
**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

April 25, 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 April 25, 2024, Netlist, Inc. (the “Company”) issued a press release announcing the Company’s financial results for the first quarter ended March 30, 2024. A copy of the press release is attached hereto as Exhibit 99.1.

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 March 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.

NETLIST, INC.

Date: April 25, 2024

By: /s/ Gail M. Sasaki

Gail M. Sasaki

Executive Vice President and Chief Financial Officer



NETLIST

Netlist Reports First Quarter 2024 Results

IRVINE, CALIFORNIA, April 25, 2024 - Netlist, Inc. (OTCQB: NLST) today reported financial results for the first quarter ended March 30, 2024.

First Quarter 2024 Highlights:

- Net sales for the first quarter of 2024 increased by 297% to \$35.8 million compared to \$9.0 million from the same quarter one year ago.

“First quarter revenue improved nearly threefold and reflects the strong turnaround in the memory market from the year ago period,” said Chief Executive Officer, C.K. Hong. “We have received some disappointing Patent Trial Board (PTAB) decisions recently, specifically in regards to Netlist's '912 patent which in the past 14 years has been validated through multiple reexams, PTAB reexam reviews, and upheld by the Federal Circuit. We will consider all options to redress these decisions and remain committed to defending Netlist's intellectual property rights, and focused on the goal of fairly licensing our innovative technologies.”

Net sales for the first quarter ended March 30, 2024 were \$35.8 million, compared to net sales of \$9.0 million for the first quarter ended April 1, 2023. Gross profit for the first quarter ended March 30, 2024 was \$0.7 million, compared to a gross profit of \$0.6 million for the first quarter ended April 1, 2023.

Net loss for the first quarter ended March 30, 2024 was (\$17.0) million, or (\$0.07) per share, compared to a net loss of (\$15.8) million in the same period of prior year, or (\$0.07) per share. These results include stock-based compensation expense of \$1.4 million and \$1.1 million for the quarters ended March 30, 2024 and April 1, 2023, respectively.

As of March 30, 2024, cash, cash equivalents and restricted cash was \$41.1 million, total assets were \$64.6 million, working capital was \$9.0 million, and stockholders' equity was \$10.4 million.

Conference Call Information

C.K. Hong, Chief Executive Officer, and Gail Sasaki, Chief Financial Officer, will host an investor conference call today, April 25, 2024 at 12:00 p.m. Eastern Time to review Netlist's results for the first quarter ended March 30, 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: risks that Samsung 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 the Ninth Circuit ruling or the re-trial of its contractual breach claims against Samsung in the Central District of California will adversely affect Netlist's ability to defend the final judgment on appeal; risks that Netlist will suffer adverse outcomes in its pending litigation against Micron, Samsung and Google; 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:

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

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

| | (unaudited) March 30, 2024 | December 30, 2023 |
|--|----------------------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 28,736 | \$ 40,445 |
| Restricted cash | 12,400 | 12,400 |
| Accounts receivable, net | 4,529 | 4,562 |
| Inventories | 15,169 | 12,031 |
| Prepaid expenses and other current assets | 1,153 | 441 |
| Total current assets | <u>61,987</u> | <u>69,879</u> |
| Property and equipment, net | 722 | 770 |
| Operating lease right-of-use assets | 1,423 | 1,590 |
| Other assets | 484 | 560 |
| Total assets | <u>\$ 64,616</u> | <u>\$ 72,799</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 43,042 | \$ 39,831 |
| Revolving line of credit | 4,381 | 3,844 |
| Accrued payroll and related liabilities | 1,585 | 1,346 |
| Accrued expenses and other current liabilities | 3,559 | 2,569 |
| Long-term debt due within one year | 377 | — |
| Total current liabilities | <u>52,944</u> | <u>47,590</u> |
| Operating lease liabilities | 1,072 | 1,213 |
| Other liabilities | 249 | 237 |
| Total liabilities | <u>54,265</u> | <u>49,040</u> |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock | — | — |
| Common stock | 256 | 254 |
| Additional paid-in capital | 310,886 | 307,328 |
| Accumulated deficit | (300,791) | (283,823) |
| Total stockholders' equity | <u>10,351</u> | <u>23,759</u> |
| Total liabilities and stockholders' equity | <u>\$ 64,616</u> | <u>\$ 72,799</u> |

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

| | Three Months Ended | |
|---|---------------------------|--------------------------|
| | March 30, 2024 | April 1, 2023 |
| Net sales | \$ 35,807 | \$ 9,021 |
| Cost of sales(1) | 35,092 | 8,461 |
| Gross profit | 715 | 560 |
| Operating expenses: | | |
| Research and development(1) | 2,441 | 2,301 |
| Intellectual property legal fees | 12,540 | 11,070 |
| Selling, general and administrative(1) | 3,116 | 3,030 |
| Total operating expenses | 18,097 | 16,401 |
| Operating loss | (17,382) | (15,841) |
| Other income, net: | | |
| Interest income, net | 377 | 56 |
| Other income (expense), net | 38 | (3) |
| Total other income, net | 415 | 53 |
| Loss before provision for income taxes | (16,967) | (15,788) |
| Provision for income taxes | 1 | — |
| Net loss | \$ (16,968) | \$ (15,788) |
| Loss per common share: | | |
| Basic and diluted | \$ (0.07) | \$ (0.07) |
| Weighted-average common shares outstanding: | | |
| Basic and diluted | 254,931 | 235,121 |

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

| | | |
|-------------------------------------|----------|----------|
| Cost of sales | \$ 21 | \$ 18 |
| Research and development | 362 | 274 |
| Selling, general and administrative | 991 | 785 |
| Total stock-based compensation | \$ 1,374 | \$ 1,077 |