, Inc.
203-920-1055

NETWORK-1 REPORTS FIRST QUARTER 2022 RESULTS

New Canaan, Connecticut – May 16, 2022 – Network-1 Technologies, Inc. (NYSE American: NTIP), a company engaged in the acquisition, development, licensing, and monetization of intellectual property assets, today announced financial results for the quarter ended March 31, 2022.

Network-1 had no revenue for the three months ended March 31, 2022, as compared to revenue of \$18,692,000 for the three months ended March 31, 2021. The revenue of \$18,692,000 for the three months ended March 31, 2021 was from the resolution of a contractual dispute with Cisco Systems, Inc. concerning the licensing of Network-1's Remote Power Patent.

Network-1 reported a net loss of \$1,312,000 or \$(0.05) per share basic and diluted for the three months ended March 31, 2022 compared with net income of \$9,451,000 or \$0.39 per share basic and \$0.38 per share diluted for the three months ended March 31, 2021. The net loss of \$1,312,000 for the three months ended March 31, 2022 was due to no revenue for such period.

At March 31, 2022, Network-1's principal sources of liquidity consisted of cash and cash equivalents and marketable securities of \$56,535,000 and working capital of \$52,635,000. Network-1 believes based on its current cash position that it will have sufficient cash to fund its operations for the foreseeable future.

On March 25, 2022, Network-1's newly formed subsidiary, HFT Solutions, LLC, acquired a patent portfolio covering certain advanced technologies relating to high frequency trading (the "HFT Patent Portfolio"). The HFT Patent Portfolio currently includes seven issued U.S. patents and one pending U.S. patent. The portfolio relates to technologies used by firms engaged in high frequency trading activities. The inventions specifically address technological problems associated with speed and latency and provide critical latency gains in trading systems where the difference between success and failure may be measured in nanoseconds.

To date, Network-1 has invested an aggregate of \$6,000,000 in ILiAD Biotechnologies, LLC, a privately held clinical stage biotechnology company dedicated to the prevention of human disease cause by Bordetella pertussis with a current focus on its proprietary intranasal vaccine BPZE1. At March 31, 2022, Network-1 owned approximately 9.5% of the outstanding units of ILiAD on a non-fully diluted basis and 7.2% of the outstanding units on a fully diluted basis (after giving effect to the exercise or conversion of all outstanding options, warrants and convertible notes).

Since inception of Network-1's Share Repurchase Program through March 31, 2022, Network-1 has repurchased an aggregate of 8,984,134 shares of its common stock at an aggregate cost of \$17,225,276 (exclusive of commissions) or an average per share price of \$1.92. Network-1 did not repurchase any shares of its common stock during the three months ended March 31, 2022. At March 31, 2022, the dollar value of remaining shares that may be repurchased under the Share Repurchase Program was \$3,930,729.

Network-1 continues to pay dividends consistent with its dividend policy which consists of semi-annual cash dividends of \$0.05 per share (\$0.10 per share annually) which are anticipated to be paid in March and September of each year. On February 23, 2022, Network-1's Board of Directors declared a semi-annual cash dividend of \$0.05 per share which was paid on March 24, 2022 to all shareholders of record as of March 9, 2022. Network-1's dividend policy undergoes a periodic review by the Board of Directors and is subject to change at any time depending upon Network-1's earnings, financial requirements and other factors existing at the time.

ABOUT NETWORK-1 TECHNOLOGIES, INC.

Network-1 Technologies, Inc. is engaged in the development, licensing and protection of its intellectual property and proprietary technologies. Network-1 works with inventors and patent owners to assist in the development and monetization of their patented technologies. Network-1 currently owns ninety-six (96) patents covering various telecommunications and data networking technologies as well as technologies relating to document stream operating systems and the identification of media content. Network-1's current strategy includes efforts to monetize four patent portfolios (the Cox, M2M/IoT, HFT and Mirror Worlds patent portfolios). Network-1's strategy is to focus on acquiring and investing in high quality patents which management believes have the potential to generate significant licensing opportunities as Network-1 has achieved with respect to its Remote Power Patent and Mirror Worlds Patent Portfolio. Network-1's Remote Power Patent has generated licensing revenue in excess of \$187,000,000 from May 2007 through March 31, 2022. Network-1 has achieved licensing and other revenue of \$47,150,000 through March 31, 2021 with respect to its Mirror Worlds Patent Portfolio.

This release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements address future events and conditions concerning Network-1's business plans. Such statements are subject to a number of risk factors and uncertainties as disclosed in the Network-1's Annual Report on Form 10-K for the year ended December 31, 2021 and its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022 filed with the Securities and Exchange Commission including, among others, Network-1's uncertain revenue stream, uncertainty as to the outcome of pending litigation involving Network-1's Cox Patent Portfolio, whether Network-1 will be successful in its appeal to the Federal Circuit of the District Court judgement of non-infringement dismissing Network-1's litigation against Facebook, the ability of Network-1 to successfully execute its strategy to acquire or make investments in high quality patents with significant licensing opportunities, Network-1's ability to achieve revenue and profits from its Cox Patent Portfolio, M2M/IoT Patent Portfolio, HFT Patent Portfolio and additional revenue and profit from its Mirror Worlds Patent Portfolio as well as a return on its investment in ILiAD Biotechnologies, LLC or other intellectual property it may acquire or finance in the future, the ability of Network-1 to enter into additional license agreements, uncertainty as to whether cash dividends will continue be paid, Network-1's ability to enter into strategic relationships with third parties to license or otherwise monetize their intellectual property, the risk in the future of Network-1 being classified as a Personal Holding Company which may result in Network-1 issuing a special cash dividend to its stockholders, future economic conditions and technology changes and legislative, regulatory and competitive developments. Except as otherwise required to be disclosed in periodic reports, Network-1 expressly disclaims any future obligation or undertaking to update or revise any forward-looking statement contained herein.

The unaudited condensed consolidated statements of operations and comprehensive (loss) income and unaudited condensed consolidated balance sheets are attached.

ETWORK-1 TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
(UNAUDITED)

	Three Months Ended March 31,	
	2022	2021
REVENUE	\$ —	\$ 18,692,000
OPERATING EXPENSES:		
Costs of revenue	—	5,420,000
Professional fees and related costs	250,000	355,000
General and administrative	517,000	513,000
Amortization of patents	75,000	74,000
Stock-based compensation	55,000	59,000
TOTAL OPERATING EXPENSES	897,000	6,421,000
OPERATING (LOSS) INCOME	(897,000)	12,271,000
OTHER (LOSS) INCOME:		
Interest and dividend income, net	80,000	50,000
Net realized and unrealized loss on marketable securities	(514,000)	(46,000)
Total other (loss) income, net	(434,000)	4,000
(LOSS) INCOME BEFORE INCOME TAXES AND EQUITY IN NET LOSSES OF EQUITY METHOD INVESTEE	(1,331,000)	12,275,000
INCOME TAX PROVISION:		
Current	—	890,000
Deferred taxes, net	(452,000)	1,724,000
Total income tax (benefit) expense	(452,000)	2,614,000
(LOSS) INCOME BEFORE SHARE OF NET LOSSES OF EQUITY METHOD INVESTEE	\$ (879,000)	\$ 9,661,000
SHARE OF NET LOSSES OF EQUITY METHOD INVESTEE	\$ (433,000)	\$ (210,000)
NET (LOSS) INCOME	\$ (1,312,000)	\$ 9,451,000
Net (loss) income per share:		
Basic	\$ (0.05)	\$ 0.39
Diluted	\$ (0.05)	\$ 0.38
Weighted average common shares outstanding:		
Basic	23,909,115	24,107,879
Diluted	23,909,115	24,616,379
Cash dividends declared per share	\$ 0.05	\$ 0.05
NET (LOSS) INCOME	\$ (1,312,000)	\$ 9,451,000
OTHER COMPREHENSIVE (LOSS) INCOME		
Net unrealized holding (loss) gain on corporate bonds and notes during the period, net of tax	(3,000)	11,000
COMPREHENSIVE (LOSS) INCOME	\$ (1,315,000)	\$ 9,462,000

Condensed Consolidated Balance Sheet (Unaudited)

Cash and cash equivalents	\$	<u>42,459,000</u>
Marketable securities, at fair value	\$	<u>14,076,000</u>
Total current assets	\$	<u>56,646,000</u>
Total assets	\$	<u>61,710,000</u>
Total current liabilities	\$	<u>4,011,000</u>
Total long term liabilities	\$	<u>102,000</u>
Total stockholders' equity	\$	<u>57,597,000</u>

FOR IMMEDIATE RELEASE

Network-1 Subsidiary Receives New Patent from U.S. Patent Office Expanding Its HFT Patent Portfolio To Include 7 Issued U.S. Patents

New Canaan, Connecticut – May 13, 2022 – Network-1 Technologies, Inc. (NYSE American: NTIP), a company engaged in the acquisition, development, licensing, and monetization of intellectual property, announced today that the U.S. Patent and Trademark Office issued U.S. Patent No. 11,329,655 (Field Programmable Gate Array with Internal Phase-Locked Loop) to its wholly-owned subsidiary (HFT Solutions, LLC). The claims in the newly issued patent are generally directed toward certain advanced technologies relating to high frequency trading.

The newly issued patent arises from a patent application contained in the HFT patent portfolio acquired by Network-1 in March 2022 ("HFT Patent Portfolio"). Network-1's HFT Patent Portfolio covers certain advanced technologies relating to high frequency trading, which inventions specifically address technological problems associated with speed and latency and provide critical latency gains in trading systems where the difference between success and failure may be measured in nanoseconds.

With this latest issuance, the Network-1's HFT Patent Portfolio now includes seven issued U.S. patents and three pending U.S. patent applications. The patent terms of the HFT Patent Portfolio are currently expected to extend until 2039. Network-1 anticipates further issuances of additional claims for its HFT Patent Portfolio.

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This release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements address future events and conditions concerning Network-1's business plans. Such statements are subject to a number of risk factors and uncertainties as disclosed in the Network-1's Annual Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission including, among others, Network-1's uncertain revenue stream, uncertainty as to the outcome of pending litigation involving Network-1's Cox Patent Portfolio, whether Network-1 will be successful in its appeal to the Federal Circuit of the District Court judgement of non-infringement dismissing Network-1's litigation against Facebook, the ability of Network-1 to successfully execute its strategy to acquire or make investments in high quality patents with significant licensing opportunities, Network-1's ability to achieve revenue and profits from its Cox Patent Portfolio, M2M/IoT Patent Portfolio, HFT Patent Portfolio and additional revenue and profit from its Mirror Worlds Patent Portfolio as well as a return on its investment in IliAD Biotechnologies, LLC or other intellectual property it may acquire or finance in the future, the ability of Network-1 to enter into additional license agreements, uncertainty as to whether cash dividends will continue be paid, Network-1's ability to enter into strategic relationships with third parties to license or otherwise monetize their intellectual property, the risk in the future of Network-1 being classified as a Personal Holding Company which may result in Network-1 issuing a special cash dividend to its stockholders, future economic conditions and technology changes and legislative, regulatory and competitive developments. Except as otherwise required to be disclosed in periodic reports, Network-1 expressly disclaims any future obligation or undertaking to update or revise any forward-looking statement contained herein.

Corey M. Horowitz, Chairman and CEO
Network-1 Technologies, Inc.
(212) 829-5770