
**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

July 30, 2024
Date of Report (Date of earliest event reported):



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)

111 Academy, Suite 100
Irvine, California 92617
(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))

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 \$0.001 per share	NLST	None

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 July 30, 2024, Netlist, Inc. issued a press release announcing its financial results for the second quarter ended June 29, 2024. A copy of the press release is furnished as Exhibit 99.1 to this report.

The information in this Current Report on Form 8-K, including 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.

Exhibit Number	Description
99.1	Press Release of Netlist, Inc., dated July 30, 2024.
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.

Date: July 30, 2024

NETLIST, INC.

By: /s/ Gail M. Sasaki

Gail M. Sasaki

Executive Vice President and Chief Financial Officer



Netlist Reports Second Quarter 2024 Results

IRVINE, CALIFORNIA, July 30, 2024 - Netlist, Inc. (OTCQB: NLST) today reported financial results for the second quarter ended June 29, 2024.

Second Quarter 2024 Highlights:

- Net sales for the second quarter of 2024 increased by 267% to \$36.8 million compared to \$10.0 million from the same quarter one year ago.
- Received a jury verdict in the Federal District Court for the Central District of California that found Samsung materially breached the Joint Development and License Agreement signed by the parties in November 2015. This verdict confirmed Samsung no longer has a license to Netlist's patent portfolio.
- Won a \$445 million damages award against Micron for willful infringement of Netlist's patents in the United States District Court for the Eastern District of Texas.

"During the second quarter we secured significant legal victories against Samsung and Micron," said Chief Executive Officer, C.K. Hong. "Over the last year, two juries have awarded Netlist \$748 million in damages for the willful infringement of its patents. These awards underscore the tremendous value of the technology Netlist has created and its foundational role in generative artificial intelligence."

Net sales for the second quarter ended June 29, 2024 were \$36.8 million, compared to net sales of \$10.0 million for the second quarter ended July 1, 2023. Gross profit for the second quarter ended June 29, 2024 was \$0.8 million, compared to a gross profit of \$0.2 million for the second quarter ended July 1, 2023.

Net sales for the six months ended June 29, 2024 were \$72.6 million, compared to net sales of \$19.0 million for the six months ended July 1, 2023. Gross profit for the six months ended June 29, 2024 was \$1.5 million, compared to a gross profit of \$0.8 million for the six months ended July 1, 2023.

Net loss for the second quarter ended June 29, 2024 was (\$14.8) million, or (\$0.06) per share, compared to a net loss of (\$14.0) million in the same period of prior year, or (\$0.06) per share. These results include stock-based compensation expense of \$1.1 million and \$1.2 million for the quarters ended June 29, 2024 and July 1, 2023, respectively.

Net loss for the six months ended June 29, 2024 was (\$31.7) million, or (\$0.12) per share, compared to a net loss in the prior year period of (\$29.8) million, or (\$0.13) per share. These results include stock-based compensation expense of \$2.5 million and \$2.3 million for the six months ended June 29, 2024 and July 1, 2023, respectively.

As of June 29, 2024, cash, cash equivalents and restricted cash was \$36.4 million, total assets were \$55.6 million, working capital deficit was (\$1.3) million, and stockholders' deficit was (\$0.2) million.

Conference Call Information

C.K. Hong, Chief Executive Officer, and Gail Sasaki, Chief Financial Officer, will host an investor conference call today, July 30, 2024 at 12:00 p.m. Eastern Time to review Netlist's results for the second quarter ended June 29, 2024. 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.

About Netlist

Netlist is a leading innovator in memory and storage solutions, pushing the boundaries of technology to deliver unparalleled performance and reliability. With a rich portfolio of patented technologies, Netlist has consistently driven innovation in the field of cutting-edge enterprise memory and storage, empowering businesses and industries to thrive in the digital age. To learn more about Netlist, please visit 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: that Samsung will appeal the final order by the trial court, risks that Micron will appeal the final judgment by the trial court, which could cause a lengthy delay in Netlist's ability to collect the damage award or overturn the verdict or reduce the damages award; risks that Netlist will suffer adverse outcomes in its pending litigation with Samsung, Micron or Google or in its various other active proceedings to defend the validity of its patents; 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, 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; the competitive landscape of Netlist's industry; and general economic, political and market conditions, including quarantines, factory slowdowns and/or shutdowns. The military conflict between Russia and Ukraine may increase the likelihood of supply interruptions. 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 February 23, 2024, 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
NLST@theplunkettgroup.com
(212) 739-6729

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

Netlist, Inc. and Subsidiaries
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	(Unaudited) June 29, 2024	December 30, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 23,806	\$ 40,445
Restricted cash	12,600	12,400
Accounts receivable, net	5,358	4,562
Inventories	8,206	12,031
Prepaid expenses and other current assets	3,178	441
Total current assets	<u>53,148</u>	<u>69,879</u>
Property and equipment, net	668	770
Operating lease right-of-use assets	1,271	1,590
Other assets	469	560
Total assets	<u>\$ 55,556</u>	<u>\$ 72,799</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 26,561	\$ 39,831
Revolving line of credit	4,591	3,844
Accrued payroll and related liabilities	1,321	1,346
Deferred revenue	17,624	—
Other current liabilities	4,353	2,569
Total current liabilities	<u>54,450</u>	<u>47,590</u>
Operating lease liabilities	930	1,213
Other liabilities	359	237
Total liabilities	<u>55,739</u>	<u>49,040</u>
Commitments and contingencies		
Stockholders' equity (deficit):		
Preferred stock	—	—
Common stock	258	254
Additional paid-in capital	315,128	307,328
Accumulated deficit	(315,569)	(283,823)
Total stockholders' equity (deficit)	<u>(183)</u>	<u>23,759</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 55,556</u>	<u>\$ 72,799</u>

Netlist, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts) (Unaudited)

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net sales	\$ 36,835	\$ 10,026	\$ 72,642	\$ 19,047
Cost of sales ⁽¹⁾	36,062	9,787	71,154	18,248
Gross profit	<u>773</u>	<u>239</u>	<u>1,488</u>	<u>799</u>
Operating expenses:				
Research and development ⁽¹⁾	2,369	2,255	4,810	4,556
Intellectual property legal fees	10,514	8,947	23,054	20,017
Selling, general and administrative ⁽¹⁾	2,966	3,325	6,082	6,355
Total operating expenses	<u>15,849</u>	<u>14,527</u>	<u>33,946</u>	<u>30,928</u>
Operating loss	<u>(15,076)</u>	<u>(14,288)</u>	<u>(32,458)</u>	<u>(30,129)</u>
Other income, net:				
Interest income, net	257	277	634	333
Other income (expense), net	41	(16)	79	(19)
Total other income, net	<u>298</u>	<u>261</u>	<u>713</u>	<u>314</u>
Loss before provision for income taxes	<u>(14,778)</u>	<u>(14,027)</u>	<u>(31,745)</u>	<u>(29,815)</u>
Provision for income taxes	—	1	1	1
Net loss	<u>\$ (14,778)</u>	<u>\$ (14,028)</u>	<u>\$ (31,746)</u>	<u>\$ (29,816)</u>
Loss per common share:				
Basic and diluted	<u>\$ (0.06)</u>	<u>\$ (0.06)</u>	<u>\$ (0.12)</u>	<u>\$ (0.13)</u>
Weighted-average common shares outstanding:				
Basic and diluted	<u>256,571</u>	<u>240,382</u>	<u>255,751</u>	<u>237,752</u>

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

Cost of sales	\$ 45	\$ 53	\$ 66	\$ 71
Research and development	198	186	560	460
Selling, general and administrative	885	957	1,876	1,742
Total stock-based compensation	<u>\$ 1,128</u>	<u>\$ 1,196</u>	<u>\$ 2,502</u>	<u>\$ 2,273</u>