

**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 14, 2019**

**NETLIST, INC.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation)

**001-33170**  
(Commission  
File Number)

**95-4812784**  
(IRS Employer  
Identification Number)

**175 Technology Drive, Suite 150  
Irvine, California 92618**  
(Address of Principal Executive Offices)

**(949) 435-0025**  
(Registrant's telephone number, including area code)

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.

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001 per share	NLST	None

**Item 2.02. Results of Operations and Financial Condition.**

On May 14, 2019 Netlist, Inc. (the “Company”) issued a press release announcing the Company’s results of operations for the quarter ended March 30, 2019. The press release is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein in its entirety.

The information included in this Item 2.02 of Current Report on Form 8-K, including the attached Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#">Press Release of Netlist, Inc., dated May 14, 2019</a>

**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.

**NETLIST, INC.**

Date: May 14, 2019

By: /s/ Gail M. Sasaki  
Gail M. Sasaki  
Vice President and Chief Financial Officer

**NETLIST REPORTS FIRST QUARTER 2019 RESULTS**

**IRVINE, CALIFORNIA** , May 14, 2019 - Netlist, Inc. (OCTQX: NLST) today reported financial results for the first quarter ended March 30, 2019.

Net sales for the first quarter ended March 30, 2019 were \$5.1 million, compared to net sales of \$8.9 million for the quarter ended March 31, 2018. Gross profit for the quarter ended March 30, 2019 was \$0.3 million, or 5.5% of net sales, compared to a gross profit of \$0.4 million, or 4.3% of net sales, for the quarter ended March 31, 2018.

As of March 30, 2019, cash, cash equivalents and restricted cash were \$11.8 million, total assets were \$20.4 million, working capital was \$6.2 million, total debt and accrued interest, net of debt discount, was \$19.5 million, and stockholders' deficit was (\$9.0) million.

“In the first quarter we decreased net loss on both a year-over-year and sequential basis. The results reflect the positive impact of ongoing cost management, which partially compensated for the short-term softness in revenue related to the global erosion in pricing of server DRAM,” said Netlist’s Chief Executive Officer, C.K. Hong. “We remain actively focused on intellectual property licensing and look forward to the resumption of the trial against SK hynix at the United States International Trade Commission in Washington D.C. in July.”

**Conference Call Information**

C.K. Hong, Chief Executive Officer, and Gail Sasaki, Chief Financial Officer, will host an investor conference call today, May 14, 2019 at 5:00 p.m. Eastern Time to review Netlist’s results for the first quarter ended March 30, 2019. The dial-in number for the call is 1-412-317-5443. The live webcast and archived replay of the call can be accessed for 90 days in the Investors section of Netlist’s website at [www.netlist.com](http://www.netlist.com).

**About Netlist**

Netlist provides high-performance SSDs and modular memory subsystems to enterprise customers in diverse industries. Flagship products NVvault® and EXPRESSvault™ enable customers to accelerate data in their servers and storage and reliably protect enterprise-level cache, metadata and log data in the event of a system failure or power outage. HybriDIMM™, Netlist’s next-generation storage class memory product, addresses the growing need for real-time analytics in Big Data applications, in-memory databases, high-performance computing and advanced data storage solutions. Netlist also manufactures and provides a line of specialty and legacy memory products to storage customers, appliance customers, system builders and cloud and datacenter customers. Netlist holds a portfolio of patents, many seminal, in the areas of hybrid memory, storage class memory, rank multiplication and load reduction. To learn more, visit [www.netlist.com](http://www.netlist.com).

---

## Safe Harbor Statement

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements other than historical facts and often address future events or Netlist's future performance. Forward-looking statements contained in this news release include statements about Netlist's ability to execute on its strategic initiatives. All forward-looking statements reflect management's present expectations regarding future events and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed in or implied by any forward-looking statements. These risks, uncertainties and other factors include, among others: risks related to Netlist's plans for its intellectual property, including its strategies for monetizing, licensing, expanding, and defending its patent portfolio; risks associated with patent infringement litigation initiated by Netlist, such as its ongoing proceedings against SK hynix Inc., or by others against Netlist, as well as the costs and unpredictability of any such litigation; risks associated with Netlist's product sales, including the market and demand for products sold by Netlist and its ability to successfully develop and launch new products that are attractive to the market; the success of product, joint development and licensing partnerships, including its relationship with Samsung Electronics Co., Ltd.; the competitive landscape of Netlist's industry; and general economic, political and market conditions. All forward-looking statements reflect management's present assumptions, expectations and beliefs regarding future events and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed in or implied by any forward-looking statements. These and other risks and uncertainties are described in Netlist's annual report on Form 10-K for its most recently completed fiscal year filed on March 22, 2019, and the other filings it makes with the U.S. Securities and Exchange Commission from time to time, including any subsequently filed quarterly and current reports. In light of these risks, uncertainties and other factors, these forward-looking statements should not be relied on as predictions of future events. These forward-looking statements represent Netlist's assumptions, expectations and beliefs only as of the date they are made, and except as required by law, Netlist undertakes no obligation to revise or update any forward-looking statements for any reason.

(Tables Follow)

For more information, please contact:

The Plunkett Group  
Mike Smargiassi/Sharon Oh  
NLST@theplunkettgroup.com  
(212) 739-6729

Netlist, Inc.  
Gail M. Sasaki  
Chief Financial Officer  
(949) 435-0025

---

**Netlist, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
(in thousands)

	March 30, 2019 <u>(unaudited)</u>	December 29, 2018 <u>(audited)</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 9,991	\$ 14,802
Restricted cash	1,850	1,850
Accounts receivable, net	2,402	2,917
Inventories	2,449	2,946
Prepaid expenses and other current assets	639	677
Total current assets	<u>17,331</u>	<u>23,192</u>
Property and equipment, net	256	279
Operating lease right-of-use assets	1,399	—
Other assets	1,394	1,394
Total assets	<u>\$ 20,380</u>	<u>\$ 24,865</u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable	\$ 7,625	\$ 9,497
Revolving line of credit	2,024	2,293
Accrued payroll and related liabilities	487	604
Accrued expenses and other current liabilities	770	343
Note payable	252	376
Total current liabilities	<u>11,158</u>	<u>13,113</u>
Convertible promissory notes and accrued interest, net of debt discounts	17,226	17,346
Operating lease liabilities	908	—
Long-term warranty liability	77	78
Total liabilities	<u>29,369</u>	<u>30,537</u>
Commitments and contingencies		
Stockholders' deficit:		
Preferred stock	—	—
Common stock	140	139
Additional paid-in capital	170,087	169,355
Accumulated deficit	(179,216)	(175,166)
Total stockholders' deficit	<u>(8,989)</u>	<u>(5,672)</u>
Total liabilities and stockholders' deficit	<u>\$ 20,380</u>	<u>\$ 24,865</u>

**Netlist, Inc. and Subsidiaries**  
**Unaudited Consolidated Statements of Operations**  
(in thousands, except per share amounts)

	Three Months Ended	
	March 30, 2019	March 31, 2018
Net sales	\$ 5,105	\$ 8,879
Cost of sales(1)	4,826	8,500
Gross profit	279	379
Operating expenses:		
Research and development(1)	590	1,008
Intellectual property legal fees	1,495	2,211
Selling, general and administrative(1)	1,973	1,691
Total operating expenses	4,058	4,910
Operating loss	(3,779)	(4,531)
Other income (expense):		
Interest expense, net	(272)	(147)
Other (expense) income, net	1	5
Total other expense, net	(271)	(142)
Loss before (benefit) provision for income taxes	(4,050)	(4,673)
(Benefit) provision for income taxes	—	—
Net loss	\$ (4,050)	\$ (4,673)
Net loss per common share:		
Basic and diluted	\$ (0.03)	\$ (0.06)
Weighted-average common shares outstanding:		
Basic and diluted	139,039	82,461

(1) Amounts include stock-based compensation expense as follows:

Cost of sales	\$ 7	\$ 6
Research and development	51	80
Selling, general and administrative	284	155
Total stock-based compensation	\$ 342	\$ 241