

Network-1 Reports Second Quarter Results

NEW CANAAN, CT / ACCESSWIRE / August 12, 2024 Network-1 Technologies, Inc. (NYSE American:NTIP), a company specializing in the acquisition, development, licensing, and monetization of its intellectual property assets, today announced financial results for the quarter ended June 30, 2024.

Network-1 had revenue of \$100,000 for the three and six months ended June 30, 2024 as compared to \$283,000 and \$820,000 for the three and six months ended June 30, 2023. The revenue for the three and six months ended June 30, 2024 was from the settlement of a lawsuit relating to Network-1's Remote Power Patent.

Network-1 realized a net loss of \$658,000 or \$0.03 per share basic and diluted for the three months ended June 30, 2024 as compared to a net loss of \$476,000 or \$0.02 per share basic and diluted for the three months ended June 30, 2023.

Network-1 realized a net loss of \$1,578,000 or \$0.07 per share basic and diluted for the six months ended June 30, 2024 as compared to a net loss of \$1,099,000 or \$0.05 per share basic and diluted for the six months ended June 30, 2023.

At June 30, 2024, Network-1 had cash and cash equivalents and marketable securities of \$42,599,000 and working capital of \$42,369,000. Network-1 believes based on its current cash position it will have sufficient cash to fund its operations for the next twelve months and the foreseeable future.

Since the inception of the Share Repurchase Program through June 30, 2024, Network-1 has repurchased an aggregate of 10,098,241 shares of its common stock at an aggregate cost of \$19,583,396 (exclusive of commissions) or an average per share price of \$1.94. During the three months ended June 30, 2024, Network-1 repurchased an aggregate of 373,701 shares of its common stock at an aggregate cost of \$688,410 (exclusive of commissions) or an average per share price of \$1.84. During the six months ended June 30, 2024, Network-1 repurchased an aggregate of 457,445 shares of its common stock at an aggregate cost of \$870,480 (exclusive of commissions) or an average per share price of \$1.90. At June 30, 2024, the remaining dollar value of shares that may be repurchased under the Share Repurchase Program was \$3,502,225.

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, 2024, Network-1's Board of Directors declared a semi-annual cash dividend of \$0.05 per share which was paid on March 29, 2024 to all shareholders of record as of March 15, 2024. 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 acquisition, 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 one-hundred two (102) U.S. patents and sixteen (16) international 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 five patent portfolios (the Cox, M2M/IoT, HFT, Mirror Worlds and Remote Power 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 \$188,000,000 from May 2007 through June 30, 2024. Network-1 has achieved licensing and other revenue of \$47,150,000 through June 30, 2024 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, 2023 and its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 filed with the Securities and Exchange Commission including, among others, Network-1's uncertain revenue from licensing its intellectual property, uncertainty as to the outcome of pending litigation involving Network-1's Remote Power Patent, whether Network-1 in its Cox patent litigation against Google and YouTube will be successful in its appeal of the judgment of the U.S. District Court for the Southern District of New York dismissing all of Network-1's claims in the case, whether Network-1 will be successful in its appeal to the Federal Circuit of the District Court judgment of non-infringement dismissing Network-1's litigation against Facebook (now Meta Platforms, Inc.), 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 and Remote Power Patent 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, the increasing development of artificial intelligence could materially impact Network-1's business, and 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 condensed consolidated balance sheets are attached.

NETWORK-1 TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
REVENUE	\$ 100,000	\$ 283,000	\$ 100,000	\$ 820,000
OPERATING EXPENSES :				
Costs of revenue	28,000	81,000	28,000	232,000
Professional fees and related costs	147,000	59,000	366,000	357,000
General and administrative	519,000	610,000	1,188,000	1,391,000
Amortization of patents	30,000	82,000	60,000	165,000
TOTAL OPERATING EXPENSES	724,000	832,000	1,642,000	2,145,000
OPERATING LOSS	(624,000)	(549,000)	(1,542,000)	(1,325,000)
OTHER INCOME (LOSS):				
Interest and dividend income, net	452,000	445,000	883,000	755,000

Net realized and unrealized gain (loss) on marketable securities	54,000	(75,000)	102,000	289,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total other income, net	506,000	370,000	985,000	1,044,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LOSS BEFORE INCOME TAXES AND SHARE OF NET				
LOSSES OF EQUITY METHOD INVESTEE	(118,000)	(179,000)	(557,000)	(281,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
INCOME TAXES PROVISION :				
	-	-	-	-
Current				
	(137,000)	(94,000)	(284,000)	(247,000)
Deferred taxes, net	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total income tax benefit	(137,000)	(94,000)	(284,000)	(247,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
INCOME (LOSS) BEFORE SHARE OF NET LOSS OF EQUITY METHOD INVESTEE:	19,000	(85,000)	(273,000)	(34,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
SHARE OF NET LOSS OF EQUITY METHOD INVESTEE	(677,000)	(391,000)	(1,305,000)	(1,065,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET LOSS	\$ (658,000)	\$ (476,000)	\$ (1,578,000)	\$ (1,099,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net loss per share				
	\$ (0.03)	\$ (0.02)	\$ (0.07)	\$ (0.05)
Basic	<u> </u>	<u> </u>	<u> </u>	<u> </u>

		\$	(0.03)	\$	(0.02)	\$	(0.07)	\$	(0.05)
Diluted		=====		=====		=====		=====	
Weighted common outstanding:	average shares								
		23,296,555		23,803,567		23,444,145		23,865,141	
Basic		=====		=====		=====		=====	
		23,296,555		23,803,567		23,444,145		23,865,141	
Diluted		=====		=====		=====		=====	
Cash dividends declared per share		-		-		\$ 0.05		\$ 0.05	

NETWORK-1 TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	June 30, 2024	December 31, 2023
ASSETS	-----	-----
CURRENT ASSETS:		
Cash and cash equivalents	\$ 19,939,000	\$ 16,896,000
Marketable securities, at fair value	22,660,000	28,571,000
Other current assets	182,000	206,000
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TOTAL CURRENT ASSETS	42,781,000	45,673,000
OTHER ASSETS:		
Patents, net of accumulated amortization	1,266,000	1,326,000

	3,944,000	5,249,000
Equity investment		
	59,000	16,000
Operating leases right-of-use asset		
	13,000	13,000
Security deposit	<u> </u>	<u> </u>
	5,282,000	6,604,000
Total Other Assets	<u> </u>	<u> </u>
	\$ 48,063,000	\$ 52,277,000
TOTAL ASSETS	<u> </u>	<u> </u>
LIABILITIES AND STOCKHOLDERS' EQUITY:		
CURRENT LIABILITIES:		
	\$ 206,000	\$ 125,000
Accounts payable		
	6,000	378,000
Accrued payroll		
	23,000	-
Accrued contingency fees and related costs		
	120,000	297,000
Other accrued expenses		
	57,000	23,000
Operating lease obligation, current	<u> </u>	<u> </u>
	412,000	823,000
Total Current Liabilities		
LONG TERM LIABILITIES:		
	478,000	762,000
Deferred tax liability	<u> </u>	<u> </u>
	\$ 890,000	\$ 1,585,000
TOTAL LIABILITIES	<u> </u>	<u> </u>
COMMITMENTS AND CONTINGENCIES (Note G)		

STOCKHOLDERS' EQUITY

Preferred stock, \$0.01 par value, authorized 10,000,000 shares;
none issued and outstanding at June 30, 2024 and December 31, 2023

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Common stock, \$0.01 par value; authorized 50,000,000 shares;
23,190,110 and 23,553,908 shares issued and outstanding at
June 30, 2024 and December 31, 2023, respectively

232,000

235,000

Additional paid-in capital

67,654,000

67,446,000

Accumulated deficit

(20,713,000)

(16,989,000)

TOTAL STOCKHOLDERS' EQUITY

47,173,000

50,692,000

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

\$ 48,063,000

\$ 52,277,000

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SOURCE: Network-1 Technologies, Inc.

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