

**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): November 14, 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.)
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65 Locust Avenue, Third Floor, 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 November 14, 2022, Network-1 Technologies, Inc. issued a press release announcing its financial results for the quarter ended September 30, 2022. A copy of the press release is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No. **Description**

99.1 [Press Release dated November 14, 2022](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

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: November 16, 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 THIRD QUARTER RESULTS

New York, New York November 14, 2022 - Network-1 Technologies, Inc. (NYSE AMERICAN: NTIP), a company specializing in the development, licensing, and protection of its intellectual property assets, today announced financial results for the quarter ended September 30, 2022.

Network-1 had no revenue for the three and nine months ended September 30, 2022, as compared to revenue of \$17,000,000 and \$35,692,000 for the three and nine months ended September 30, 2021, respectively. The revenue for the three months ended September 30, 2021, was a result of revenue of \$17,000,000 from a litigation settlement with Hewlett Packard (HP). Similarly, the revenue for the nine months ended September 30, 2021 was from the HP settlement as well as revenue of \$18,692,000 from the resolution of a contractual dispute with Cisco Systems, Inc. concerning the licensing of Network-1's Remote Power Patent.

Network-1 realized net income of \$2,226,000 or \$0.09 per share basic and diluted for the three months ended September 30, 2022, compared with net income of \$6,589,000 or \$0.28 per share basic and \$0.27 per share diluted for the three months ended September 30, 2021. The decreased net income of \$4,363,000 for the three months ended September 30, 2022, was primarily due to revenue of \$17,000,000 in the prior year period from the HP settlement being offset by the increase in net other income of \$4,024,000 related primarily to Network-1's investment in ILiAD Biotechnologies, Inc ("ILiAD").

During the period December 2018 through August 2022, Network-1 made an aggregate investment of \$7,000,000 in ILiAD. For the three and nine months ended September 30, 2022, Network-1 recorded a gain on its equity method investment in ILiAD of \$3,727,000 based on dilution of its investment related to an ILiAD securities offering. In addition, as part of the securities offering, Network-1 converted its convertible note, in the principal amount of \$1,000,000 plus accrued interest of \$86,000 into equity of ILiAD and recorded an unrealized gain on conversion of \$271,000.

Network-1 realized a net loss of (\$618,000) or \$(0.03) per share basic and diluted for the nine months ended September 30, 2022, compared with net income of \$15,257,000 or \$0.63 per share basic and \$0.62 per share diluted for the nine months ended September 30, 2021. The decrease in net income of \$15,875,000 for the nine months ended September 30, 2022, was due to decreased revenue of \$35,692,000 from the HP settlement and resolution of the contractual dispute with Cisco in the prior year period, offset by the unrealized gains of \$3,998,000 related to the dilution of Network-1's ownership in ILiAD as a result of the ILiAD securities offering. Network-1's allocated net loss from its equity method investment in ILiAD totaled \$1,073,000 and \$632,000 for the nine months ended September 30, 2022, and 2021, respectively.

On September 30, 2022, Network-1 had cash, cash equivalents and marketable securities of \$48,923,000 and working capital of \$48,555,000. Based on its current cash, cash equivalents and marketable securities positions, Network-1 believes that it will have sufficient cash to fund its operations for the foreseeable future.

On June 8, 2021, the Board of Directors authorized an extension and increase of the Network-1's share repurchase program (the "Share Repurchase Program") to repurchase up to \$5,000,000 of common stock over the subsequent 24-month period. Since inception of the Share Repurchase Program in August 2011 through September 30, 2022, Network-1 has repurchased an aggregate of 9,162,427 shares of its common stock at an aggregate cost of \$17,647,631 (exclusive of commissions) or an average per share price of \$1.93. During the three months ended September 30, 2022, Network-1 repurchased an aggregate of 75,213 shares of its common stock at an aggregate cost of \$174,530 or an average per share price of \$2.32. During the nine months ended September 30, 2022, Network-1 repurchased an aggregate of 178,293 shares of its common stock at an aggregate cost of \$422,388 (exclusive of commission) or an average per share price of \$2.37. At September 30, 2022, the remaining dollar value of shares that may be repurchased under the Share Repurchase Program was \$3,508,374.

On October 6, 2022, Network-1 commenced litigation against Arista Networks Inc., Fortinet, Inc., Honeywell International Inc., and Ubiquiti Inc. in four separate actions filed in the United States District Court, District of Delaware for infringement of its Remote Power Patent (U.S. Patent No. 6,218,930). On October 27, 2022, and November 3, 2022, Network-1 commenced litigation against TP-Link USA Corporation and Hikvision USA, Inc. in two separate actions filed in the United States District Court for the Central District of California for infringement of its Remote Power Patent. On November 4, 2022, Network-1 commenced litigation against Panasonic Holdings Corporation and Panasonic Corporation of North America in an action filed in the United States District Court for the Eastern District of Texas (Marshall Division) for infringement of its Remote Power Patent. On November 11, 2022, Network-1 commenced litigation against Antaira Technologies, LLC in the United States District Court for the Central District of California for infringement of its Remote Power Patent. Network-1 seeks monetary damages based on reasonable royalties in these actions.

On June 9, 2021, the Board of Directors of Network-1 approved the continuation of Network-1's dividend policy which consists of semi-annual cash dividends of \$0.05 per share (\$0.10 per share annually) which dividends are anticipated to be paid in March and September of each year. On September 9, 2022, Network-1's Board of Directors declared a semi-annual cash dividend of \$0.05 per share with a payment date of September 30, 2022, to common stockholders of record as of September 20, 2022. On February 23, 2022, Network-1's Board of Directors declared a semi-annual cash dividend of \$0.05 per share with a payment date of 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 its 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 September 30, 2022. Network-1 has achieved licensing and other revenue of \$47,150,000 through September 30, 2022 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 filed with the Securities and Exchange Commission including, among others, Network-1's uncertain revenue stream, uncertainty as to the outcome of pending litigation, 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 patent portfolios, 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.
(203) 920-1055

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
REVENUE	\$ —	\$ 17,000,000	\$ —	\$ 35,692,000
OPERATING EXPENSES:				
Costs of revenue	—	6,610,000	—	12,030,000
Professional fees and related costs	117,000	721,000	524,000	1,384,000
General and administrative	639,000	558,000	1,812,000	1,650,000
Amortization of patents	82,000	74,000	233,000	221,000
TOTAL OPERATING EXPENSES	<u>838,000</u>	<u>7,963,000</u>	<u>2,569,000</u>	<u>15,285,000</u>
OPERATING INCOME (LOSS)	<u>(838,000)</u>	<u>9,037,000</u>	<u>(2,569,000)</u>	<u>20,407,000</u>
OTHER INCOME:				
Interest and dividend income, net	321,000	67,000	532,000	185,000
Gain on conversion of note	271,000	—	271,000	—
Gain on equity method investment	3,727,000	—	3,727,000	—
Net realized and unrealized loss on marketable securities	(268,000)	(40,000)	(1,358,000)	(32,000)
Total other income, net	4,051,000	27,000	3,172,000	153,000
INCOME BEFORE INCOME TAXES AND EQUITY IN NET LOSSES OF EQUITY METHOD INVESTEE	<u>3,213,000</u>	<u>9,064,000</u>	<u>603,000</u>	<u>20,560,000</u>
INCOME TAXES PROVISION:				
Current	(274,000)	2,326,000	(274,000)	3,036,000
Deferred taxes, net	<u>976,000</u>	<u>(37,000)</u>	<u>422,000</u>	<u>1,635,000</u>
Total income tax expense	<u>702,000</u>	<u>2,289,000</u>	<u>148,000</u>	<u>4,671,000</u>
INCOME (LOSS) BEFORE SHARE OF NET LOSSES OF EQUITY METHOD INVESTEE:	<u>2,511,000</u>	<u>\$ 6,775,000</u>	<u>\$ 455,000</u>	<u>\$ 15,889,000</u>
SHARE OF NET LOSS OF EQUITY METHOD INVESTEE	<u>\$ (285,000)</u>	<u>\$ (186,000)</u>	<u>\$ (1,073,000)</u>	<u>\$ (632,000)</u>
NET INCOME (LOSS)	<u>\$ 2,226,000</u>	<u>\$ 6,589,000</u>	<u>\$ (618,000)</u>	<u>\$ 15,257,000</u>
Net income (loss) per share				
Basic	<u>\$ 0.09</u>	<u>\$ 0.28</u>	<u>\$ (0.03)</u>	<u>\$ 0.63</u>
Diluted	<u>\$ 0.09</u>	<u>\$ 0.27</u>	<u>\$ (0.03)</u>	<u>\$ 0.62</u>
Weighted average common shares outstanding:				
Basic	<u>23,765,089</u>	<u>23,934,361</u>	<u>23,830,702</u>	<u>24,136,506</u>
Diluted	<u>24,065,724</u>	<u>24,320,231</u>	<u>23,830,702</u>	<u>24,607,242</u>
Cash dividends declared per share	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.10
NET INCOME (LOSS)	<u>\$ 2,226,000</u>	<u>\$ 6,589,000</u>	<u>\$ (618,000)</u>	<u>\$ 15,257,000</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Net unrealized holding gain (loss) on corporate bonds and notes arising during the period, net of tax	2,000	(4,000)	(2,000)	4,000
COMPREHENSIVE INCOME (LOSS)	<u>\$ 2,228,000</u>	<u>\$ 6,585,000</u>	<u>\$ (620,000)</u>	<u>\$ 15,261,000</u>

Network-1 Technologies, Inc.
Condensed Consolidated Balance Sheet as of September 30, 2022
(Unaudited)

Cash and cash equivalents and marketable securities	\$ <u>48,923,000</u>
Total current assets	\$ <u>49,367,000</u>
Total assets	\$ <u>58,893,000</u>
Total current liabilities	\$ <u>812,000</u>
Total long-term liabilities	\$ <u>1,087,000</u>
Total stockholders' equity	\$ <u>58,893,000</u>
