

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended **December 31, 2022**

or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES ACT OF 1934
For the transition period from _____ to _____

Commission file number **000-22904**

PARKERVISION, INC.

(Exact Name of Registrant as Specified in its Charter)

Florida
(State of Incorporation)

59-2971472
(I.R.S. Employer ID No.)

4446-1A Hendricks Avenue, Suite 354,
Jacksonville, Florida 32207
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(904) 732-6100**

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

Title of Each Class
None

Trading Symbol(s)

Name of Each Exchange on Which Registered

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit reports.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of June 30, 2022, the aggregate market value of the registrant's common stock, \$.01 par value, held by non-affiliates of the registrant was approximately \$11,187,709 (based upon \$0.145 share last sale price on that date, as reported by OTCQB).

As of March 24, 2023, 84,522,832 shares of the Issuer's Common Stock were outstanding.

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INTRODUCTORY NOTE

Unless the context otherwise requires, in this Annual Report on Form 10-K (“Annual Report”), “we”, “us”, “our” and the “Company” mean ParkerVision, Inc. and its wholly-owned German subsidiary, ParkerVision GmbH.

Forward-Looking Statements

We believe that it is important to communicate our future expectations to our shareholders and to the public. This Annual Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements about our future plans, objectives, and expectations under the headings “Item 1. Business” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Forward-looking statements include any statement that does not directly relate to any historical or current fact. When used in this Annual Report and in future filings by the Company with the Securities and Exchange Commission (“SEC”), the words or phrases “will likely result”, “management expects”, “we expect”, “will continue”, “is anticipated”, “estimated” or similar expressions are intended to identify such “forward-looking statements.” Readers are cautioned not to place undue reliance on such forward-looking statements, each of which speaks only as of the date made. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and those presently anticipated or projected, including the risks and uncertainties set forth in this Annual Report under the heading “Item 1A. Risk Factors” and in our other periodic reports. Examples of such risks and uncertainties include general economic and business conditions, the outcome of litigation, unexpected changes in technologies and technological advances, reliance on our intellectual property, and the ability to obtain adequate financing in the future. We have no obligation to publicly release the results of any revisions that may be made to any forward-looking statements to reflect anticipated events or circumstances occurring after the date of such statements.

PART I

Item 1. Business.

We are in the business of innovating fundamental wireless technologies and products. We have designed and developed proprietary radio frequency (“RF”) technologies and integrated circuits for use in wireless communication products.

We have expended significant financial and other resources to research and develop our RF technologies and to obtain patent protection for those technologies in the United States of America (“U.S.”) and certain foreign jurisdictions. We believe certain patents protecting our proprietary technologies have been broadly infringed by others and therefore the primary focus of our current business plan is the enforcement of our intellectual property rights through licensing efforts and patent infringement litigation.

We currently have patent enforcement actions ongoing in various U.S. district courts against mobile handset, smart television and other WiFi product providers, as well as semiconductor suppliers for the infringement of several of our RF patents. We have made significant investments in developing and protecting our technologies, the returns on which are dependent upon the generation of future revenues for realization.

We spent the majority of 2022 supporting our current patent enforcement actions. Beginning in 2020, we filed several patent enforcement cases in the Western District of Texas and, through 2022, we had entered into three patent license and settlement agreements with defendants, resulting in the dismissal of four pending actions. In February 2023, we entered into another patent license and settlement agreement and dismissed two additional actions. We currently have five enforcement actions pending in Texas against four separate foreign defendants.

Additionally, we had two patent enforcement cases pending against Qualcomm in the Middle District of Florida. In March 2022, the district court in one of those cases granted Qualcomm's motion for summary judgment ruling that Qualcomm does not infringe the three patents in the case. We have an appeal pending at the Federal Circuit which is expected to be decided in 2023. The second case which is pending against Qualcomm and Apple has been stayed pending the outcome of the first case. We also have a patent enforcement action against LG in the District of New Jersey that is stayed pending resolution of the Qualcomm and Apple case in Florida. See "Legal Proceedings" in Note 13 to our consolidated financial statements included in Item 8 for a detailed description of our various patent enforcement actions.

A significant portion of our litigation costs have been funded under a secured contingent payment arrangement with Brickell Key Investments, LP ("Brickell"), contingent arrangements with legal counsel, and various debt and equity financings. See "Liquidity and Capital Resources" included in Item 7 for a full discussion of our litigation funding arrangements and our equity and debt financings.

Products and Licenses

Since 2019, we have not offered any products for sale, but rather focused exclusively on our patent enforcement and licensing efforts. As of December 31, 2022, we had four licensees for our technologies, including one licensee added in 2022. All of our license agreements resulted from settlement of patent enforcement actions initiated by us. Our patent license and settlement agreements typically include a one-time, up-front payment to cover past and future use of our technologies, with no future recurring revenue. See "Revenue" in Note 3 to our consolidated financial statements included in Item 8 for additional details.

RF Technologies

Our RF technologies enable highly accurate transmission and reception of RF carriers at low power consumption, thereby enabling extended battery life, and certain size, cost, performance, and packaging advantages. We believe the most significant hurdle to the licensing and/or sale of our technologies and related products is the widespread use of certain of our technologies in infringing products produced by companies with significantly greater financial, technical, sales, and marketing resources. We believe we can secure licensing agreements with unauthorized current users of one or more of our technologies based on a solid and defensible patent portfolio and the advantages enabled by our unique patent-protected technologies.

Patents and Trademarks

We consider our intellectual property, including patents, patent applications, trademarks, and trade secrets to be significant to our business plan. We have a program to file applications for and obtain patents, copyrights, and trademarks in the U.S. and in selected foreign countries where we believe filing for such protection is appropriate to establish and maintain our proprietary rights in our technology and products. As of December 31, 2022, we had approximately 60 active U.S. and foreign patents related to our RF technologies. In addition, we have a number of recently expired patents that we believe continue to have significant economic value as a result of our ability to assert past damages in our patent enforcement actions. We estimate the economic lives of our patents to be the shorter of fifteen years from issuance or twenty years from the earliest application date. Our current portfolio of issued patents have expirations ranging from 2023 to 2036.

Employees

As of December 31, 2022, we had seven full-time employees and one part-time employee. We also outsource certain specialty services, such as information technology and public relations, and utilize contract staff and third-party consultants from time to time to supplement our workforce. Our employees are not represented by any collective bargaining agreements and we consider our employee relations to be satisfactory.

Following the COVID-19 pandemic, we have reverted to fully remote worksites for all of our employees. Our management, with the oversight of our board of directors, monitors the hiring, retention, and management of our employees.

Available Information and Access to Reports

We file annual reports on Forms 10-K, quarterly reports on Forms 10-Q, proxy statements and other reports, including any amendments thereto, electronically with the SEC. The SEC maintains an Internet site (<http://www.sec.gov>) where these reports may be obtained at no charge. We also make copies of these reports available, free of charge through our website (<http://www.parkervision.com>) via the link “SEC filings” as soon as practicable after filing or furnishing such materials with the SEC.

Corporate Website

We announce investor information, including news and commentary about our business, financial performance and related matters, SEC filings, notices of investor events, and our press and earnings releases, in the investor relations section of our website (<http://ir.parkervision.com>). Additionally, if applicable, we webcast our earnings calls and certain events we participate in or host with members of the investment community in the investor relations section of our website. Investors and others can receive notifications of new information posted in the investor relations section in real time by signing up for email alerts and/or RSS feeds. Further corporate governance information, including our governance guidelines, Board committee charters, and code of conduct, is also available in the investor relations section of our website under the heading “Corporate Governance.” The content of our website is not incorporated by reference into this Annual Report or in any other report or document we file with the SEC, and any references to our website are intended to be inactive textual references only.

Item 1A. Risk Factors.

In addition to other risks and uncertainties described in this Annual Report, the following risk factors should be carefully considered in evaluating our business because such factors may have a significant impact on our business, operating results, liquidity and financial condition. As a result of the risk factors set forth below, actual results could differ materially from those projected in any forward-looking statements.

Financial and Operating Risks

Our financial condition raises substantial doubt as to our ability to continue as a going concern.

We have had significant losses and negative cash flows in every year since inception, and continue to have an accumulated deficit which, at December 31, 2022, was approximately \$443.2 million. Our net losses for the years ended December 31, 2022 and 2021 were approximately \$9.8 million and \$12.3 million, respectively. Our independent registered public accounting firm has included in their audit opinion on our consolidated financial statements as of and for the year ended December 31, 2022, a statement with respect to substantial doubt about our ability to continue as a going concern. Note 2 to our consolidated financial statements included in Item 8 includes a discussion regarding our liquidity and our ability to continue as a going concern. Our consolidated financial statements have been prepared assuming we will continue to operate as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. If we become unable to continue as a going concern, we may have to liquidate our assets and the values we receive for our assets in liquidation or dissolution could be significantly lower than the values reflected in our consolidated financial statements. The substantial doubt as to our ability to continue as a going concern may adversely affect our ability to negotiate reasonable terms with our vendors and may adversely affect our ability to raise additional capital in the future.

We have had a history of losses which may ultimately compromise our ability to implement our business plan and continue in operation.

Through December 31, 2022, our technologies and products have not produced revenues sufficient to cover our operating costs. We will continue to make expenditures on patent protection and enforcement and general operations in order to continue our current patent enforcement and licensing efforts. Although we expect sufficient revenues from patent licensing and settlement agreements to cover our operating costs and achieve profitability in 2023, required repayments of contingent expenses and debt obligations will result in insufficient capital resources for sustenance of our operations through 2023. If we are not able to generate sufficient capital resources, we may not be able to implement our business plan or meet our current obligations due within the twelve months after the issuance date of our consolidated financial statements and investors will suffer a loss in their investment. This may also result in a change in our business strategies.

We will need to raise substantial additional capital in the future to fund our operations. Failure to raise such additional capital may prevent us from implementing our business plan as currently formulated.

Because we have had net losses and, to date, have not generated positive cash flow from operations, we have funded our operating losses primarily from the sale of debt and equity securities, including our secured and unsecured contingent debt obligations. Our current capital resources include cash and cash equivalents of \$0.1 million at December 31, 2022, and \$0.8 million in proceeds from debt and equity financings in January 2023. Our business plan will continue to require expenditures for patent protection and enforcement and general operations. For the years ended December 31, 2022 and 2021, we used \$3.0 million and \$7.7 million, respectively in cash for operations which was funded primarily through the sale of convertible debt and equity securities. Our current capital resources will not be sufficient to meet our working capital needs for the twelve months after the issuance of our consolidated financial statements and we will require additional capital to fund our operations. Additional capital may be in the form of debt securities, the sale of equity securities, including common or preferred stock, additional litigation funding, or a combination thereof. Failure to raise additional capital may have a material adverse impact on our ability to achieve our business objectives.

Raising additional capital by issuing debt securities or additional equity securities may result in dilution and/or impose covenants or restrictions that create operational limitations or other obligations.

We will require additional capital to fund our operations and meet our current obligations due within the twelve months after the issuance date of our consolidated financial statements. Financing, if any, may be in the form of debt or sales of equity securities, including common or preferred stock. Debt instruments or the sale of preferred stock may result in the imposition of operational limitations and other covenants and payment obligations, any of which may be burdensome to us and may have a material adverse impact on our ability to implement our business plan as currently formulated. The sale of equity securities, including common or preferred stock, may result in dilution to the current stockholders' ownership and may be limited by the number of shares we have authorized and available for issuance.

We may be obligated to repay outstanding notes at a premium upon the occurrence of an event of default.

We have \$4.5 million in outstanding principal under convertible notes at December 31, 2022. If we fail to comply with the various covenants set forth in each of the notes, including failure to pay principal or interest when due or, under certain notes, consummating a change in control, we could be in default thereunder. Upon an event of default under each of the notes, the interest rate of the notes will increase to 12% per annum and the outstanding principal balance of the notes plus all accrued unpaid interest may be declared immediately payable by the holders. We may not have sufficient available funds to repay the notes upon an event of default, and we cannot provide assurances that we will be able to obtain other financing at terms acceptable to us, or at all.

Our ability to utilize our tax benefits could be substantially limited if we fail to generate sufficient income or if we experience an "ownership change."

We have cumulative net operating loss carryforwards ("NOLs") totaling approximately \$300.8 million at December 31, 2022, of which \$260.1 million is subject to expiration in varying amounts from 2023 to 2037. Our ability to fully recognize the benefits from those NOLs is dependent upon our ability to generate sufficient income prior to their expiration. In addition, our NOL carryforwards may be limited if we experience an ownership change as defined by Section 382 of the Internal Revenue Code ("Section 382"). In general, an ownership change under Section 382 occurs if one or more 5% shareholders increase their collective ownership of the aggregate amount of our outstanding shares by more than 50 percentage points over a relevant lookback period. We have sold a significant number of equity securities over the relevant lookback period which increases the risk of triggering an ownership change under Section 382 from the future sale of additional equity securities. An ownership change under Section 382 will significantly limit our ability to utilize our tax benefits.

Our litigation funding arrangements may impair our ability to obtain future financing and/or generate sufficient cash flows to support our future operations.

We have funded much of our cost of litigation through contingent financing arrangements with Brickell Key Investments LP ("Brickell") and others and contingent fee arrangements with legal counsel. The repayment obligation to Brickell is secured by the majority of our assets until such time that we have repaid a specified minimum return. Furthermore, our contingent arrangements will result in reductions in the amount of net proceeds retained by us from litigation, licensing, and other patent-related activities. The contingent fees payable to legal counsel, Brickell and others will consume all of our initial future proceeds up to specified limits and could exceed half of our proceeds thereafter depending on size and timing of proceeds, among other factors. The long-term continuation of our business plan is dependent upon our ability to secure sufficient financing to support our business, and our ability to generate revenues and/or patent related proceeds sufficient to offset expenses and meet our contingent payment obligations. Failure to generate revenue or other patent-related proceeds sufficient to repay our contingent obligations may impede our ability to obtain additional financing which will have a material adverse effect on our ability to achieve our long-term business objectives.

Our litigation can be time-consuming, costly and we cannot anticipate the results.

Since 2011, we have spent a significant amount of our financial and management resources to pursue patent infringement litigation against third parties. We believe this litigation, and other litigation matters that we may in the future determine to pursue, will continue to consume management and financial resources for long periods of time. There can be no assurance that our current or future litigation matters will ultimately result in a favorable outcome for us or that our financial resources will not be exhausted before achieving a favorable outcome. In addition, even if we obtain favorable interim rulings or verdicts in particular litigation matters, they may not be predictive of the ultimate resolution of the matter. Unfavorable outcomes could result in exhaustion of our financial resources and could hinder our ability to pursue licensing and/or product opportunities for our technologies in the future. Failure to achieve favorable outcomes from one or more of our patent enforcement actions will have a material adverse impact on our financial condition, results of operations, cash flows, and business prospects.

If our patents and intellectual property rights do not provide us with the anticipated market protections, our competitive position, business, and prospects will be impaired.

We rely on our intellectual property rights, including patents and patent applications, to provide competitive advantage and protect us from theft of our intellectual property. We believe that our patents are for entirely new technologies and that our patents are valid, enforceable, and valuable. However, third parties have made claims of invalidity with respect to certain of our patents and other similar claims may be brought in the future. For example, the Patent Trial and Appeal Board has issued a number of rulings invalidating challenged claims of certain of our patents as a result of third-party challenges filed by defendants in our patent enforcement actions. If our patents are shown not to be as broad as currently believed or are otherwise challenged such that some or all of the protection is lost, we will suffer adverse effects from the loss of competitive advantage and our ability to offer unique products and technologies. As a result, there would be an adverse impact on our financial condition and business prospects. Furthermore, defending against challenges to our patents may give rise to material costs for defense and divert resources away from our other activities.

Our business, results of operations, and financial condition may be impacted by the ongoing coronavirus (COVID-19) outbreaks.

The global spread of COVID-19 created significant volatility and uncertainty in financial markets. If such volatility and uncertainty persist, we may be unable to raise additional capital on terms that are acceptable to us, or at all. Additionally, in response to the pandemic, governments and the private sector have taken a number of drastic measures to contain the spread of COVID-19. While our employees currently have the ability and are encouraged to work remotely, such measures may have a substantial impact on employee attendance or productivity, which, along with the possibility of employees' illness, may adversely affect our operations.

In addition, COVID-19 has negatively impacted the timing of our current patent infringement actions as a result of office closures, travel restrictions and court closures. For example, our patent infringement trial in Orlando, Florida was delayed twice due to the impact of COVID-19. It is possible that further delays in our cases could occur.

Although COVID-19 is currently not material to our results of operations, there is significant uncertainty relating to the potential impact of COVID-19 on our business. The extent to which COVID-19 impacts our ongoing patent enforcement actions and our ability to obtain financing, as well as our results of operations and financial condition, generally, will depend on future developments which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions taken by governments and private businesses to contain COVID-19 or treat its impact, among others. If the disruptions posed by COVID-19 continue for an extensive period of time, our business, results of operations, and financial condition may be materially adversely affected.

We are subject to outside influences beyond our control, including new legislation that could adversely affect our licensing and enforcement activities and have an adverse impact on the execution of our business plan.

Our licensing and enforcement activities are subject to numerous risks from outside influences, including new legislation, regulations and rules related to obtaining or enforcing patents. For instance, the U.S. has enacted sweeping changes to the U.S. patent system including changes that transition the U.S. from a “first-to-invent” to a “first-to-file” system and other changes that alter the processes for challenging issued patents. To the extent that we are unable to secure patent protection for our future technologies and/or our current patents are challenged such that some or all of our protection is lost, we will suffer adverse effects to our ability to offer unique products and technologies. As a result, there would be an adverse impact on our financial position, results of operations and cash flows and our ability to execute our business plan.

Our industry is subject to rapid technological changes which if we are unable to match or surpass, will result in a loss of competitive advantage and market opportunity.

Because of the rapid technological development that regularly occurs in the wireless technology industry, along with shifting user needs and the introduction of competing products and services, we have historically devoted substantial resources to developing and improving our technology and introducing new product offerings. As a result of our limited financial resources, we have ceased our research and development activities which could result in a loss of future market opportunity which could adversely affect our future revenue potential.

We are highly dependent on Mr. Jeffrey Parker as our chief executive officer. If his services were lost, it would have an adverse impact on the execution of our business plan.

Because of Mr. Parker’s leadership position in the Company, the relationships he has garnered in both the industry in which we operate and the investment community and the key role he plays in our patent litigation strategies, the loss of his services might be seen as an impediment to the execution of our business plan. If Mr. Parker was no longer available to the Company, investors might experience an adverse impact on their investment.

If we are unable to retain key highly skilled employees, we will not be able to execute our current business plans.

Our business is dependent on having skilled and specialized key employees to conduct our business activities. The inability to retain these key employees would have an adverse impact on the technical support activities and the financial reporting and regulatory compliance activities that our business requires. These activities are instrumental to the successful execution of our business plan.

Any disruptions to our information technology systems or breaches of our network security could interrupt our operations, compromise our reputation, and expose us to litigation, government enforcement actions, and costly response measures and could have a material adverse effect on our business, financial condition, and results of operations.

We rely on information technology systems, including third-party hosted servers and cloud-based servers, to keep business, financial, and corporate records, communicate internally and externally, and operate other critical functions. If any of our internal systems or the systems of our third-party providers are compromised due to computer virus, unauthorized access, malware, and the like, then sensitive documents could be exposed or deleted, and our ability to conduct business could be impaired. Cyber incidents can result from deliberate attacks or unintentional events. These incidents can include, but are not limited to, unauthorized access to our systems, computer viruses or other malicious code, denial of service attacks, malware, ransomware, phishing, SQL injection attacks, human error, or other events that result in security breaches or give rise to the manipulation or loss of sensitive information or assets. Cyber incidents can be caused by various persons or groups, including disgruntled employees and vendors, activists, organized crime groups, and state-sponsored and individual hackers. Cyber incidents can also be caused or aggravated by natural events, such as earthquakes, floods, fires, power loss, and telecommunications failures. The risk of cybersecurity breach has generally increased as the number, intensity, and sophistication of attempted attacks from around the world has increased. While we have cyber security procedures in place, given the evolving nature of these threats, there can be no assurance that we will not suffer material losses in the future due to cyber-attacks.

To date, we have not experienced any material losses relating to cyber-attacks, computer viruses or other systems failures. Although we have taken steps to protect the security of data maintained in our information systems, it is possible that our security measures will not be able to prevent the systems' improper functioning or the improper disclosure of personally identifiable information, such as in the event of cyber-attacks. In addition to operational and business consequences, if our cybersecurity is breached, we could be held liable to our customers or other parties in regulatory or other actions, and we may be exposed to reputation damages and loss of trust and business. This could result in costly investigations and litigation, civil or criminal penalties, fines, and negative publicity.

Risks Relating to our Common Stock

Our outstanding options and warrants may affect the market price and liquidity of the common stock.

At December 31, 2022, we had 81.2 million shares of common stock outstanding and had outstanding options and warrants for the purchase of up to 34.7 million additional shares of common stock, of which approximately 33.3 million were exercisable as of December 31, 2022. In addition, as described more fully below, holders of convertible notes may elect to receive up to 32.7 million shares of common stock upon conversion of the notes, and we may elect to pay accrued interest on the notes in shares of our common stock. All of the shares of common stock underlying these securities are currently registered for sale to the holder or for public resale by the holder. The amount of common stock reserved for issuance may have an adverse impact on our ability to raise capital and may affect the price and liquidity of our common stock in the public market. In addition, the issuance of these shares of common stock will have a dilutive effect on current stockholders' ownership.

The conversion of outstanding convertible notes into shares of common stock, and the issuance of common stock by us as payment of accrued interest upon the convertible notes, could materially dilute our current stockholders.

We have an aggregate principal amount of \$4.5 million in convertible notes outstanding at December 31, 2022. The notes are convertible into shares of our common stock at fixed conversion prices, which may be less than the market price of our common stock at the time of conversion. If the entire principal were converted into shares of common stock, we would be required to issue an aggregate of up to 32.7 million shares of common stock. In addition, in January 2023 we issued an additional aggregate principal amount of \$0.7 million in convertible notes which, if converted at the fixed conversion price, would result in the issuance of an additional 4.4 million shares of our common stock. If we issue all of these shares, the ownership of our current stockholders will be diluted.

Further, we may elect to pay interest on the notes, at our option, in shares of common stock, at a price equal to the then-market price for our common stock. As of December 31, 2022, we have issued approximately 3.9 million shares of common stock as in-kind interest payments on our convertible notes. We currently do not believe that we will have the financial ability to make payments on the notes in cash when due. Accordingly, we currently intend to make such payments in shares of our common stock to the greatest extent possible. Such interest payments could further dilute our current stockholders.

The price of our common stock may be subject to substantial volatility.

The trading price of our common stock has been and may continue to be volatile. Between January 1, 2021 and March 1, 2023, the reported high and low sales prices for our common stock ranged between \$0.11 and \$1.91 per share. The price of our common stock may continue to be volatile as a result of a number of factors, some of which are beyond our control. These factors include, but are not limited to, developments in outstanding litigation, our performance and prospects, general conditions of the markets in which we compete, economic and financial conditions, and the impact of COVID-19 on global financial markets. Such volatility could materially and adversely affect the market price of our common stock in future periods.

Our common stock is quoted on OTCQB, an over-the-counter market. There can be no assurance that our common stock will continue to trade on the OTCQB or on another over-the-counter market or securities exchange.

Our common stock began trading on the OTCQB, an over-the-counter market, in August 2018 immediately following delisting from Nasdaq, under the symbol "PRKR". The over-the-counter market is a significantly more limited market than a nationally-recognized securities exchange such as Nasdaq, and the quotation of our common stock on the over-the-counter market has resulted in a less liquid market available for existing and potential stockholders to trade shares of our common stock. Securities traded in the over-the-counter market generally have less liquidity due to factors such as the reduced number of investors that will consider investing in the securities, the reduced number of market makers in the securities, and the reduced number of securities analysts that follow such securities. As a result, holders of shares of our common stock may find it difficult to resell their shares at prices quoted in the market or at all. We are also subject to additional compliance requirements under applicable state laws relating to the issuance of our securities. This could have a long-term adverse effect on our ability to raise capital, which ultimately could adversely affect the market price of our common stock. We cannot provide any assurances as to if or when we will be in a position to relist our common stock on a nationally-recognized securities exchange.

Our common stock is classified as a “penny stock” under SEC rules, which means broker-dealers who make a market in our stock will be subject to additional compliance requirements.

Our common stock is deemed to be a “penny stock” as defined in the Securities Exchange Act of 1934 (the “Exchange Act”). Penny stocks are stocks (i) with a price of less than five dollars per share; (ii) that are not traded on a recognized national exchange; (iii) whose prices are not quoted on an automated quotation system sponsored by a recognized national securities association; or (iv) whose issuer has net tangible assets less than \$2,000,000 (if the issuer has been in continuous operation for at least three years); or \$5,000,000 (if continuous operations for less than three years); or with average revenues of less than \$6,000,000 for the last three years. The Exchange Act requires broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before effecting any transaction in a penny stock for the investor’s account. Potential investors in our common stock are urged to obtain and read such disclosure carefully before purchasing any shares that are deemed to be “penny stock.” Further, the Exchange Act requires broker-dealers dealing in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. These procedures require the broker-dealer to (i) obtain from the investor information concerning his, her or its financial situation, investment experience and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor, and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor’s financial situation, investment experience and investment objectives. Compliance with these requirements may affect the ability or willingness of broker-dealers to sell our securities, and accordingly would affect the ability of stockholders to sell their securities in the public market. These additional procedures could also limit our ability to raise additional capital in the future.

We do not currently pay dividends on our common stock and thus stockholders must look to appreciation of our common stock to realize a gain on their investments.

We do not currently pay dividends on our common stock and intend to retain our cash and future earnings, if any, to fund our business plan. Our future dividend policy is within the discretion of our board of directors and will depend upon various factors, including our business, financial condition, results of operations and capital requirements. We therefore cannot offer any assurance that our board of directors will determine to pay special or regular dividends in the future. Accordingly, unless our board of directors determines to pay dividends, stockholders will be required to look to appreciation of our common stock to realize a gain on their investment. There can be no assurance that this appreciation will occur.

Provisions in our certificate of incorporation and by-laws could have effects that conflict with the interest of shareholders.

Some provisions in our certificate of incorporation and by-laws could make it more difficult for a third party to acquire control of us. For example, our board of directors is divided into three classes with directors having staggered terms of office, our board of directors has the ability to issue preferred stock without shareholder approval, and there are advance notification provisions for director nominations and submissions of proposals from shareholders to a vote by all the shareholders under the by-laws. Florida law also has anti-takeover provisions in its corporate statute.

We have a shareholder protection rights plan that may delay or discourage someone from making an offer to purchase the Company without prior consultation with the board of directors and management, which may conflict with the interests of some of the shareholders.

On November 17, 2005, as amended on November 20, 2015 and November 20, 2020, our board of directors adopted a shareholder protection rights plan which called for the issuance, on November 29, 2005, as a dividend, of rights to acquire fractional shares of preferred stock. The rights are attached to the shares of common stock and transfer with them. In the future, the rights may become exchangeable for shares of preferred stock with various provisions that may discourage a takeover bid. Additionally, the rights have what are known as “flip-in” and “flip-over” provisions that could make any acquisition of the Company more costly. The principal objective of the plan is to cause someone interested in acquiring the Company to negotiate with the board of directors rather than launch an unsolicited bid. This plan may limit, prevent, or discourage a takeover offer that some shareholders may find more advantageous than a negotiated transaction. A negotiated transaction may not be in the best interests of the shareholders.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties.

Since November 2020, we have operated in a fully remote worksite environment for all of our employees. We believe a remote work environment is currently suitable for the conduct of our business. We ceased use of our 7,000 square foot leased facility in Lake Mary, Florida in 2018 and secured a sublease tenant in 2021 for the duration of the lease term through November 2022. Refer to Note 7 to our consolidated financial statements included in Item 8 for information regarding our outstanding lease obligations.

Item 3. Legal Proceedings.

We are a party to a number of patent enforcement actions initiated by us against others for the infringement of our technologies, as well as proceedings brought by others against us in an attempt to invalidate certain of our patent claims. These patent-related proceedings are more fully described in Note 13 to our consolidated financial statements included in Item 8.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our Common Stock is listed on the OTCQB, an over-the-counter market, under the ticker symbol "PRKR". Over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down, or commission, and may not necessarily represent actual transactions.

Holders

As of March 24, 2023, we had approximately 82 holders of record and we believe there are approximately 6,850 beneficial holders of our common stock.

Dividends

We do not currently pay dividends on our common stock and intend to retain our cash and future earnings, if any, to fund our business plan. The payment of cash dividends in the future will be dependent upon our revenue and earnings, if any, capital requirements and general financial condition. The payment of any dividends will be within the discretion of our board of directors.

Purchases of Equity Securities by Issuer and Affiliated Purchasers

No purchases of our equity securities have been made by us or affiliated purchasers within the fourth quarter of the fiscal year ended December 31, 2022.

Item 6. [Reserved].

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Executive Overview

We are in the business of innovating fundamental wireless technologies and products. We have designed and developed proprietary RF technologies and integrated circuits based on those technologies, and we license our technologies to others for use in wireless communication products. We have expended significant financial and other resources to research and develop our RF technologies and to obtain patent protection for those technologies in the U.S. and certain foreign jurisdictions. We believe certain patents protecting our proprietary technologies have been broadly infringed by others and therefore our business plan primarily consists of enforcement of our intellectual property rights through patent licensing efforts and infringement litigation. We currently have patent enforcement actions ongoing in various U.S. district courts against mobile handset, smart television and other WiFi product providers, as well as semiconductor suppliers for the infringement of a number of our RF patents. We have made significant investments in developing and protecting our technologies, the returns on which are dependent upon the generation of future revenues for realization.

We continue to aggressively pursue licensing opportunities with wireless communications companies that make, use or sell semiconductors and/or products that incorporate RF. We believe there are a number of wireless communications companies that can benefit from the use of the RF technologies we have developed, whether through a license or, in certain cases, a joint product venture that may include licensing rights. Our licensing efforts to date have required litigation in order to enforce and/or defend our intellectual property rights. Since 2011, we have been involved in patent infringement litigation against Qualcomm and subsequently others for the unauthorized use of our technology. Refer to Note 13 to our consolidated financial statements included in Item 8 for a complete discussion of our legal proceedings. We have expended significant resources since 2011 and incurred significant debt for the enforcement and defense of our intellectual property rights.

Recent Developments

Debt and Equity Financing

In January 2023, we received aggregate proceeds of approximately \$0.7 million from the sale of convertible notes to accredited investors. The notes are convertible, at the holders' option, into shares of our common stock at a fixed conversion price of \$0.16 per share and bear interest at a stated rate of 9% per annum. In addition, in January 2023, we received aggregate proceeds of approximately \$0.14 million from the sale of common stock to accredited investors at a price of \$0.16 per share. We entered into registration rights agreements with the investors pursuant to which we will register the shares. Refer to Note 18 to our consolidated financial statements included in Item 8 for a complete discussion of these financing transactions.

Legal Proceedings

In February 2023, we entered into a confidential patent license and settlement agreement and in March 2023, we received a payment of \$25 million with respect thereto.

In February 2023, we dismissed our two patent enforcement actions against Intel Corporation.

Refer to Note 13 to our consolidated financial statements included in Item 8 for a complete discussion of our patent enforcement proceedings.

Liquidity and Capital Resources

We have incurred significant losses from operations and negative cash flows in every year since inception, largely as a result of our significant investments in developing advanced technologies and protecting our intellectual property. We have utilized the proceeds from sales of debt and equity securities and contingent funding arrangements with third parties to fund our operations, including the cost of litigation to enforce our intellectual property rights.

For the year ended December 31, 2022, we incurred a net loss of approximately \$9.8 million and negative cash flows from operations of approximately \$3.0 million. At December 31, 2022, we had cash and cash equivalents of approximately \$0.1 million and an accumulated deficit of approximately \$443.2 million. Additionally, a significant amount of future proceeds that we may receive from our patent enforcement and licensing programs will first be utilized to repay borrowings, legal fees, and litigation expenses under our contingent funding arrangements. Our independent registered public accounting firm has included in their audit report an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern. See Note 2 to our consolidated financial statements included in Item 8 for a discussion of our liquidity and our ability to continue as a going concern.

We used cash for operations of approximately \$3.0 million and \$7.7 million for the years ended December 31, 2022 and 2021, respectively. The decrease in cash used for operations from 2021 to 2022 is primarily due to the use of approximately \$3.9 million in cash for the reduction of accounts payable and accrued expenses during the year ended December 31, 2021, as compared to a \$0.4 million increase in accounts payable and accrued expenses during the year ended December 31, 2022. The reduction in accounts payable during the year ended December 31, 2021 is primarily the result of a \$3.0 million payment to a law firm in settlement of our outstanding fees and expenses and in exchange for an agreed-upon reduction in potential success fees payable to the firm from future patent-related proceeds.

For the year ended December 31, 2022, we received aggregate net proceeds from the sale of debt and equity securities, including the exercise of outstanding options and warrants, of approximately \$2.1 million compared to approximately \$7.2 million in proceeds received for the year ended December 31, 2021. We repaid approximately \$0.1 million in debt obligations during each of the years ended December 31, 2022 and 2021.

Significant portions of our litigation costs to date have been funded by contingent payment arrangements with legal counsel. Fee discounts offered by legal counsel in exchange for contingent payments upon successful outcome in our litigation are not recognized in expense until such time that the related proceeds on which the contingent fees are payable are considered probable. Contingent fees vary based on each firm's specific fee agreement. We currently have contingent fee arrangements in place for all of our active cases. In addition to our contingent fee agreements with legal counsel, we have secured and unsecured contingent payment obligations to litigation funders that have priority payments due from patent-related proceeds as discussed more fully under "Financial Condition - Contingent Payment Obligations" below.

In March 2023, we received \$25.0 million in proceeds from a patent license and settlement agreement. These proceeds are expected to be used entirely for the payment of contingent legal fees and expenses and the repayment of principal on our secured contingent debt obligation and therefore our ability to meet our short-term liquidity needs is dependent upon one or more of (i) our ability to successfully negotiate future licensing agreements and/or settlements relating to the use of our technologies by others in excess of our contingent payment obligations to Brickell and legal counsel; and/or (ii) our ability to raise additional capital from the sale of debt or equity securities or other financing arrangements. We are currently in discussions with Brickell regarding restructuring of our contingent payment obligation, including additional new funds. There can be no assurance that a favorable restructuring of our Brickell obligation will be achieved at all, or in a manner that provides significant future benefit to us.

Based on our current outstanding legal proceedings, funding arrangements and contingent payment arrangements, we estimate that up to 100% of our initial future proceeds will be used to repay contingent payment arrangements at least until the outstanding principal under our secured contingent payment obligation has been repaid. After repayment of principal, we estimate that approximately 75% of future proceeds could be payable to others until such time that minimum returns have been achieved, depending on the proceeding and the nature, amount and timing of proceeds, among other factors.

Patent enforcement litigation is costly and time-consuming, and the outcome is difficult to predict. We expect to continue to invest in the support of our patent enforcement and licensing programs. We expect that cash flows generated from proceeds received from patent enforcement actions and/or technology licenses in 2023, after deduction of contingent payment obligations, may not be sufficient to cover our operating expenses. In the event we do not generate revenues, or other patent-related proceeds, sufficient to cover our operational costs and contingent repayment obligations, we will be required to raise additional working capital through the sale of debt or equity securities or other financing arrangements.

The long-term continuation of our business plan is dependent upon our ability to secure sufficient financing to support our business, and our ability to generate revenues and/or patent-related proceeds sufficient to offset expenses and meet our contingent payment obligations and other long-term debt repayment obligations. Failure to generate sufficient revenues, raise additional capital through debt or equity financings, and/or reduce operating costs could have a material adverse effect on our ability to meet our short and long-term liquidity needs and achieve our intended long-term business objectives.

Financial Condition

Intangible Assets

We consider our intellectual property, including patents, patent applications, trademarks, copyrights, and trade secrets to be significant to our business. Our intangible assets are pledged as security for our secured contingent payment obligation with Brickell. The net book value of our intangible assets was approximately \$1.4 million and \$1.8 million as of December 31, 2022 and 2021, respectively. The cost basis for our intangible assets represents capitalized legal costs and agency filing fees for securing intellectual property protection and does not include the costs expended in developing the underlying intellectual property. The cost of our intangible assets is amortized using the straight-line method over their estimated period of benefit, generally fifteen to twenty years. The decrease in the carrying value of our intangible assets is primarily the result of \$0.3 million in patent amortization expense recognized in 2022 as our portfolio matures. Management evaluates the recoverability of intangible assets periodically and considers events or circumstances that may warrant revised estimates of useful lives or that may indicate impairment exists. As part of our ongoing patent maintenance program, we may, from time to time, abandon a particular patent if we determine fees to maintain the patent exceed its expected recoverability. For the years ended December 31, 2022 and 2021, we incurred losses of approximately \$0.1 million and \$0.03 million, respectively, for the write-off of specific patent assets. These losses are included in operating expenses in the accompanying consolidated statements of comprehensive loss included in Item 8.

Contingent Payment Obligations

We have secured and unsecured contingent payment obligations recorded at an aggregate estimated fair value of \$45.8 million and \$43.1 million as of December 31, 2022 and 2021, respectively. These repayment obligations are contingent upon receipt of proceeds from patent enforcement and other patent monetization actions. As a result, we have elected to account for these contingent payment obligations at their estimated fair values which are subject to significant estimates and assumptions as discussed in “Critical Accounting Policies” below. Refer to Note 11 to our consolidated financial statements included in Item 8 for a discussion of the fair value measurement of our contingent payment obligations.

Our secured contingent payment obligation is payable to Brickell as a result of \$18 million in borrowings under a 2016 funding agreement, as amended from time to time. As of December 31, 2022, we have repaid Brickell an aggregate of \$3.3 million to date under this agreement. The contingent payment obligation to Brickell is recorded at its estimated fair market value of \$40.7 million at December 31, 2022, an increase of \$3.3 million or 9% from the estimated fair market value at December 31, 2021. Brickell is entitled to a priority, prorated payment of up to 100% of proceeds received by us from funded patent-related actions up to a specified minimum return. Brickell’s minimum return is determined as a multiple of the outstanding funded amount that increases over time. The estimated aggregate minimum return due to Brickell if repaid in full at December 31, 2022 is approximately \$56.9 million, an increase of approximately \$8.1 million, or 16.6%, from the minimum return that would have been due to Brickell as of December 31, 2021.

In addition, in 2020 and 2021, we incurred unsecured contingent payment obligations in connection with various funding arrangements. These contingent payment obligations are payable from our share of patent-related proceeds after satisfaction of our obligation to Brickell and payment of contingent fees to legal counsel. These unsecured contingent payment obligations are recorded at an aggregate estimated fair value of \$5.1 million at December 31, 2022, representing a decrease of \$0.6 million from the estimated fair market value at December 31, 2021. This decrease is primarily the result of the sharp increase in the risk-free interest rate used in the calculation as a result of the Federal Reserve ending bond purchases and implementing multiple rate increases during 2022. The maximum payment obligation for our unsecured contingent payment obligations is 10.8 million at December 31, 2022.

See “Change in Fair Value of Contingent Obligations” included in “Results of Operations” below for a discussion of the changes in the estimated fair values of our secured and unsecured contingent payment obligations.

Note Payable

As of December 31, 2022, we have a \$0.6 million unsecured note payable to Sterne, Kessler, Goldstein, & Fox, PLLC (“SKGF”), a related party. We are obligated to make principal and interest payments totaling \$0.16 million in 2023 under this note. The note calls for monthly payments of \$12,500 through March 2027 with a final payment of approximately \$0.02 million in April 2027. Failure to comply with the payment terms of this note constitutes an event of default which, if uncured, will result in the entire unpaid principal balance of the note and any unpaid, accrued interest to become immediately due and payable. In addition, an event of default results in an increase in the interest rate under the notes to a default rate of 12% per annum. Notes payable are discussed more fully in Note 8 to our consolidated financial statements included in Item 8.

Convertible Notes

As of December 31, 2022, we have \$4.5 million in notes that are convertible, at the holders’ option, into shares of our common stock at fixed conversion prices ranging from \$0.08 to \$0.57 per share. These notes mature at varying dates from September 2023 to August 2027. The majority of the notes bear interest at a stated rate of 8%, payable quarterly. We have the option, subject to certain conditions, to pay the quarterly interest in-kind with shares of our common stock based on market price at the interest payment date. To date, all of the interest payments under these convertible notes have been paid in-kind and we anticipate that future payments of interest will also be paid in-kind. The notes provide for events of default that include failure to pay principal or interest when due, breach of any of the representations made by us, events of liquidation or bankruptcy, and a change in control. In the event of default, the interest rate increases to 12% per annum and the outstanding principal balance of the notes plus all accrued interest due may be declared immediately payable by the holders of a majority of the then-outstanding notes. Our convertible notes payable are more fully discussed in Note 9 to our consolidated financial statements included in Item 8.

Deferred Tax Assets and Related Valuation Allowance

Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax assets and liabilities are determined based on differences between the financial statement carrying amounts and the tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are established to reduce deferred tax assets when, based on available objective evidence, it is more likely than not that the benefit of such assets will not be realized. As of December 31, 2022, we had net deferred tax assets of approximately \$90.5 million, primarily related to our NOL carryforwards, which were fully offset by a valuation allowance due to the uncertainty related to realization of these assets through future taxable income. In addition, our ability to benefit from our NOL and other tax credit carryforwards could be limited under Section 382 as more fully discussed in “Risk Factors” and in Note 12 to our consolidated financial statements included in Item 8.

Results of Operations for Each of the Years Ended December 31, 2022 and 2021

Revenues and Gross Margins

Licensing revenue was \$0.93 million and \$0.14 for the years ended December 31, 2022 and December 31, 2021, respectively. Our licensing revenue is from patent licensing and settlement agreements resulting from settlement of patent enforcement actions filed by us. To date, all of our license and settlement agreements have consisted of a one-time, lump sum payment with no recurring future revenue. We recognized revenue from each contract when the parties' performance obligations were met. Cost of sales related to the licensing revenue consists of amortization expense related to the patents covered under the license agreements. Our licensing revenue is expected to vary based on the market size of the licensee and the specific terms of the license and settlement agreement.

Our licensing proceeds in both 2022 and 2021 were used fully to pay contingent out-of-pocket expenses incurred by our litigation counsel to support our patent enforcement program in the aggregate. As a result of the recognition of these contingent expenses in accordance with our contingent fee agreements, the proceeds did not have an impact on our cash flows. These contingent out-of-pocket expenses, which are recognized in the same period as the corresponding revenue, are included in selling, general and administrative expenses.

In March 2023, we received \$25.0 million from a patent licensing and settlement agreement reached in February 2023. We anticipate additional revenue to result from our licensing and patent enforcement actions although the amount and timing is highly unpredictable and there can be no assurance that we will achieve our anticipated results.

Selling, General, and Administrative Expenses

Selling, general and administrative expenses consist primarily of executive, director, technical support, and finance and administrative personnel costs, including share-based compensation, costs incurred for insurance, shareholder relations and outside legal and professional services, including litigation expenses, and amortization and maintenance expenses related to our patent assets.

Our selling, general and administrative expenses were approximately \$7.8 million for the year ended December 31, 2022, as compared to approximately \$8.1 million for the year ended December 31, 2021, representing a decrease of approximately \$0.3 million or 4%. This decrease results primarily from a decrease in share-based compensation of \$0.2 million attributed to nonqualified stock options and restricted stock units becoming fully vested during the year ended December 31, 2022. We recognized approximately \$0.93 and \$0.14 million in contingent litigation expenses resulting from patent license and settlement arrangements for the years ended December 31, 2022 and December 31, 2021, respectively. The increase in contingent litigation expenses from 2021 to 2022 is a direct result of the increase in licensing revenue and was offset by a decrease in non-contingent litigation expenses from 2021 to 2022, primarily as a result of a decrease in non-contingent litigation expenses incurred in connection with the Qualcomm action that is currently on appeal.

Change in Fair Value of Contingent Payment Obligations

We have elected to measure our secured and unsecured contingent payment obligations at fair value which is based on significant unobservable inputs. We estimated the fair value of our secured contingent payment obligations using a probability-weighted income approach based on the estimated present value of projected future cash outflows using a risk-adjusted discount rate. Increases or decreases in the significant unobservable inputs could result in significant increases or decreases in fair value.

For the year ended December 31, 2022, we recorded an increase in the aggregate fair value of our secured and unsecured contingent payment obligations of approximately \$2.7 million. The majority of the change in fair value is attributable to the passage of time leading to increased returns due to Brickell and are partially offset by an increase in the risk-free interest rate used in the calculation as a result of the Federal Reserve ending bond purchases and implementing multiple rate increases during 2022.

Critical Accounting Policies

We believe that the following are critical accounting policies and estimates that significantly impact the preparation of our consolidated financial statements:

Contingent Payment Obligations

We have accounted for our secured and unsecured contingent payment obligations as long-term debt. Our repayment obligations are contingent upon the receipt of proceeds from patent enforcement or other patent monetization actions. We have elected to measure our contingent payment obligations at their estimated fair values based on the variable and contingent nature of the repayment provisions. We have determined that the fair value of our secured and unsecured contingent payment obligations falls within Level 3 in the fair value hierarchy, which involves significant estimates and assumptions including projected future patent-related proceeds and the risk-adjusted rate for discounting future cash flows. Actual results could differ from the estimates made. Changes in fair value, including the component related to imputed interest, are included in the consolidated statements of comprehensive loss under the heading "Change in fair value of contingent payment obligations." Refer to Note 11 to our consolidated financial statements included in Item 8 for a discussion of the significant estimates and assumptions used in estimating the fair value of our contingent payment obligations.

Accounting for Share-Based Compensation

We calculate the fair value of share-based equity awards, including restricted stock, stock options and restricted stock units ("RSUs"), on the date of grant and recognize the calculated fair value as compensation expense over the requisite service periods of the related awards. The fair value of stock option awards is determined using the Black-Scholes option valuation model that requires the use of highly subjective assumptions and estimates including how long the holder will retain their stock options before exercising them and the volatility of our common stock price over the expected life of the equity award. Changes in these subjective assumptions can materially affect the estimate of fair value of share-based compensation and consequently, the related amount recognized as expense in the consolidated statements of comprehensive loss.

New Accounting Pronouncements

We adopted Accounting Standards Update ("ASU") 2020-06, "Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" as of January 1, 2021. ASU 2020-06 simplifies accounting for convertible instruments by removing major separation models required under current U.S. GAAP. Consequently, more convertible debt instruments will be reported as a single liability instrument with no separate accounting for embedded conversion features. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contracts to qualify for the exception. The ASU also simplifies the diluted earnings per share calculation in certain areas. For smaller reporting companies, the ASU is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years, with early adoption permitted for fiscal years beginning after December 15, 2020. The ASU provides for a modified retrospective method of adoption whereby the guidance is applied to transactions outstanding at the beginning of the fiscal year of adoption with the cumulative effect of the change being recorded as an adjustment to beginning retained earnings. Adoption of ASU 2020-06 resulted in an increase to our long-term debt of approximately \$0.8 million, a decrease in additional paid-in-capital of approximately \$1.1 million and an adjustment to our beginning accumulated deficit of \$0.3 million resulting from the elimination of the previously recognized beneficial conversion feature as a debt discount.

Off-Balance Sheet Transactions

As of December 31, 2022, we had outstanding warrants to purchase 10.3 million shares of our common stock. The estimated grant date fair value of these warrants of approximately \$3.2 million is included in shareholders' deficit in our consolidated balance sheet for the year ended December 31, 2022. The outstanding warrants have an average exercise price of \$0.75 per share and a weighted average remaining life of approximately 2.1 years.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 8. Financial Statements and Supplementary Data.

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Not applicable	

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
ParkerVision, Inc.
Jacksonville, Florida

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of ParkerVision, Inc. (the “Company”) and its subsidiary as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive loss, shareholders’ deficit and cash flows for each of the years in the two-year period ended December 31, 2022, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiary as of December 31, 2022 and 2021, and the results of their operations and their cash flows for each of the years in the two-year period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As a part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Estimation of Fair Value of Contingent Payment Obligations

As disclosed in Note 1 of the Company's consolidated financial statements, the Company accounts for their secured and unsecured contingent payment obligations as long-term debt. Their payment obligations are contingent upon the receipt of proceeds from patent enforcement and/or patent monetization actions. The Company has elected to measure their contingent payment obligations at their estimated fair values. The Company recorded the fair value of their contingent payment obligations at approximately \$45,797,000 as of December 31, 2022.

Auditing management's estimate of the fair value of their contingent payment obligations involved subjective evaluation and high degree of auditor judgement due to significant assumptions involved in estimating the receipt of proceeds from patent enforcement and/or patent monetization actions.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. We obtained an understanding and evaluated the design of internal controls that address the risks of material misstatement relating to recording the contingent payment obligations at fair value. We tested the accuracy and completeness of the underlying data used in calculating the fair value. We evaluated management's ability to accurately estimate the assumptions used to develop the fair value of the contingent payment obligations. We also involved an independent legal firm to assist in evaluating the reasonableness of the assumptions of future litigation outcomes used by the Company in estimating the receipt of proceeds from patent enforcement and/or patent monetization actions.

/s/ MSL, P.A.

We have served as the Company's auditor since 2019.

Fort Lauderdale, Florida
March 28, 2023

PARKERVISION, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(in thousands)

	2022	2021
CURRENT ASSETS:		
Cash and cash equivalents	\$ 109	\$ 1,030
Prepaid expenses	244	574
Other current assets	30	25
Total current assets	383	1,629
Intangible assets, net	1,359	1,785
Operating lease right-of-use assets	4	7
Other assets, net	5	19
Total assets	<u>\$ 1,751</u>	<u>\$ 3,440</u>
CURRENT LIABILITIES:		
Accounts payable	\$ 901	\$ 706
Accrued expenses:		
Salaries and wages	23	27
Professional fees	79	109
Other accrued expenses	486	555
Related party note payable, current portion	139	94
Convertible notes, current portion	625	-
Operating lease liabilities, current portion	4	155
Total current liabilities	2,257	1,646
LONG-TERM LIABILITIES:		
Secured contingent payment obligation	40,708	37,372
Unsecured contingent payment obligations	5,089	5,691
Convertible notes, net of current portion	3,913	2,895
Related party note payable, net of current portion	473	609
Operating lease liabilities, net of current portion	-	4
Total long-term liabilities	50,183	46,571
Total liabilities	52,440	48,217
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' DEFICIT:		
Common stock, \$.01 par value, 175,000 and 150,000 shares authorized, 81,246 and 76,992 issued and outstanding at December 31, 2022 and 2021, respectively	812	770
Additional paid-in capital	391,724	387,865
Accumulated deficit	(443,225)	(433,412)
Total shareholders' deficit	(50,689)	(44,777)
Total liabilities and shareholders' deficit	<u>\$ 1,751</u>	<u>\$ 3,440</u>

The accompanying notes are an integral part of these consolidated financial statements.

PARKERVISION, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(in thousands, except per share amounts)

	2022	2021
Licensing revenue	\$ 925	\$ 144
Cost of sales	(10)	(5)
Gross margin	915	139
Selling, general, and administrative expenses	7,773	8,088
Total operating expenses	7,773	8,088
Interest and other income	103	242
Interest and other expense	(324)	(251)
Change in fair value of contingent payment obligations	(2,734)	(4,372)
Total interest and other	(2,955)	(4,381)
Net loss before income tax	(9,813)	(12,330)
Income tax expense	-	-
Net loss	(9,813)	(12,330)
Other comprehensive income, net of tax	-	-
Comprehensive loss	\$ (9,813)	\$ (12,330)
Basic and diluted net loss per common share	\$ (0.13)	\$ (0.17)
Weighted average common shares outstanding	78,395	71,299

The accompanying notes are an integral part of these consolidated financial statements.

PARKERVISION, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(in thousands)

	Common Stock, Par Value	Additional Paid-in Capital	Accumulated Deficit	Total Shareholders' Deficit
Balance as of December 31, 2020	\$ 586	\$ 376,954	\$ (421,361)	\$ (43,821)
Cumulative effect of change in accounting principle	-	(1,126)	279	(847)
Issuance of common stock and warrants in public and private offerings, net of issuance costs and initial fair value of contingent payment rights	73	5,701	-	5,774
Issuance of common stock upon exercise of options and warrants	63	959	-	1,022
Issuance of common stock and warrants for services	9	863	-	872
Issuance of common stock upon conversion and payment of interest in kind on convertible debt	37	1,201	-	1,238
Share-based compensation, net of shares withheld for taxes	2	3,313	-	3,315
Net loss for the year	-	-	(12,330)	(12,330)
Balance as of December 31, 2021	770	387,865	(433,412)	(44,777)
Issuance of common stock and warrants in public and private offerings, net of issuance costs	20	362	-	382
Issuance of common stock upon exercise of options and warrants	5	78	-	83
Issuance of common stock, warrants, and options for services	2	57	-	59
Issuance of common stock upon conversion and payment of interest in kind on convertible debt	14	282	-	296
Share-based compensation, net of shares withheld for taxes	1	3,080	-	3,081
Net loss for the year	-	-	(9,813)	(9,813)
Balance as of December 31, 2022	\$ 812	\$ 391,724	\$ (443,225)	\$ (50,689)

The accompanying notes are an integral part of these consolidated financial statements.

PARKERVISION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(in thousands)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (9,813)	\$ (12,330)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	311	371
Share-based compensation	3,081	3,315
Change in fair value of contingent payment obligations	2,734	4,372
Loss on disposal/impairment of equipment and other assets	124	43
Loan forgiveness	-	(194)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	396	784
Accounts payable and accrued expenses	363	(3,917)
Operating lease liabilities	(155)	(146)
Total adjustments	6,854	4,628
Net cash used in operating activities	(2,959)	(7,702)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(4)	(3)
Net cash used in investing activities	(4)	(3)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from issuance of common stock, including contingent payment rights, in private offerings	382	6,186
Net proceeds from exercise of options and warrants	83	1,022
Net proceeds from debt financings	1,668	-
Debt repayments	(91)	(100)
Net cash provided by financing activities	2,042	7,108
NET CHANGE IN CASH AND CASH EQUIVALENTS	(921)	(597)
CASH AND CASH EQUIVALENTS, beginning of year	1,030	1,627
CASH AND CASH EQUIVALENTS, end of year	\$ 109	\$ 1,030
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ 24	\$ 17
Cash paid for income taxes	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

PARKERVISION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SIGNIFICANT ACCOUNTING POLICIES

ParkerVision, Inc. and its wholly-owned German subsidiary, ParkerVision GmbH (collectively “ParkerVision”, “we” or the “Company”) is in the business of innovating fundamental wireless hardware technologies and products. We have determined that our business currently operates under a single operating and reportable segment.

We have designed and developed proprietary radio frequency (“RF”) technologies and integrated circuits based on those technologies, and we license our technologies to others for use in wireless communication products. We have expended significant financial and other resources to research and develop our RF technologies and to obtain patent protection for those technologies in the United States of America (“U.S.”) and certain foreign jurisdictions. We believe certain patents protecting our proprietary technologies have been broadly infringed by others, and therefore the primary focus of our business plan is the enforcement of our intellectual property rights through patent licensing and infringement litigation efforts. We currently have patent enforcement actions ongoing in various U.S. district courts against mobile handset, smart television and other WiFi product providers, as well as semiconductor suppliers for the infringement of a number of our RF patents. We have made significant investments in developing and protecting our technologies, the returns on which are dependent upon the generation of future revenues for realization.

Basis of Presentation

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the U.S. (“GAAP”). Certain reclassifications have been made to prior period amounts to conform to the current period presentation. The consolidated financial statements include the accounts of ParkerVision, Inc. and our wholly-owned German subsidiary, ParkerVision GmbH, after elimination of all intercompany transactions and accounts.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The more significant estimates made by us include projected future cash flows and risk-adjusted discount rates for estimating the fair value of our contingent payment obligations, the volatility and estimated lives of share-based awards used in the estimate of the fair market value of share-based compensation, the assessment of recoverability of long-lived assets, the amortization periods for intangible and long-lived assets, and the valuation allowance for deferred taxes. Actual results could differ from the estimates made. We periodically evaluate estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

Cash and Cash Equivalents

We consider cash and cash equivalents to include cash on hand, interest-bearing deposits, overnight repurchase agreements and investments with original maturities of three months or less when purchased.

Intangible Assets

We capitalize outside legal costs and agency filing fees incurred in connection with securing the rights to our intellectual property. Patents, copyrights, and other intangible assets are amortized using the straight-line method over their estimated period of benefit. We estimate the economic lives of our patents and copyrights to be fifteen to twenty years. Management evaluates the recoverability of intangible assets periodically and considers events or circumstances that may warrant revised estimates of useful lives or that may indicate impairment exists. As part of our ongoing patent maintenance program, we will, from time to time, abandon a particular patent if we determine fees to maintain the patent exceed its expected recoverability. The cost and accumulated amortization of abandoned intangible assets are removed from their respective accounts, and any resulting net loss is recognized in selling, general and administrative expenses in the accompanying consolidated statements of comprehensive loss.

Contingent Payment Obligations

We have accounted for our secured and unsecured contingent payment obligations as long-term debt in accordance with Accounting Standards Codification (“ASC”) 470-10-25, “Sales of Future Revenues or Various other Measures of Income.” Our payment obligations are contingent upon the receipt of proceeds from patent enforcement and/or patent monetization actions. We have elected to measure our contingent payment obligations at their estimated fair values in accordance with ASC 825, “Financial Instruments” based on the variable and contingent nature of the repayment provisions. We have determined that the fair value of our secured and unsecured contingent payment obligations falls within Level 3 in the fair value hierarchy, which involves significant estimates, and assumptions including projected future patent-related proceeds and the risk-adjusted rate for discounting future cash flows (see Note 11). Actual results could differ from the estimates made. Changes in fair value, including the component related to imputed interest, are included in the accompanying consolidated statements of comprehensive loss under the heading “Change in fair value of contingent payment obligations.”

Leases

We have accounted for our finance and operating leases in accordance with ASC 842, “Leases” which requires the recognition of lease right-of-use (“ROU”) assets and lease liabilities on our consolidated balance sheets for finance and operating leases with initial lease terms of more than 12 months. At inception of a lease, we determine if an arrangement contains a lease and whether that lease meets the classification criteria of a finance or operating lease. Some of our lease arrangements contain lease components (e.g., minimum rent payments) and non-lease components (e.g., services). For certain equipment leases, we account for lease and non-lease components separately based on a relative fair market value basis. For all other leases, we account for the lease and non-lease components (e.g., common area maintenance) on a combined basis.

For operating leases with terms greater than 12 months, we record the ROU asset and lease obligation at the present value of lease payments over the term using the implicit interest rate, when readily available, or our incremental borrowing rate for collateralized debt based on information available at the lease commencement date. Certain of our leases include rental escalation clauses, renewal options and/or termination options that are factored into our determination of lease payments when it is reasonably certain that the option will be exercised. We do not recognize ROU assets and lease liabilities for leases with terms at inception of twelve months or less.

Finance leases are included in property and equipment and other accrued expenses on the consolidated balance sheets. Finance leases are recorded as an asset and an obligation at an amount equal to the present value of the minimum lease payments during the lease term. Amortization expense and interest expense associated with finance leases are included in selling, general, and administrative expense and interest expense, respectively, on the consolidated statements of comprehensive loss.

Refer to Note 7 for additional disclosures related to our leases.

Convertible Debt

We have issued debt that is convertible, at the holder’s option, into shares of our common stock at fixed conversion prices. Certain of the convertible notes were issued with conversion prices that were below market value of our common stock on the closing date resulting in a beneficial conversion feature which we recorded to equity with a corresponding discount to the debt that was amortized over the life of the notes as interest expense.

Effective January 1, 2021, we adopted Accounting Standards Update (“ASU”) 2020-06 “Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity.” This ASU simplifies accounting for convertible instruments by removing major separation models required under current U.S. GAAP. Consequently, more convertible debt instruments will be reported as a single liability instrument with no separate accounting for embedded conversion features. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contracts to qualify for the exception. The ASU also simplifies the diluted earnings per share calculation in certain areas. For smaller reporting companies, the ASU is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years, with early adoption permitted for fiscal years beginning after December 15, 2020. The ASU provides for a modified retrospective method of adoption whereby the guidance is applied to transactions outstanding at the beginning of the fiscal year of adoption with the cumulative effect of the change being recorded as an adjustment to beginning retained earnings.

Adoption of ASU 2020-06 resulted in an increase to our long-term debt of approximately \$0.8 million, a decrease in additional paid-in-capital of approximately \$1.1 million, and an adjustment to our beginning accumulated deficit of \$0.3 million resulting from the elimination of the previously recognized beneficial conversion feature as a debt discount.

Revenue Recognition

We account for revenue under ASC 606, “Revenue from Contracts with Customers” which implements a common revenue standard that clarifies the principles for recognizing revenue. This revenue recognition model provides a five-step analysis in determining when and how revenue is recognized. These steps include (1) identifying the contract with the customer, (2) identifying the performance obligations, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations, and (5) recognizing revenue as the entity satisfies the performance obligation(s).

Our revenue is derived from patent licensing and settlement agreements. We have an active monitoring and enforcement program with respect to our intellectual property rights that includes seeking appropriate compensation from third parties that utilize or have utilized our intellectual property without a license. As a result, we may receive payments as part of a settlement or in the form of court-awarded damages for a patent infringement dispute. The timing and amount of revenue recognized from each licensee depend upon a variety of factors, including the specific terms of each agreement and the nature of the deliverables and obligations. Such agreements are often complex and may include multiple performance obligations. These agreements can include performance obligations related to the settlement of past patent infringement liabilities, royalties on future covered products sold by licensees, access to a portfolio of technology as it exists at a point in time, and/or promises to provide technology updates to the portfolio during the term of the license.

Refer to Note 3 for additional disclosures related to our revenue.

Cost of Sales

Cost of sales includes amortization of intangible assets directly linked with revenue generating licensing activities. Amortization expense for intangible assets that are not directly related to revenue generating licensing activities are included in selling, general, and administrative expenses in our consolidated statements of comprehensive loss.

Accounting for Share-Based Compensation

We have various share-based compensation programs which provide for equity awards including stock options, restricted stock units (“RSUs”) and restricted stock awards (“RSAs”). We calculate the fair value of share-based equity awards on the date of grant and recognize the calculated fair value as compensation expense over the requisite service periods of the related awards. We estimate the fair value of stock option awards using the Black-Scholes option valuation model. This valuation model requires the use of highly subjective assumptions and estimates including how long employees will retain their stock options before exercising them and the volatility of our common stock price over the expected life of the equity award. Such estimates, and the basis for our conclusions regarding such estimates, are outlined in detail in Note 15. Estimates of fair value are not intended to predict actual future events or the value ultimately realized by persons who receive equity awards. We account for forfeitures of share-based awards as they occur.

Income Taxes

The provision for income taxes is based on loss before taxes as reported in the accompanying consolidated statements of comprehensive loss. Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax assets and liabilities are determined based on differences between the financial statement carrying amounts and the tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are established to reduce deferred tax assets when, based on available objective evidence, it is more likely than not that the benefit of such assets will not be realized. Our deferred tax assets exclude unrecognized tax benefits which do not meet a more-likely-than-not threshold for financial statement recognition for tax positions taken or expected to be taken in a tax return.

Loss per Common Share

Basic loss per common share is determined based on the weighted-average number of common shares outstanding during each year. Diluted loss per common share is the same as basic loss per common share as all potential common shares are excluded from the calculation, as their effect is anti-dilutive.

The number of shares underlying outstanding options, warrants, and convertible notes at December 31, 2022 and 2021 were as follows (in thousands):

	2022	2021
Options outstanding	24,380	23,215
Warrants outstanding	10,346	10,346
Shares underlying convertible notes	32,734	20,157
	67,460	53,718

These potential shares were excluded from the computation of diluted loss per share as their effect would have been anti-dilutive.

2. LIQUIDITY AND GOING CONCERN

The accompanying consolidated financial statements as of and for the year ended December 31, 2022 were prepared assuming we will continue as a going concern, which contemplates that we will continue in operation and will be able to realize our assets and settle our liabilities and commitments in the normal course of business for a period of at least one year from the issuance date of these consolidated financial statements. These consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that could result should we be unable to continue as a going concern.

We have incurred significant losses from operations and negative cash flows in every year since inception and have utilized the proceeds from the sales of our equity and equity-linked securities and our contingent funding arrangements with third parties to fund our operations, including our litigation costs. For the year ended December 31, 2022, we incurred a net loss of approximately \$9.8 million and negative cash flows from operations of approximately \$3.0 million. At December 31, 2022, we had an accumulated deficit of approximately \$443.2 million. These circumstances raise substantial doubt about our ability to continue to operate as a going concern for a period of one year after the issuance date of these consolidated financial statements.

We had cash and cash equivalents of approximately \$0.1 million at December 31, 2022. We received an additional \$0.8 million in proceeds from debt and equity financings in January 2023 (see Note 18). Our remaining capital resources will be used to fund our current obligations and ongoing operating costs; however, these resources will not be sufficient to meet our liquidity needs for the next twelve months and we will be required to seek additional capital.

Our business plan is currently focused solely on our patent enforcement and technology licensing objectives. The timing and amount of proceeds from our patent enforcement actions are difficult to predict and there can be no assurance we will receive any proceeds from these enforcement actions. Refer to Note 13 for a complete discussion of our patent enforcement proceedings.

Significant portions of our litigation costs to date have been funded by contingent payment arrangements with legal counsel. Fee discounts offered by legal counsel in exchange for contingent payments upon successful outcome in our litigation are not recognized in expense until such time that the related proceeds on which the contingent fees are payable are considered probable. Contingent fees vary based on each firm's specific fee agreement. We currently have contingent fee arrangements in place for all of our active cases. In addition to our contingent fee agreements with legal counsel, we have secured and unsecured contingent payment obligations to litigation funders that have priority payments due from patent-related proceeds.

In March 2023, we received \$25.0 million in proceeds from a patent license and settlement agreement (see Note 18). These proceeds are expected to be used entirely for the payment of contingent legal fees and expenses and the repayment of principal on our secured contingent payment obligation and therefore our ability to meet our liquidity needs for the twelve months after the issuance date of these financial statements is dependent upon one or more of (i) our ability to successfully negotiate future licensing agreements and/or settlements relating to the use of our technologies by others in excess of our contingent payment obligations; and/or (ii) our ability to raise additional capital from the sale of debt or equity securities or other financing arrangements. We are currently in discussions with Brickell regarding restructuring of our contingent payment obligation, including additional new capital. There can be no assurance that a favorable restructuring of our Brickell obligation will be achieved at all, or in a manner that provides significant future benefit to us.

The long-term continuation of our business plan is dependent upon our ability to secure sufficient financing to support our business, and our ability to generate revenues and/or patent-related proceeds sufficient to offset expenses and meet our contingent payment obligation and other long-term debt repayment obligations. Failure to generate sufficient revenues, raise additional capital through debt or equity financings, and/or reduce operating costs could have a material adverse effect on our ability to meet our short and long-term liquidity needs and achieve our intended long-term business objectives.

3. REVENUE

During the years ended December 31, 2022 and 2021, we recognized \$0.93 million and \$0.14 million of revenue, respectively, derived from contracts with licensees. The contracts provide access to specified patented technologies as they exist at a point in time, and we have no obligation to provide any future updates. The consideration received by us was negotiated as part of a settlement of patent litigation where no prior license agreement existed. The performance obligations were satisfied upon our dismissal of patent enforcement actions with each licensee which was contingent upon our receipt of the negotiated and agreed-upon lump-sum payments from the licensees. The contracts included no variable consideration. All consideration received was recorded to licensing revenue as there were no other material components of the contracts. No contract assets or liabilities exist as of December 31, 2022.

4. PREPAID EXPENSES

Prepaid expenses consisted of the following at December 31, 2022 and 2021 (in thousands):

	2022	2021
Prepaid services	\$ 202	\$ 523
Prepaid insurance	25	23
Prepaid licenses, software tools and support	15	16
Other prepaid expenses	2	12
	<u>\$ 244</u>	<u>\$ 574</u>

Prepaid services at December 31, 2022 and 2021 include approximately \$0.2 million and \$0.5 million, respectively, of consulting services paid in shares of stock or warrants to purchase shares of stock in the future.

5. INTANGIBLE ASSETS

Intangible assets consisted of the following at December 31, 2022 and 2021 (in thousands):

	2022	2021
Patents and copyrights	\$ 14,319	\$ 14,755
Less accumulated amortization	(12,960)	(12,970)
	<u>\$ 1,359</u>	<u>\$ 1,785</u>

Amortization expense for the years ended December 31, 2022 and 2021 was approximately \$0.30 million and \$0.35 million, respectively. For the years ended December 31, 2022 and 2021, we recorded losses on the disposal of intangible assets of approximately \$0.1 million and \$0.03 million, respectively.

Future estimated amortization expense for intangible assets that have remaining unamortized amounts as of December 31, 2022 is as follows (in thousands):

2023	\$ 256
2024	243
2025	207
2026	140
2027	122
2028 and thereafter	391
Total	<u>\$ 1,359</u>

6. ACCRUED LIABILITIES

Other accrued expenses consisted of the following at December 31, 2022 and 2021 (in thousands):

	2022	2021
Advances	\$ 425	\$ 500
Accrued interest	56	28
Other accrued expenses	5	27
	<u>\$ 486</u>	<u>\$ 555</u>

Advances include amounts received from litigation counsel as advanced reimbursement of out-of-pocket expenses expected to be incurred by us.

7. LEASES

We lease our office and other facilities and certain office equipment under long-term, non-cancelable operating leases. No new finance or operating leases commenced during the years ended December 31, 2022 or 2021 except with respect to a sublease agreement for our Lake Mary facility in 2021. The sublease was accounted for as an operating lease and expired in November 2022 in connection with the expiration of our corresponding Lake Mary facility lease.

Lease expense for operating leases is generally recognized on a straight-line basis over the lease term and is included in operating expenses on the consolidated statement of comprehensive loss. We recognized operating lease costs of \$0.04 million for each of the years ended December 31, 2022 and 2021. Rental income recognized of \$0.11 million and \$0.05 million for the years ended December 31, 2022 and 2021, respectively, is included in "Interest and other income" in the accompanying consolidated statements of comprehensive loss.

Supplemental Cash Flow Information

The following table summarizes the supplemental cash flow information related to leases (in thousands):

	Year Ended December 31, 2022	Year Ended December 31, 2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 193	\$ 181
Cash received for amounts included in the measurement of sublease assets:		
Operating cash flows from operating subleases	120	44

Other Information

The table below summarizes other supplemental information related to leases:

	December 31, 2022	December 31, 2021
Weighted-average remaining lease term (in years):		
Operating leases	0.8	0.9
Operating subleases	-	0.9
Weighted average discount rate		
Operating leases (1)	16.2%	12.2%

(1) Upon adoption of the new lease standard, discount rates used for existing leases were established at January 1, 2019.

Undiscounted Cash Flows

The future maturities of lease liabilities consist of the following as of December 31, 2022 (in thousands):

	Operating Leases
2023	\$ 4
Thereafter	-
Total undiscounted lease payments	4
Less: imputed interest	-
Present value of lease liabilities	4
Less: current portion	(4)
Long-term lease obligations	\$ -

8. Notes Payable*Note Payable to a Related Party*

We have an unsecured promissory note payable of \$0.6 million to Sterne, Kessler, Goldstein, & Fox, PLLC (“SKGF”), a related party (see Note 16), for outstanding unpaid fees for legal services. The note, as amended, accrues interest at 4% per annum and provides for monthly payments of principal and interest of \$12,500 with a final balloon payment of approximately \$0.02 million due at the maturity date of April 30, 2027. We are currently in compliance with all the terms of the note, as amended. For each of the years ended December 31, 2022 and 2021, we recognized interest expense of approximately \$0.03 million related to this note.

At December 31, 2022, the aggregate maturities of our notes payable are as follows (in thousands):

2023	\$	139
2024		133
2025		139
2026		144
2027		57
Total	\$	612

The estimated fair value of our notes payable at December 31, 2022 is approximately \$0.47 million based on a risk-adjusted discount rate.

9. Convertible Notes

Our convertible notes represent five-year promissory notes that are convertible, at the holders' option, into shares of our common stock at fixed conversion prices. Interest payments are made on a quarterly basis and are payable, at our option and subject to certain equity conditions, in either cash, shares of our common stock, or a combination thereof. The number of shares issued for interest is determined by dividing the interest payment amount by the closing price of our common stock on the trading day immediately prior to the scheduled interest payment date. To date, all interest payments on the convertible notes have been made in shares of our common stock. We have recognized the convertible notes as debt in our consolidated financial statements. The fixed conversion prices of certain of the notes were below the market value of our common stock on the closing date resulting in the recognition of a beneficial conversion feature that was recorded as a discount on the convertible notes with a corresponding increase to additional paid in capital. Upon our adoption of ASU 2020-06 on January 1, 2021, the previously recognized beneficial conversion feature was eliminated resulting in an increase in convertible notes of \$0.8 million (see Note 1).

We have the option to prepay the majority of the notes any time following the one-year anniversary of the issuance of the notes, subject to a premium on the outstanding principal prepayment amount of 25% prior to the two-year anniversary of the note issuance date, 20% prior to the three-year anniversary of the note issuance date, 15% prior to the four-year anniversary of the note issuance date, or 10% thereafter. The notes provide for events of default that include failure to pay principal or interest when due, breach of any of the representations, warranties, covenants, or agreements made by us, events of liquidation or bankruptcy, and a change in control. In the event of default, the interest rate increases to 12% per annum and the outstanding principal balance of the notes plus all accrued interest due may be declared immediately payable by the holders of a majority of the then outstanding principal balance of the notes.

For the year ended December 31, 2022, a convertible note with a face value of \$0.03 million was converted by the holder into 0.3 million shares of our common stock at a conversion price of \$0.10. For the year ended December 31, 2021, convertible notes with a face value of \$0.97 million were converted by the holders into 3.4 million shares of our common stock at an average conversion price of \$0.29. At the holders' option, subject to ownership limitations, the convertible notes outstanding at December 31, 2022 could be converted into an aggregate of approximately 32.7 million shares of our common stock based on the fixed conversion prices.

For the years ended December 31, 2022 and 2021, we recognized interest expense of approximately \$0.30 million and \$0.26 million, respectively. We have elected to pay contractual interest in shares of our common stock. For the years ended December 31, 2022 and 2021, we issued approximately 1,203,000 and 272,000 shares of our common stock, respectively, as interest-in-kind payments on our convertible notes.

In 2022 we sold five-year convertible promissory notes for aggregate proceeds of \$1.7 million. The notes have a conversion price of \$0.13 per share. The shares underlying the notes, as well as shares reserved for future in-kind interest payments on the notes, were registered on a registration statement that was declared effective on August 22, 2022 (File No. 333- 266777). In January 2023, we sold additional five-year convertible promissory notes for aggregate proceeds of \$0.7 million (see Note 18).

All of the shares underlying our convertible notes, including shares reserved for future in-kind interest payments on the notes, have been or will be registered for resale.

Convertible notes payable at December 31, 2022 and 2021, consist of the following (in thousands):

Description	Fixed Conversion Rate	Interest Rate	Maturity Date	December 31,	
				2022	2021
Convertible notes dated September 10, 2018	\$ 0.40	8.0%	September 7, 2023	\$ 200	\$ 200
Convertible notes dated September 19, 2018	\$ 0.57	8.0%	September 19, 2023	425	425
Convertible notes dated February/March 2019	\$ 0.25	8.0%	February 28, 2024 to March 13, 2024	750	750
Convertible notes dated June/July 2019	\$ 0.10	8.0%	June 7, 2024 to July 15, 2024	295	320
Convertible notes dated July 18, 2019	\$ 0.08	7.5%	July 18, 2024	700	700
Convertible notes dated September 13, 2019	\$ 0.10	8.0%	September 13, 2024	50	50
Convertible notes dated January 8, 2020	\$ 0.13	8.0%	January 8, 2025	450	450
Convertible notes dated May-August 2022	\$ 0.13	8.0%	May 10, 2027 to August 3, 2027	1,668	-
Total principal balance				4,538	2,895
Less current portion				625	-
				<u>\$ 3,913</u>	<u>\$ 2,895</u>

¹ The maturity date may be extended by one-year increments for up to an additional ten years at the holder's option at a reduced interest rate of 2%.

At December 31, 2022, we estimate our convertible notes have an aggregate fair value of approximately \$3.4 million and would be categorized within Level 2 of the fair value hierarchy.

10. Contingent Payment Obligations

Secured Contingent Payment Obligation

The following table provides a reconciliation of our secured contingent payment obligation measured at estimated fair market value for the years ended December 31, 2022 and 2021, respectively (in thousands):

	2022	2021
Secured contingent payment obligation, beginning of year	\$ 37,372	\$ 33,057
Change in fair value	3,336	4,315
Secured contingent payment obligation, end of year	<u>\$ 40,708</u>	<u>\$ 37,372</u>

Our secured contingent payment obligation represents the estimated fair value of our repayment obligation to Brickell Key Investments, LP (“Brickell”) under a February 2016 funding agreement, as amended from time to time (the “CPIA”). To date, we have received aggregate proceeds of \$18 million in exchange for Brickell’s right to reimbursement and compensation from gross proceeds resulting from patent enforcement and other patent monetization actions. No proceeds were received from Brickell in 2022 or 2021. To date, we have repaid an aggregate of \$3.3 million under the CPIA from patent license and settlement proceeds.

Brickell is entitled to priority payment of 100% of proceeds received by us, after reimbursement of out-of-pocket expenses and legal contingent fees, from all patent-related actions until such time that Brickell has been paid its remaining principal of approximately \$14.7 million. Thereafter, Brickell is entitled to a significant portion of remaining proceeds from all patent-related actions until such time that Brickell has been repaid its minimum return. The minimum return is determined as a multiple of the funded amount that increases over time. The estimated minimum return due to Brickell was approximately \$56.9 million and \$48.8 million as of December 31, 2022 and 2021, respectively. In addition, Brickell is entitled to a pro rata portion of proceeds from specified legal actions to the extent aggregate proceeds from those actions exceed the minimum return.

Brickell holds a senior security interest in the majority of our assets until such time as the specified minimum return is paid, in which case, the security interest will be released except with respect to the patents and proceeds related to specific legal actions. The security interest is enforceable by Brickell in the event that we are in default under the agreement which would occur if (i) we fail, after notice, to pay proceeds to Brickell, (ii) we become insolvent or insolvency proceedings are commenced (and not subsequently discharged) with respect to us, (iii) our creditors commence actions against us (which are not subsequently discharged) that affect our material assets, (iv) we, without Brickell’s consent, incur indebtedness other than immaterial ordinary course indebtedness, or (v) there is an uncured non-compliance of our obligations or misrepresentations under the agreement. As of December 31, 2022, we are in compliance with our obligations under this agreement.

In addition, in the event of a change in control of the Company, Brickell has the right to be paid its return as defined under the CPIA based on the transaction price for the change in control event.

We have elected to measure our secured contingent payment obligation at its estimated fair value based on probability-weighted estimated cash outflows, discounted back to present value using a discount rate determined in accordance with accepted valuation methods (see Note 11). The secured contingent payment obligation is remeasured to fair value at each reporting period with changes recorded in the consolidated statements of comprehensive loss until the contingency is resolved.

Unsecured Contingent Payment Obligations

The following table provides a reconciliation of our unsecured contingent payment obligations, measured at estimated fair market value, for the years ended December 31, 2022 and 2021, respectively (in thousands):

	2022	2021
Unsecured contingent payment obligations, beginning of period	\$ 5,691	\$ 5,222
Issuance of contingent payment rights	-	412
Change in fair value	(602)	57
Unsecured contingent payment obligations, end of period	\$ 5,089	\$ 5,691

Our unsecured contingent payment obligations represent amounts payable to others from future patent-related proceeds including (i) a termination fee due to a litigation funder (“Termination Fee”) and (ii) contingent payment rights (“CPRs”) issued to accredited investors primarily in connection with equity financings. We have elected to measure these unsecured contingent payment obligations at their estimated fair value based on probability-weighted estimated cash outflows, discounted back to present value using a discount rate determined in accordance with accepted valuation methods. The unsecured contingent payment obligations will be remeasured to fair value at each reporting period with changes recorded in the consolidated statements of comprehensive loss until the contingency is resolved (see Note 11).

The Termination Fee is a result of \$1.0 million in advances received under a letter agreement with a third-party funder. Based on the terms of the letter agreement, if a final funding arrangement was not executed by March 31, 2020, we would be obligated to pay, from future patent-related proceeds, an aggregate termination payment equal to five times the advances received, or approximately \$5.0 million. We did not consummate a funding agreement and accordingly the advances were recorded as an unsecured contingent payment obligation at March 31, 2020, when the Termination Fee obligation was incurred. As of December 31, 2022, the estimated fair value of unsecured contingent payment obligations related to the Termination Fee is \$2.4 million.

The CPRs represent the estimated fair value of rights provided to accredited investors who purchased shares of our common stock in 2020 and 2021 and the fair value of a right issued to a third-party in connection with a service agreement during the year ended December 31, 2020. During the year ended December 31, 2021, we received aggregate proceeds of \$1.1 million from the sale of common stock with contingent payment rights, of which approximately \$0.4 million was allocated to the CPRs. No sales of common stock with contingent payment rights were completed during the year ended December 31, 2022. The terms of the CPRs provide that we will pay each investor an allocated portion of our net proceeds from patent-related actions, after taking into account fees and expenses payable to law firms representing us and amounts payable to Brickell. The investors’ allocated portion of net proceeds will be determined by multiplying the net proceeds recovered by us (up to \$10 million) by the quotient of such investors’ subscription amount divided by \$10 million, up to an amount equal to each investor’s subscription amount, or an aggregate of \$5.8 million. As of December 31, 2022, the estimated fair value of our unsecured contingent payment obligations related to the CPRs is \$2.7 million.

11. FAIR VALUE MEASUREMENTS

ASC 820, “Fair Value Measurements” establishes a fair value hierarchy that prioritizes the inputs to valuation methods used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices for identical assets or liabilities in active markets which we can access
- Level 2: Observable inputs other than those described in Level 1
- Level 3: Unobservable inputs

The following table summarizes financial assets and financial liabilities carried at fair value and measured on a recurring basis as of December 31, 2022 and 2021, segregated by classification within the fair value hierarchy (in thousands):

	Total	Fair Value Measurements		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2022:				
Liabilities:				
Secured contingent payment obligation	\$ 40,708	\$ -	\$ -	\$ 40,708
Unsecured contingent payment obligations	5,089	-	-	5,089
December 31, 2021:				
Liabilities:				
Secured contingent payment obligation	37,372	-	-	37,372
Unsecured contingent payment obligations	5,691	-	-	5,691

For the years ended December 31, 2022 and 2021, respectively, we had no transfers of assets or liabilities between the levels of the hierarchy.

The fair values of our secured and unsecured contingent payment obligations were estimated using a probability-weighted income approach based on various cash flow scenarios as to the outcome of patent-related actions both in terms of timing and amount, discounted to present value using a risk-adjusted rate. We used a risk-adjusted discount rate of 18.41% at December 31, 2022, based on a risk-free rate of 4.41% as adjusted by 8% for credit risk and 6% for litigation inherent risk.

The following table provides quantitative information about the significant unobservable inputs used in the measurement of fair value for both the secured and unsecured contingent payment obligations at December 31, 2022, including the lowest and highest undiscounted payout scenarios as well as a weighted average payout scenario based on relative undiscounted fair value of each cash flow scenario.

Unobservable Inputs	Secured Contingent Payment Obligation			Unsecured Contingent Payment Obligations		
	Low	Weighted Average	High	Low	Weighted Average	High
Estimated undiscounted cash outflows (in millions)	\$ 0.0	\$ 59.6	\$ 88.4	\$ 0.0	\$ 7.5	\$ 10.8
Duration (in years)	1.0	2.2	2.5	1.5	2.3	2.5
Estimated probabilities	5%	17%	35%	5%	18%	35%

We evaluate the estimates and assumptions used in determining the fair value of our contingent payment obligations each reporting period and make any adjustments prospectively based on those evaluations. Changes in any of these Level 3 inputs could result in a significantly higher or lower fair value measurement.

12. INCOME TAXES AND TAX STATUS

Our net losses before income taxes for the years ended December 31, 2022 and 2021 are from domestic operations as well as losses from our wholly-owned German subsidiary. We elected to treat our German subsidiary as a disregarded entity for purposes of income taxes and accordingly, the losses from our German subsidiary have been included in our operating results.

No current or deferred tax provision or benefit was recorded in 2022 or 2021 as a result of current losses and fully deferred tax valuation allowances for all periods. We have recorded a valuation allowance to state our deferred tax assets at their estimated net realizable value due to the uncertainty related to realization of these assets through future taxable income.

A reconciliation between the provision for income taxes and the expected tax benefit using the federal statutory rate of 21% for each of the years ended December 31, 2022 and 2021, respectively are as follows (in thousands):

	2022	2021
Tax benefit at statutory rate	\$ (2,061)	\$ (2,589)
State tax benefit	(422)	(530)
Increase in valuation allowance	2,416	3,368
Other	67	(249)
	<u>\$ -</u>	<u>\$ -</u>

Our deferred tax assets and liabilities relate to the following sources and differences between financial accounting and the tax bases of our assets and liabilities at December 31, 2022 and 2021 (in thousands):

	2022	2021
Gross deferred tax assets:		
Net operating loss carry-forward	\$ 75,470	\$ 78,600
Research and development credit carry-forward	5,356	6,028
Stock compensation	1,127	356
Patents and other	1,482	1,470
Contingent payment obligations	7,033	6,341
Fixed assets	(2)	53
Lease liabilities	1	38
	<u>90,467</u>	<u>92,886</u>
Less valuation allowance	<u>(90,467)</u>	<u>(92,886)</u>
	-	-
Gross deferred tax liabilities:		
Convertible debt	-	-
	-	-
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

Upon adoption of ASU 2020-06 on January 1, 2021 (see Note 9), the difference between the financial accounting and tax bases, net of tax effect, of unrecognized tax benefit related to the beneficial conversion feature of convertible debt was eliminated.

At December 31, 2022, we had cumulative net operating loss (“NOL”) carry-forwards for income tax purposes of \$300.8 million, of which \$260.1 million is subject to expiration in varying amounts from 2023 to 2037. At December 31, 2022, we also had research and development tax credit carryforwards of \$5.4 million, which expire in varying amounts from 2023 through 2038.

Our ability to benefit from the tax credit carry-forwards could be limited under certain provisions of the Internal Revenue Code if there are ownership changes of more than 50%, as defined by Section 382 of the Internal Revenue Code of 1986 (“Section 382”). Under Section 382, an ownership change may limit the amount of NOL, capital loss and R&D credit carry-forwards that can be used annually to offset future taxable income and tax, respectively. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain shareholders or public groups in the stock of a corporation by more than 50 percentage points over a three-year period. We conduct a study annually of our ownership changes. Based on the results of our studies, we have determined that we do not have any ownership changes on or prior to December 31, 2022 which would result in limitations of our NOL, capital loss or R&D credit carry-forwards under Section 382.

Uncertain Tax Positions

We file income tax returns in the U.S. federal jurisdiction, various state jurisdictions, and Germany. We have identified our Federal and Florida tax returns as our only major jurisdictions, as defined. The periods subject to examination for those returns are the 2003 through 2022 tax years. The following table provides a reconciliation of our unrecognized tax benefits due to uncertain tax positions for the years ended December 31, 2022 and 2021, respectively (in thousands):

	2022	2021
Unrecognized tax benefits – beginning of year	\$ 653	\$ 927
Reduction as a result of lapse of statute of limitations	(15)	(274)
Unrecognized tax benefits – end of year	\$ 638	\$ 653

Future changes in the unrecognized tax benefit will have no impact on the effective tax rate so long as we maintain a full valuation allowance.

Our policy is that we recognize interest and penalties accrued on any unrecognized tax benefits as a component of our income tax expense. We do not have any accrued interest or penalties associated with any unrecognized tax benefits. For the years ended December 31, 2022 and 2021, we did not incur any income tax-related interest income, expense or penalties.

13. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

From time to time, we are subject to legal proceedings and claims which arise in the ordinary course of our business. These proceedings include patent enforcement actions initiated by us against others for the infringement of our technologies, as well as proceedings brought by others against us at the Patent Trial and Appeal Board of the U.S. Patent and Trademark Office (“PTAB”) in an attempt to invalidate certain of our patent claims.

The majority of our litigation, including our PTAB proceedings, is being paid for through contingency fee arrangements with our litigation counsel as well as third-party litigation financing. In general, litigation counsel is entitled to recoup on a priority basis, from litigation proceeds, any out-of-pocket expenses incurred. Following reimbursement of out-of-pocket expenses, litigation counsel is generally entitled to a percentage of remaining proceeds based on the terms of the specific arrangement between us, counsel and our third-party litigation funder.

ParkerVision v. Qualcomm (Middle District of Florida-Orlando Division) - Appealed to U.S. Court of Appeals for the Federal Circuit
We have appealed certain March 2022 rulings by the Middle District of Florida in our patent infringement complaint against Qualcomm Incorporated and Qualcomm Atheros, Inc. (collectively “Qualcomm”). Appellate court briefs have been filed by both parties and we are awaiting a hearing date in this matter.

The patent infringement case was filed in the Middle District of Florida in May 2014. The case was stayed in February 2016 pending decisions in other cases, including the appeal of a PTAB proceeding with regard to U.S. patent 6,091,940 (“the ‘940 Patent”) asserted in this case. In March 2017, the PTAB ruled in our favor on three of the six petitions (the method claims), ruled in Qualcomm’s favor on two of the six petitions (the apparatus claims) and issued a split decision on the claims covered in the sixth petition. In September 2018, the Federal Circuit upheld the PTAB’s decision with regard to the ‘940 Patent and, in January 2019, the court lifted the stay in this case. In July 2019, the court issued an order that granted our proposed selection of patent claims from four asserted patents, including the ‘940 Patent, and denied Qualcomm’s request to limit the claims and patents. The court also agreed that we may elect to pursue accused products that were at issue at the time the case was stayed, as well as new products that were released by Qualcomm during the pendency of the stay. In September 2019, Qualcomm filed a motion for partial summary judgment in an attempt to exclude certain patents from the case, including the ‘940 Patent. The court denied this motion in January 2020.

In April 2020, the court issued its claim construction order in which the court adopted our proposed construction for seven of the ten disputed terms and adopted slightly modified versions of our proposed construction for the remaining terms. Due to the impact of COVID-19, a number of the scheduled deadlines in this case were moved including the trial commencement date which was rescheduled from December 2020 to May 2021. In October 2020, our damages expert submitted a report supporting our damages ask of \$1.3 billion for Qualcomm’s unauthorized use of our technology. Such amount excludes additional amounts requested by us for interest and enhanced damages for willful infringement. Ultimately, the amount of damages, if any, will be determined by the court. Discovery was expected to close in December 2020; however, the court allowed us to designate a substitute expert due to medical issues with one of our experts in the case. Accordingly, the close of discovery was delayed until January 2021. As a result of these delays, the court rescheduled the trial commencement date from May 3, 2021 to July 6, 2021.

In March 2021, the court further delayed the trial date citing backlog due to the pandemic, among other factors. A new trial date was not set and the court indicated the case was unlikely to be tried before November or December 2021. Fact and expert discovery was completed, expert reports were submitted, and summary judgment and *Daubert* briefings were submitted by the parties. Joint pre-trial statements were submitted in May 2021. In March 2021, the court granted Qualcomm’s motion to strike certain of our 2020 infringement contentions. As a result of this ruling, in July 2021, we filed a joint motion for entry of a judgment of non-infringement of our Patent No. 7,865,177 (“the ‘177 Patent”), subject to appeal.

In January 2022, the court held a hearing to allow the parties to present their respective positions on three outstanding motions. The court indicated that upon its ruling on these motions, a pre-trial conference would be scheduled and a trial date set. On March 9, 2022, the court ruled with respect to one of these motions granting Qualcomm's motion to strike and exclude opinions regarding the alleged infringement and validity issues. This court order precluded the presentation of infringement and validity opinions by both of our experts at trial. On March 22, 2022, the court issued an order granting Qualcomm's motion for summary judgment ruling that Qualcomm does not infringe the remaining three patents in this case. On April 20, 2022, we filed a notice of appeal to the United States Court of Appeals for the Federal Circuit. As a result of the court's summary judgment motion in favor of Qualcomm, Qualcomm has the right to petition the court for its fees and costs. The court has granted a Qualcomm motion to delay such a petition until 30 days following the appellate court's decision. We are represented in this case on a full contingency fee basis.

ParkerVision v. Apple and Qualcomm (Middle District of Florida-Jacksonville Division)

In December 2015, we filed a patent infringement complaint in the Middle District of Florida against Apple Inc. ("Apple"), LG Electronics, Inc., LG Electronics U.S.A., Inc., and LG Electronics MobileComm U.S.A., Inc. (collectively "LG"), Samsung Electronics Co. Ltd., Samsung Electronics America, Inc., Samsung Telecommunications America LLC, and Samsung Semiconductor, Inc. (collectively "Samsung"), and Qualcomm alleging infringement of four of our patents. In February 2016, the district court proceedings were stayed pending resolution of a corresponding case filed at the International Trade Commission ("ITC"). In July 2016, we entered into a patent license and settlement agreement with Samsung and, as a result, Samsung was dismissed from the district court action. In March 2017, we filed a motion to terminate the ITC proceedings and a corresponding motion to lift the stay in the district court case. This motion was granted in May 2017. In July 2017, we filed a motion to dismiss LG from the district court case and re-filed our claims against LG in the District of New Jersey (see *ParkerVision v. LG* below). Also in July 2017, Qualcomm filed a motion to change venue to the Southern District of California, and Apple filed a motion to dismiss for improper venue. In March 2018, the district court ruled against the Qualcomm and Apple motions. The parties also filed a joint motion in March 2018 to eliminate three of the four patents in the case in order to expedite proceedings leaving our U.S. patent 9,118,528 as the only remaining patent in this case. A claim construction hearing was held on August 31, 2018. In July 2019, the court issued its claim construction order in which the court adopted our proposed claim construction for two of the six terms and the "plain and ordinary meaning" on the remaining terms. In addition, the court denied a motion filed by Apple for summary judgment. Fact discovery has closed in this case and a jury trial was scheduled to begin in August 2020. In March 2020, as a result of the impact of COVID-19, the parties filed a motion requesting an extension of certain deadlines in the case. In April 2020, the court stayed this proceeding pending the outcome of the infringement case against Qualcomm in the Orlando Division of the Middle District of Florida, which is currently pending an appeal.

ParkerVision v. LG (District of New Jersey)

In July 2017, we filed a patent infringement complaint in the District of New Jersey against LG for the alleged infringement of four patents previously asserted against LG in the Middle District of Florida (see *ParkerVision v. Apple and Qualcomm* above). We elected to dismiss the case in the Middle District of Florida and re-file in New Jersey as a result of a Supreme Court ruling regarding proper venue. In March 2018, the court stayed this case pending a final decision in *ParkerVision v. Apple and Qualcomm* in the Middle District of Florida. As part of this stay, LG has agreed to be bound by the final claim construction decision in that case.

ParkerVision v. Intel (Western District of Texas)

In February 2020, we filed a patent infringement complaint in the Western District of Texas against Intel Corporation ("Intel") alleging infringement of eight of our patents. The complaint was amended in May 2020 to add two additional patents. In June 2020, we requested that one of the patents be dropped from this case and filed a second case in the Western District of Texas that included this dismissed patent (see *ParkerVision v. Intel II* below). Intel's response to our complaint was filed in June 2020 denying infringement and claiming invalidity of the patents. Intel also filed a motion to transfer venue which the court denied. In July 2020 and September 2020, Intel filed petitions for *Inter Partes Review* ("IPR") against two of the patents in this case and in January 2021, the PTAB instituted proceedings with regard to these two petitions (see *Intel v. ParkerVision (PTAB)* below).

The court issued its claim construction ruling in January 2021 in which the majority of the disputed claim terms were decided in our favor. The case was scheduled for trial beginning February 7, 2022. In April 2021, we filed an amended complaint to include additional Intel semiconductors and products, including WiFi devices, to the complaint. The court suggested that, given the number of patents at issue, the case would be separated into two trials and, as a result of the added products, the first trial date was moved to June 2022.

In January 2022, the PTAB issued its ruling on the IPRs (see *Intel v. ParkerVision (PTAB)* below). In February 2022, the parties filed a joint motion with respect to both Intel cases whereby the first case would be narrowed to six total patents asserted against Intel cellular products. These same six patents would be also asserted in the second Intel case, along with one additional patent from the second case, against Intel WiFi and Bluetooth products. As a result of the restructuring of the two cases, the trial date was moved to October 2022. In March 2022, due to discovery delays, the court agreed to move the trial commencement date to December 5, 2022. In March 2022, Intel filed a motion requesting further claim construction which we opposed, and the court denied. In May 2022, we filed a motion to amend our complaint to add willful infringement based on information obtained during discovery. The court granted this motion in June 2022 and we filed an amended complaint. As a result of additional discovery allowed by the court, the trial date was rescheduled from December 5, 2022 to February 6, 2023.

Beginning in November 2022, the parties filed a number of pre-trial motions. The court held hearings on these pre-trial motions in January 2023. The court issued its written orders with regard to these motions immediately prior to the February 6, 2023 trial start date. As a result of the court's pre-trial rulings, the potential damages in the case decreased significantly. On February 7, 2023, the parties resolved their outstanding dispute and we have dismissed all pending actions against Intel (see Note 18).

ParkerVision v. Intel II (Western District of Texas)

In June 2020, to reduce the number of claims in *ParkerVision v. Intel*, we filed a second patent infringement complaint in the Western District of Texas against Intel that included a single patent that we voluntarily dismissed from the original case. In July 2020, we amended our complaint adding two more patents to the case. Intel responded to the complaint denying infringement and claiming invalidity of the patents. In January 2021, Intel filed a petition for IPR against one of the patents in this case and in July 2021, the PTAB instituted proceedings with regard to this petition (see *Intel v. ParkerVision (PTAB)* below). We filed an amended complaint in 2021 adding Intel WiFi and Bluetooth products to the case. Two claim construction hearings were held in June 2021 and July 2021 and the court's claim construction ruling was largely decided in our favor. The case was scheduled for trial in October 2022. In February 2022, the parties filed a joint motion which provided that the *Intel II* case would assert the same six patents from the first Intel case, provided none of the patents were invalidated in the first case, as well as one additional patent, depending on the outcome of the pending IPR proceeding. On February 7, 2023, the parties resolved their outstanding dispute and we have dismissed all pending actions against Intel (see Note 18).

Intel v. ParkerVision (PTAB)

Intel filed IPR petitions against U.S. patent 7,539,474 ("the '474 Patent") and U.S. patent 7,110,444 ("the '444 Patent") which were both asserted in *ParkerVision v. Intel*. Intel also filed a petition for IPR against U.S. patent 8,190,108 ("the '108 patent") which is asserted in *ParkerVision v. Intel II*. In January 2021, the PTAB issued its decision to institute IPR proceedings for the '444 Patent and the '474 Patent. An oral hearing was held on November 1, 2021 and final decisions from the PTAB on the '474 Patent and the '444 Patent were issued in January 2022. The PTAB ruled against us with respect to the single challenged claim of the '444 Patent and ruled in our favor with respect to the seven challenged claims of the '474 Patent. The '444 Patent has subsequently been excluded from the narrowed claims asserted in *ParkerVision v. Intel*. In July 2022, we appealed the PTAB decision on the '444 Patent to the Federal Circuit.

In July 2021, the PTAB issued its decision to institute IPR proceedings for the '108 Patent. We filed our response to this petition in October 2021 and an oral hearing was scheduled for April 2022. A final decision from the PTAB was issued in June 2022 in which the PTAB ruled against us with respect to all of the challenged claims of the '108 Patent. We filed a notice of appeal with the Federal Circuit with respect to this IPR decision. Following the parties' resolution of outstanding disputes (see *ParkerVision v. Intel* above), Intel withdrew as a party to these appeals.

Additional Patent Infringement Cases – Western District of Texas

ParkerVision filed a number of additional patent cases in the Western District of Texas in 2020 including cases against (i) TCL Industries Holdings Co., Ltd, a Chinese company, TCL Electronics Holdings Ltd., Shenzhen TCL New Technology Co., Ltd, TCL King Electrical Appliances (Huizhou) Co., Ltd., TCL Moka Int'l Ltd. and TCL Moka Manufacturing S.A. DE C.V. (collectively "TCL"), (ii) Hisense Co., Ltd. and Hisense Visual Technology Co., Ltd (collectively "Hisense"), a Chinese company, (iii) Buffalo Inc., a Japanese company ("Buffalo") and (iv) Zyxel Communications Corporation, a Chinese multinational electronics company headquartered in Taiwan, ("Zyxel"). Each case alleged infringement of the same ten patents by products that incorporate modules containing certain WiFi semiconductors manufactured by Realtek and/or MediaTek. In May 2021, a case alleging infringement of the same ten patents was filed against LG Electronics, a South Korean company ("LGE"). Each of the defendants have filed responses denying infringement and claiming invalidity of the patents, among other defenses. A second case was filed against Hisense in June 2021 alleging infringement of two additional patents and a second case was filed against TCL in November 2022 alleging infringement of the same two additional patents. In November 2022, patent infringement actions were also filed against Taiwanese companies, Realtek Semiconductor Corp. ("Realtek") and MediaTek Inc. and MediaTek USA Inc. (collectively, "MediaTek") for infringement of four U.S. patents that are included in the other Texas cases.

We dismissed the actions against Buffalo and Zyxel in 2021 following satisfaction of the parties' obligations under patent license and settlement agreements. In November 2022, we dismissed the two cases against Hisense following satisfaction of the parties' obligations under a patent license and settlement agreement.

The court has issued claim construction recommendations for the TCL and LGE cases, in which nearly all of the claim terms were decided in our favor. In November 2022, the PTAB issued its written decision in two IPRs asserted by TCL and LGE against two of the patents asserted against them (see *TCL, et. al. v. ParkerVision (PTAB)* below). The PTAB ruled that the challenged claims of both patents were unpatentable. We intend to appeal this decision.

In January 2023, the cases against TCL were stayed pending final resolution of the Realtek case that was filed in November 2022. In addition, in February 2023, the case against LGE was stayed pending final resolution of the cases against Realtek and MediaTek and the outstanding IPR actions to which LGE is a party.

TCL, et. al. v. ParkerVision (PTAB)

In May 2021, TCL, along with Hisense, filed IPR petitions against U.S. patent 7,292,835 ("the '835 Patent") and the '444 Patent, both of which are asserted in the infringement cases against these parties in the Western District of Texas. In November 2021, the PTAB issued its decision to implement IPR proceedings for these two patents. In December 2021, LGE filed nearly identical petitions against the same two patents along with a joinder motion requesting to join the existing petitions filed by TCL and Hisense. In April 2022, the PTAB granted LGE's joinder motion. Oral hearings for these IPRs were held in September 2022. As part of a patent license and settlement agreement entered into with Hisense in November 2022, Hisense withdrew its participation in these IPR proceedings. In November 2022, the PTAB issued its written decision ruling that the challenged claims for both patents were unpatentable. We intend to appeal this decision.

14. STOCK AUTHORIZATION AND ISSUANCE**Preferred Stock**

We have 15 million shares of preferred stock authorized for issuance at the direction of our board of directors (the “Board”). On November 17, 2005, our Board designated 0.1 million shares of authorized preferred stock as the Series E Preferred Stock in conjunction with its adoption of a Shareholder Protection Rights Agreement. As of December 31, 2022, we had no outstanding preferred stock.

Common Stock

We have 175 million shares of common stock authorized for issuance as of December 31, 2022. Our shareholders approved amendments to our articles of incorporation in September 2021 increasing the number of our authorized shares of common stock from 140 million to 150 million shares and in September 2022 increasing the number of our authorized shares of common stock from 150 million to 175 million shares.

As of December 31, 2022, we have 34.7 million shares reserved for issuance under outstanding warrants and options and 32.7 million shares reserved for issuance upon conversion of our outstanding convertible notes. In addition, we have 0.36 million shares reserved for future issuance under equity compensation plans and 2.0 million shares reserved for future issuance upon payment of interest in-kind on our convertible notes.

Stock and Warrant Issuances – Equity Based Financings

The following table presents a summary of completed equity-based financing transactions for the years ended December 31, 2021 and 2022 (in thousands, except for per share amounts):

Date	Transaction	# of Common Shares/ Units Sold	Average Price per Share/ Unit	# of Warrants Issued (in 000's)	Average Exercise Price per Warrant	Net Proceeds (1)
January 2021	Private placement of common stock with CPRs	2,976	\$ 0.35	-	-	\$ 1,040
March 2021	Private placement of common stock with warrants	3,231	\$ 1.29	1,619	\$ 1.75	\$ 4,156
December 2021	Private placement of common stock with warrants	1,053	\$ 0.95	526	\$ 1.00	\$ 1,000
November 2022	Private placement of common stock	1,000	\$ 0.20	-	-	\$ 200
December 2022	Private placement of common stock	1,000	\$ 0.20	-	-	\$ 200

(1) After deduction of applicable offering costs. Net proceeds are inclusive of the value of the CPRs that are classified as long-term debt (see Note 10).

Private Placements

In January 2021, we entered into securities purchase agreements with accredited investors for the sale of an aggregate of 2,976,430 shares of our common stock at a price of \$0.35 per share for aggregate proceeds of \$1.0 million. The securities purchase agreements include contingent payment rights. Approximately \$0.4 million of the proceeds were allocated to unsecured contingent payment obligations based on the initial fair value estimate of the CPRs (see “Unsecured Contingent Payment Obligations” in Note 10). The shares were registered for resale on a registration statement that was declared effective on April 26, 2021 (File No. 333-255217).

In March 2021, we entered into securities purchase agreements with accredited investors for the sale of 3,230,942 shares of our common stock and 1,619,289 warrants at a price of \$1.29 per common share for aggregate proceeds of approximately \$4.2 million. The warrants have an exercise price of \$1.75 per share and expire in March 2026. The shares, including the shares underlying the warrants, were registered for resale on a registration statement that was declared effective on April 26, 2021 (File No. 333-255217). We used \$3.0 million of the proceeds from this transaction to satisfy outstanding obligations for patent enforcement legal fees and expenses.

In December 2021, we entered into a securities purchase agreement with an accredited investor for the sale of 1,052,631 shares of our common stock and 526,315 warrants at a price of \$0.95 per common share for aggregate proceeds of \$1.0 million. The warrants have an exercise price of \$1.00 per share and expire in December 2026. The shares, including the shares underlying the warrants, were registered for resale on a registration statement that was declared effective on January 24, 2022 (File No. 333-262147).

In November and December 2022, we entered into securities purchase agreements with accredited investors for the sale of 2,000,000 shares of our common stock at a price of \$0.20 per share for aggregate proceeds of \$0.4 million. We also entered into a registration rights agreement with the investors pursuant to which we will register the shares underlying the notes. We have committed to file the registration statement by April 7, 2023 and to cause the registration statement to become effective by April 30, 2023 (or in the event of a review by the Securities and Exchange Commission, by June 30, 2023). The registration rights agreements provide for liquidated damages upon the occurrence of certain events including failure by us to file the registration statement or cause it to become effective by the deadlines set forth above. The amount of the liquidated damages is 1.0% of the aggregate subscription upon the occurrence of the event, and monthly thereafter, up to a maximum of 6%, or approximately \$0.02 million.

Stock and Warrant Issuances – Payment for Services

In October 2022, we entered into an agreement with Tailwinds Research Group LLC (“Tailwinds”) to provide continuing digital marketing services to us through December 2024. As consideration for services to be provided under the term of the agreement, we extended the expiration date for warrants previously issued to Tailwinds in 2020 under a prior services agreement. The warrants allow for the purchase of up to 200,000 shares of our common stock at an exercise price of \$1.00 per share and the expiration date was extended from March 2023 to March 2026. The fair value of the modification of the warrants was valued at approximately \$0.02 million using the Black-Scholes method and will be recognized as expense over the term of the new agreement.

On May 22, 2020, we entered into an agreement with Intro-Act to provide research and shareholder relations services. As consideration for services under the agreement, we issued 50,000 shares of unregistered common stock on each of July 14, 2020, October 30, 2020, January 12, 2021 and April 6, 2021 with an aggregate value of approximately \$0.05 million for the year ended December 31, 2021 and \$0.1 million for the year ended December 31, 2022. In June 2021, we extended our agreement with Intro-Act and issued 100,000 shares of unregistered common stock valued at approximately \$0.12 million as consideration for services to be provided over the twelve-month extended term of the agreement. In August 2022, we again extended our agreement with Intro-Act and issued 150,000 shares of unregistered common stock valued at approximately \$0.03 million as consideration for services to be provided over the six-month extended term of the agreement. The value of the shares was recognized as consulting expense over the term of the agreements. We are not obligated to register the shares for resale.

On October 30, 2020, we entered into a consulting services agreement with a third-party to provide shareholder relations services. As consideration for services provided under the twelve-month term of the agreement, we issued 70,000 shares of unregistered common stock for a non-refundable retainer for services valued at approximately \$0.02 million. The agreement included a CPR to receive up to \$0.02 million from patent-related proceeds. The CPR was recorded as debt at its estimated fair value of approximately \$0.1 million (see “Unsecured Contingent Payment Obligations” in Note 10). In April 2021, we amended the consulting services agreement and extended the term through December 31, 2021. We issued 35,000 shares of our unregistered common stock valued at approximately \$0.04 million as compensation over the remaining term of the agreement. The value of the shares issued was recognized as consulting expense over the term of the agreement.

On November 22, 2022, we entered into an agreement with a third party to provide consulting services. As consideration for services provided under the twelve-month term of the agreement, we issued non-plan options to purchase 200,000 shares of unregistered common stock at an exercise price of \$0.21 per share valued at approximately \$0.03 million. The options vest in four equal three-month increments beginning November 22, 2022 and will expire three years from the date of the grant. The value of the stock issued will be recognized as a consulting expense over the term of the agreement. We have agreed to register the shares underlying the option.

In addition, from time to time, we issue restricted stock awards under our approved equity plans to third party consultants as share-based compensation. During the year ended December 31, 2021, we issued 217,143 RSAs valued at \$0.3 million under our 2019 long-term incentive equity plan to non-employees as compensation under consulting agreements (see Note 15).

Common Stock Warrants

We had outstanding warrants for the purchase of up to 10.3 million shares of our common stock as of December 31, 2022 and 2021. The estimated grant date fair value of these warrants of \$3.2 million and is included in shareholders’ deficit in our consolidated balance sheets. As of December 31, 2022, our outstanding warrants have an average exercise price of \$0.75 per share and a weighted average remaining life of approximately 2.1 years.

Shareholder Protection Rights Agreement

On November 20, 2020, we adopted a second amendment to our Shareholder Protection Rights Agreement (“Rights Agreement”) dated November 21, 2005, as amended. The amendment extends the expiration date of the Rights Agreement from November 20, 2020 to November 20, 2023 and decreases the exercise price of the rights from \$14.50 to \$8.54.

The Rights Agreement provided for the issuance, on November 29, 2005, as a dividend, rights to acquire fractional shares of Series E Preferred Stock. We did not assign any value to the dividend, as the value of these rights is not believed to be objectively determinable. The principal objective of the Rights Agreement is to cause someone interested in acquiring us to negotiate with our Board rather than launch an unsolicited or hostile bid. The Rights Agreement subjects a potential acquirer to substantial voting and economic dilution. Each share of common stock issued by ParkerVision will include an attached right.

The rights initially are not exercisable and trade with the common stock of ParkerVision. In the future, the rights may become exchangeable for shares of Series E Preferred Stock with various provisions that may discourage a takeover bid. Additionally, the rights have what are known as “flip-in” and “flip-over” provisions that could make any acquisition of us more costly to the potential acquirer. The rights may separate from the common stock following the acquisition of 15% or more of the outstanding shares of common stock by an acquiring person. Upon separation, the holder of the rights may exercise their right at an exercise price of \$8.54 per right (the “Exercise Price”), subject to adjustment and payable in cash. Upon payment of the Exercise Price, the holder of the right will receive from us that number of shares of common stock having an aggregate market price equal to twice the Exercise Price, as adjusted. The Rights Agreement also has a flip over provision allowing the holder to purchase that number of shares of common/voting equity of a successor entity, if we are not the surviving corporation in a business combination, at an aggregate market price equal to twice the Exercise Price. We have the right to substitute for any of our shares of common stock that we are obligated to issue, shares of Series E Preferred Stock at a ratio of one ten-thousandth of a share of Series E Preferred Stock for each share of common stock. The Series E Preferred Stock, if and when issued, will have quarterly cumulative dividend rights payable when and as declared by the Board, liquidation, dissolution and winding up preferences, voting rights and will rank junior to other securities of ParkerVision unless otherwise determined by the Board. The rights may be redeemed upon approval of the Board at a redemption price of \$0.01. As of December 31, 2022, there are no Series E preferred shares outstanding.

15. SHARE-BASED COMPENSATION

For the years ended December 31, 2022 and 2021 we recognized share-based compensation expense of approximately \$3.1 million and \$3.3 million, respectively. Share-based compensation is included in selling, general, and administrative expenses in our consolidated statements of comprehensive loss. From time to time, we issue fully vested share-based compensation awards to third parties as prepaid retainers for services over a specified period. The cost of these awards is recorded as a prepaid asset and expensed to selling, general and administrative expense over the service period (see Note 4).

As of December 31, 2022, there was \$0.2 million of total unrecognized compensation cost related to all non-vested share-based compensation awards. That cost is expected to be recognized over a weighted-average period of approximately 1.3 years.

Stock Incentive Plans

2019 Long-Term Incentive Equity Plan

We adopted a long-term incentive equity plan in August 2019 that, as amended in January 2021, provides for the grant of stock-based awards to employees, officers, directors, and consultants, not to exceed 27.0 million shares of common stock (the “2019 Plan”). The 2019 Plan provides for benefits in the form of nonqualified stock options, stock appreciation rights, restricted stock awards, and other stock-based awards. Forfeited and expired options under the 2019 Plan become available for reissuance. The plan provides that non-employee directors may not be granted awards during any calendar year that exceed the lesser of 1.0 million shares or \$175,000 in value, calculated based on grant-date fair value. At December 31, 2022, 281,467 shares of common stock were available for future grants under the 2019 Plan. The 2019 Plan was amended in January 2023 (see Note 18).

2011 Long-Term Incentive Equity Plan

We adopted a long-term incentive equity plan in September 2011 that, as amended in 2014, 2016 and 2017, provides for the grant of stock-based awards to employees, officers, directors and consultants, not to exceed 3.0 million shares of common stock (the “2011 Plan”). The 2011 Plan provides for benefits in the form of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock awards, and other stock-based awards. Forfeited and expired options under the 2011 Plan become available for reissuance. The plan provides that no participant may be granted awards in excess of 150,000 shares in any calendar year. At December 31, 2022, 61,302 shares of common stock were available for future grants under the 2011 Plan. In January 2023, we ceased any future grants under the 2011 Plan.

2008 Equity Incentive Plan

We adopted an equity incentive plan in August 2008 (the “2008 Plan”). The 2008 Plan provides for the grant of stock-based awards to employees (excluding named executives), directors and consultants, not to exceed 50,000 shares of common stock. The 2008 Plan provides for benefits in the form of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock awards, and other stock-based awards. Forfeited and expired options under the 2008 Plan become available for reissuance. The plan provides that no participant may be granted awards in excess of 5,000 shares in any calendar year. At December 31, 2022, 20,473 shares of common stock were available for future grants under the 2008 Plan. In January 2023, the 2008 Plan was terminated.

Restricted Stock Awards

RSAs are issued as executive and employee incentive compensation and as payment for services to others. The value of the award is based on the closing price of our common stock on the date of grant. RSAs are generally immediately vested.

Restricted Stock Units

RSUs are issued as incentive compensation to executives, employees, and non-employee directors. Each RSU represents a right to one share of our common stock, upon vesting. The RSUs are not entitled to voting rights or dividends, if any, until vested. RSUs generally vest over a one to three year period for employee awards and a one year period for non-employee director awards. The fair value of RSUs is generally based on the closing price of our common stock on the date of grant and is amortized to share-based compensation expense over the estimated life of the award, generally the vesting period.

RSAs and RSUs

The following table presents a summary of RSA and RSU activity under the 2008, 2011, and 2019 Plans (collectively, the “Stock Plans”) as of December 31, 2022 (shares in thousands):

	Non-vested Shares	
	Shares	Weighted-Average Grant Date Fair Value
Non-vested at beginning of year	-	
Granted	166	0.18
Vested	(166)	0.18
Forfeited	-	-
Non-vested at end of year	-	\$ -

The total fair value of RSAs and RSUs vested under the Stock Plans for the years ended December 31, 2022 and 2021 was approximately \$0.03 million and \$0.6 million, respectively.

Stock Options

Stock options are issued as incentive compensation to executives, employees, consultants and non-employee directors. Stock options are generally granted with exercise prices at or above fair market value of the underlying shares at the date of grant. Fair market value of the underlying shares is determined based on observable market prices at the date of the grant. The fair value of options granted is estimated using the Black-Scholes option pricing model. Generally, fair value is determined as of the grant date. Options for employees, including executives and non-employee directors, are generally granted under the Stock Plans.

The following table presents a summary of option activity under the Stock Plans for the year ended December 31, 2022 (shares in thousands):

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (\$)
Outstanding at beginning of year	23,215	\$ 0.42		
Granted	1,450	0.19		
Exercised	(485)	0.17		
Forfeited/Expired	-	-		
Outstanding at end of year	24,180	0.41	3.6	\$ 542
Vested at end of year	22,943	\$ 0.42	3.3	\$ 489

The weighted average per share fair value of options granted during the years ended December 31, 2022 and 2021 was \$0.17 and \$0.46, respectively. The total fair value of option shares vested was \$3.0 million and \$3.4 million for the year ended December 31, 2022 and 2021, respectively.

The fair value of option grants under the Stock Plans for the years ended December 31, 2022 and 2021, respectively, was estimated using the Black-Scholes option-pricing model with the following assumptions:

	Year ended December 31,	
	2022	2021
Expected option term (in years) ¹	5	4
Expected volatility factor ²	143.9 - 155.9%	141.1%
Risk-free interest rate ³	3.05 - 4.09%	0.36%
Expected annual dividend yield	0%	0%

¹ The expected term was generally determined based on historical activity for grants with similar terms and for similar groups of employees and represents the period of time that options are expected to be outstanding. For employee options, groups of employees with similar historical exercise behavior are considered separately for valuation purposes.

² The stock volatility for each grant is measured using the weighted average of historical daily price changes of our common stock over the most recent period equal to the expected option life of the grant.

³ The risk-free interest rate for periods equal to the expected term of the share option is based on the U.S. Treasury yield curve in effect at the measurement date.

Options by Price Range

The options outstanding at December 31, 2022 under the Stock Plans have exercise price ranges, weighted average contractual lives, and weighted average exercise prices as follows (weighted average lives in years and shares in thousands):

Range of Exercise Prices	Options Outstanding			Options Vested		
	Number Outstanding at December 31, 2022	Wtd. Avg. Exercise Price	Wtd. Avg. Remaining Contractual Life	Number Exercisable at December 31, 2022	Wtd. Avg. Exercise Price	Wtd. Avg. Remaining Contractual Life
\$0.171 - \$0.33	10,254	\$ 0.18	4.5	9,017	\$ 0.18	3.7
\$0.50 - \$0.75	13,553	0.54	3.0	13,553	0.54	3.0
\$1.98 - \$2.97	373	2.02	1.5	373	2.02	1.5
	<u>24,180</u>	<u>\$ 0.41</u>	<u>3.6</u>	<u>22,943</u>	<u>\$ 0.42</u>	<u>3.3</u>

We issue new shares of our common stock upon exercise of options or vesting of RSUs or RSAs under the Stock Plans. The shares underlying the Stock Plans are registered. Cash received from option exercises for the years ended December 31, 2022 and 2021, was \$0.1 million and \$0.3 million, respectively.

16. RELATED PARTY TRANSACTIONS

We paid approximately \$0.01 million and \$0.1 million in 2022 and 2021, respectively, for patent-related legal services to SKGF, of which Robert Sterne, one of our directors since September 2006, is a partner. In addition, we paid approximately \$0.1 million in both 2022 and 2021 for principal and interest on the SKGF Note (see Note 8). The SKGF Note has an outstanding balance, including accrued interest, of approximately \$0.6 million at December 31, 2022.

In May 2022, we sold an aggregate of \$0.1 million in promissory notes, convertible into shares of our common stock at a fixed conversion price of \$0.13 to Paul Rosenbaum, one of our directors since December 2016. As of December 31, 2022, Mr. Rosenbaum holds \$0.2 million of our convertible promissory notes convertible into 1.02 million shares of common stock.

In August 2022, we sold an aggregate of \$0.03 million in promissory notes, convertible into approximately 0.2 million shares of our common stock at a fixed conversion price of \$0.13 to Sanford Litvack, who became an independent director in October 2022. In January 2023, Mr. Litvack purchased 62,500 shares of our common stock at \$0.16 per share in a private placement transaction (see Note 18).

17. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject us to a concentration of credit risk principally consist of cash and cash equivalents. Cash and cash equivalents are primarily held in bank accounts and overnight investments. At times our cash balances on deposit with banks may exceed the balance insured by the F.D.I.C.

18. SUBSEQUENT EVENTS

In February 2023, we entered into a confidential patent license and settlement agreement and in March 2023, we received a payment of \$25 million with respect thereto.

In February 2023, we dismissed our two patent enforcement actions against Intel Corporation (see Note 13).

In January 2023, we received aggregate proceeds of approximately \$0.7 million from the sale of convertible notes to accredited investors. The notes mature five years from the date of issuance and are convertible, at the holders' option, into shares of our common stock at a fixed conversion price of \$0.16 per share, except that the maturity date of \$0.5 million of the notes may be extended for up to ten (10) one-year periods at the option of the holder. The notes bear interest at a stated rate of 9% per annum. Interest is payable quarterly, and we may elect, subject to certain equity conditions, to pay interest in cash, shares of our common stock, or a combination thereof. In January 2023, we received aggregate proceeds of approximately \$0.14 million from the sale of common stock to accredited investors at a price of \$0.16 per share. We entered into registration rights agreements with the investors pursuant to which we will register the shares. We have committed to file the registration statement by April 7, 2023 and to cause the registration statement to become effective by April 30, 2023 (or in the event of a review by the Securities and Exchange Commission, by June 30, 2023). The registration rights agreements provide for liquidated damages upon the occurrence of certain events including failure by us to file the registration statement or cause it to become effective by the deadlines set forth above. The amount of the liquidated damages is 1.0% of the aggregate subscription upon the occurrence of the event, and monthly thereafter, up to a maximum of 6%, or approximately \$0.05 million.

On January 16, 2023, the Board amended the 2019 Long-Term Incentive Plan to increase the number of shares of common stock reserved for issuance under the 2019 Plan from 27 million shares to 30 million shares.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under Rules 13a-15(e) and 15d-15(e) of the Exchange Act, “disclosure controls and procedures” are controls and other procedures that are designed to ensure that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified under the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to our management, including our chief executive officer and our chief financial officer, as appropriate to allow timely decisions regarding required disclosures. Our management, with the participation of our chief executive officer and our chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2022. Based on such evaluation, our chief executive officer and our chief financial officer have concluded that as of December 31, 2022, our disclosure controls and procedures were effective.

Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. Under Rules 13a-15(f) and 15d-15(f) of the Exchange Act, “internal control over financial reporting” is defined as a process designed by, or under the supervision of, our chief executive officer and our chief financial officer, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect our transactions and our dispositions of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with generally accepted accounting; provide reasonable assurance that receipts and expenditures of the Company are made only in accordance with authorizations of management and directors; and provide reasonable assurance regarding the prevention or the timely detection of the unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on our financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management, with the participation of our chief executive officer and our chief financial officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2022 using the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2022.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended December 31, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdiction that Prevents Inspections.

Not applicable.

PART III**Item 10. Directors, Executive Officers and Corporate Governance.**Directors

Our Board is divided into three classes with only one class of directors typically being elected in each year and each class serving a three-year term. In October 2022, our Board approved an increase in the size of our Board from four to five members. Effective the same date, the Board appointed Mr. Sanford M. Litvack to fill the newly created vacancy. Mr. Litvack will be included in director nominees for approval by a vote of our shareholders at our 2023 annual meeting. Our current directors, including their backgrounds and qualifications are as follows:

Name	Age	Position with the Company
Sanford M. Litvack	86	Class I Director, Audit Committee Member
Jeffrey L. Parker	66	Class I Director, Chairman of the Board and Chief Executive Officer
Frank N. Newman	80	Class II Director, Audit Committee Member
Paul A. Rosenbaum	80	Class III Director, Audit Committee Chair
Robert G. Sterne	71	Class III Director

Sanford M. Litvack

Sanford Litvack has been a director of ours and a member of our audit committee since October 2022. Mr. Litvack has been a partner with Chaffetz Lindsey LLP since 2019 and served as partner at various other law firms from 2001 to 2019. Mr. Litvack served as Assistant Attorney General in charge of the Antitrust Division of the Department of Justice and was selected by President George W. Bush to serve as a member of the Antitrust Modernization Commission. Mr. Litvack spent a decade at the Walt Disney Company from 1991 to 2001, holding various roles from general counsel to chief of corporate operations and vice chairman of the board of directors. He is also a former director of Hewlett Packard. Mr. Litvack has served on the board of directors for L Catterton Asia Acquisition Corp., a special purpose acquisition company, since August 2022. Mr. Litvack brings substantial knowledge of corporate and legal matters including a broad corporate litigation background, handling a wide array of complex matters, including patent and intellectual property issues.

Jeffrey L. Parker

Jeffrey Parker has been the Chairman of our Board and our Chief Executive Officer since our inception in August 1989 and was our president from April 1993 to June 1998. From March 1983 to August 1989, Mr. Parker served as executive vice president for Parker Electronics, Inc., a joint venture partner with Carrier Corporation performing research, development, manufacturing, and sales and marketing for the heating, ventilation and air conditioning industry. Mr. Parker is a named inventor on 31 U.S. patents. Among other qualifications, as Chief Executive Officer, Mr. Parker has relevant insight into our operations, our industry, and related risks as well as experience bringing disruptive technologies to market.

Frank N. Newman

Frank Newman has been a director of ours since December 2016 and a member of our audit committee since April 2020. Mr. Newman has been the chief executive officer and co-founder of PathGuard, Inc. (or its predecessors), a company offering hardware-based cybersecurity, since 2015. From 2011 until December 2018, Mr. Newman served as chairman of Promontory Financial Group China Ltd., an advisory group for financial institutions and corporations in China. From 2005 to 2010, he served as chairman and chief executive officer of Shenzhen Development Bank, a national bank in China. Prior to 2005, Mr. Newman served as chairman, president, and chief executive officer of Bankers Trust and chief financial officer of Bank of America and Wells Fargo Bank. Mr. Newman served as Deputy Secretary of the U.S. Treasury from 1994 to 1995 and as Under Secretary of Domestic Finance from 1993 to 1994. He has authored two books and several articles on economic matters, published in the U.S., mainland China, and Hong Kong. Mr. Newman has served as director of Aspirational Consumer Lifestyle Corp (NYSE: ASPL), a special purpose acquisition company, since September 2020 and as director of L Catterton Asia Acquisition Copr., another special purpose acquisition company, since March 2021. He also serves as audit committee chair and a member of the compensation committee and nominating and corporate governance committees for ASPL. Mr. Newman has previously served as a director for major public companies in the U.S., United Kingdom, and China, and as a member of the Board of Trustees of Carnegie Hall. He earned his BA, magna cum laude, in economics at Harvard. Mr. Newman brings a substantial knowledge of international banking and business relationships to the Board. His financial background adds an important expertise to the Board with regard to financing future business opportunities.

Paul A. Rosenbaum

Paul A. Rosenbaum has been a director of ours since December 2016 and a member of our audit committee since September 2018. Mr. Rosenbaum has extensive experience as a director and executive officer for both public and private companies in a number of industries. Since 1994, Mr. Rosenbaum has served as chief executive of SWR Corporation, a privately-held corporation that designs, sells, and markets specialty industrial chemicals. In September 2017, Mr. Rosenbaum was appointed to the Board of Commissioners for the Oregon Liquor Control Commission and has served as chairman since March 2018. Since 2009, Mr. Rosenbaum has been a member of the Providence St. Vincent Medical Foundation Council of Trustees, and previously served as president of the Council. In addition, from September 2000 until June 2009, Mr. Rosenbaum served as chairman and chief executive officer of Rentrak Corporation (“Rentrak”), a Nasdaq publicly traded company that provides transactional media measurement and analytical services to the entertainment and media industry. From June 2009 until July 2011, Mr. Rosenbaum served in a non-executive capacity as chairman of Rentrak. From 2007 until 2016, Mr. Rosenbaum served on the Board of Commissioners for the Port of Portland, including as vice chairman from 2012 to 2016. Mr. Rosenbaum was chief partner in the Rosenbaum Law Center from 1978 to 2000 and served in the Michigan Legislature from 1972 to 1978, during which time he chaired the Michigan House Judiciary Committee, was legal counsel to the Speaker of the House of the state of Michigan and wrote and sponsored the Michigan Administrative Procedures Act. Additionally, Mr. Rosenbaum served on the National Conference of Commissioners on Uniform State Laws, as vice chairman of the Criminal Justice and Consumer Affairs Committee of the National Conference of State Legislatures, and on a committee of the Michigan Supreme Court responsible for reviewing local court rules. Among other qualifications, Mr. Rosenbaum has extensive experience as a director and executive officer of a publicly held corporation and has relevant insights into operations and our litigation strategies.

Robert G. Sterne

Robert Sterne has been a director of ours since September 2006 and also served as a director of ours from February 2000 to June 2003. Since 1978, Mr. Sterne has been a partner of the law firm of Sterne, Kessler, Goldstein & Fox PLLC, specializing in patent and other intellectual property law. Mr. Sterne provides legal services to us as one of our patent and intellectual property attorneys. Mr. Sterne has co-authored numerous publications related to patent litigation strategies. He has received multiple awards for contributions to intellectual property law including Law 360’s 2016 Top 25 Icons of IP and the Financial Times 2015 Top 10 Legal Innovators in North America. Among other qualifications, Mr. Sterne has an in-depth knowledge of our intellectual property portfolio and patent strategies and is considered a leader in best practices and board responsibilities concerning intellectual property.

Information About Our Executive Officers

Our current executive officers are as follows:

Name	Age	Position with the Company
Jeffrey Parker	66	Chairman of the Board and Chief Executive Officer (“CEO”)
Cynthia French	56	Chief Financial Officer and Corporate Secretary (“CFO”)

The background for Mr. Jeffrey Parker is included above under the heading “Directors”.

Cynthia French (formerly Poehlman)

Cynthia French has been our chief financial officer since June 2004 and our corporate secretary since August 2007. From March 1994 to June 2004, Ms. French was our controller and our chief accounting officer. Ms. French has been a certified public accountant in the state of Florida since 1989.

Family Relationships

There are no family relationships among our officers or directors.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires our officers, directors and persons who beneficially own more than ten percent of our common stock to file reports of ownership and changes in ownership with the SEC. Based solely upon a review of such forms and written representations received by the Company from certain reporting persons, we believe that during the year ended December 31, 2022 all Section 16(a) filing requirements were complied with in a timely manner.

Code of Ethics

The Board has adopted a code of ethics applicable to all of our directors, officers and employees, including our chief executive officer and our chief financial and accounting officer, that is designed to deter wrongdoing and to promote honest and ethical conduct, full, fair, accurate, timely and understandable disclosure in reports that we file or submit to the SEC and in our other public communications, compliance with applicable government laws, rules and regulations, prompt internal reporting of violations of the code to an appropriate person designated in the code and accountability for adherence to the code. A copy of the code of ethics may be found on our website at www.parkervision.com.

Shareholder Nominations

There have been no material changes to the procedures by which security holders may recommend nominees to our Board.

Audit Committee and Financial Expert

Our audit committee is chaired by Mr. Rosenbaum and Messrs. Litvack and Newman serve as members of the audit committee. Our audit committee is governed by a Board-approved charter which, among other things, establishes the audit committee’s membership requirements and its powers and responsibilities. Our Board has determined that Messrs. Litvack, Newman, and Rosenbaum are audit committee financial experts within the meaning of the rules and regulations of the SEC.

Item 11. Executive Compensation.Summary Compensation Table

The following table summarizes the total compensation of each of our “named executive officers” as defined in Item 402(m) of Regulation S-K (the “Executives”) for the fiscal years ended December 31, 2022 and 2021. Given the complexity of disclosure requirements concerning executive compensation, and in particular with respect to the standards of financial accounting and reporting related to equity compensation, there is a difference between the compensation that is reported in this table versus that which is actually paid to and received by the Executives. The amounts in the Summary Compensation Table that reflect the full grant date fair value of an equity award, do not necessarily correspond to the actual value that has been realized or will be realized in the future with respect to these awards.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(1)	All Other (\$)	Total (\$)
Jeffrey Parker, CEO	2022	\$ 260,000	\$ -	\$ -	\$ -	\$ 24,000 ²	\$ 284,000
	2021	260,000	-	-	3,640,000	24,000 ²	3,924,000
Cynthia French, CFO	2022	180,000	20,000	30,000	-	-	230,000
	2021	180,000	-	-	455,000	-	635,000

- The amounts represented in columns (e) and (f) represent the full grant date fair value of equity awards in accordance with ASC 718. Refer to Note 15 to the consolidated financial statements for the year ended December 31, 2022 included in Item 8 for the assumptions made in the valuation of equity awards.
- Represents an automobile allowance in the amount of \$24,000, paid biweekly.

In January 2021, the Board approved equity awards under the 2019 Plan including nonqualified stock options for the purchase of up to 8,000,000 shares at an exercise price of \$0.54 per share to Mr. Parker and nonqualified stock options for the purchase of up to 1,000,000 shares at an exercise price of \$0.54 to Ms. French. These options vest over eight equal quarterly increments commencing March 31, 2021 and expiring on January 11, 2026. These awards were awarded as long-term incentive to our executives and took into consideration the longevity of their tenure with us, the continuation of their base compensation at a 20% reduced pay rate since 2018 and in recognition of the key role each holds in the organization.

In July 2022, the Board approved a performance bonus for Ms. French that included \$20,000 cash and 166,390 immediately vested shares of our common stock in consideration for the substantial savings in outside professional fees Ms. French has enabled by bringing significant activities in-house.

We do not have employment agreements with any of our Executives. We have non-compete arrangements in place with all of our employees, including our Executives, that impose post-termination restrictions on (i) employment or consultation with competing companies or customers, (ii) recruiting or hiring employees for a competing company, and (iii) soliciting or accepting business from our customers. We also have a tax-qualified defined contribution 401(k) plan for all of our employees, including our Executives. We did not make any employer contributions to the 401(k) plan in 2022 or 2021.

Outstanding Equity Awards at Fiscal Year End

The following table summarizes information concerning the outstanding equity awards, including unexercised options, unvested stock and equity incentive awards, as of December 31, 2022 for each of our Executives:

Name	Option Awards			
	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option Exercise Price (\$)	Option Expiration Date
	(a)	(b)	(c)	(d)
Jeffrey Parker	20,000	1	1.98	8/15/2024
		2,		
	2,660,000	5	0.17	8/7/2026
	8,000,000	3	0.54	1/11/2026
Cynthia French	20,000	1	1.98	8/15/2024
	870,550	2	0.17	8/7/2026
	150,000	4	0.33	2/9/2027
	1,000,000	3	0.54	1/11/2026

¹ Options vested over four equal quarterly periods from August 31, 2017 to May 31, 2018.

² Options vested over eight equal quarterly periods from September 1, 2019 to June 1, 2021.

³ Options vested over eight equal quarterly periods from March 31, 2021 to December 31, 2022.

⁴ Options vested 50% on grant date and the remaining 50% over four equal quarterly periods from May 9, 2020 to May 9, 2021.

⁵ Number of securities underlying exercisable options is net of 3.3 million share options gifted for no consideration by Mr. Parker in January 2021.

Director Compensation

Since September 2018, the Board compensation program has consisted exclusively of equity-based compensation, generally awarded annually, in the form of nonqualified stock options, RSUs, or a combination thereof. Unvested director equity compensation awards are forfeited if the director resigns or is removed from the Board for cause prior to the vesting date. Nonqualified stock options generally expire five to seven years from grant date.

In January 2021, each of our non-employee directors was awarded 380,000 nonqualified stock options at an exercise price of \$0.54 per share. These options vest over eight equal quarterly increments commencing March 31, 2021 and expiring on January 11, 2026.

In July 2022, each of our non-employee directors was awarded 250,000 nonqualified stock options and each of our audit committee members was awarded an additional 50,000 nonqualified stock options at an exercise price of \$0.18 per share. These options vest over four equal quarterly increments commencing October 7, 2022 and expiring on July 7, 2029.

In October 2022, upon being appointed to the Board, Mr. Litvack was awarded 600,000 nonqualified stock options at an exercise price of \$0.195 per share. These options vest over eight quarterly increments commencing January 27, 2023 and expiring October 27, 2027.

We reimburse our non-employee directors for their reasonable expenses incurred in attending meetings where applicable and we encourage participation in relevant educational programs for which we reimburse all or a portion of the costs incurred for these purposes.

Directors who are also our employees are not compensated for serving on our Board. Information regarding compensation otherwise received by our directors who are also named executive officers is provided under “Executive Compensation.”

The following table summarizes the compensation of our non-employee directors for the year ended December 31, 2022.

Name	Stock Awards(\$)	Option Awards(\$) ¹	Total (\$)
(a)	(b)	(c)	(d)
Frank Newman ²	\$ -	\$ 48,694	\$ 48,694
Paul Rosenbaum ³	-	48,694	48,694
Robert Sterne ⁴	-	40,578	40,578
Sanford Litvack ⁵	-	108,413	108,413

- The amounts represented in columns (b) and (c) represent the full grant date fair value of share-based awards in accordance with ASC 718. Refer to Note 15 of the consolidated financial statements included in Item 8 for the assumptions made in the valuation of stock awards.
- At December 31, 2022, Mr. Newman has an aggregate of 1,655,000 nonqualified stock options outstanding, of which 1,430,000 are exercisable.
- At December 31, 2022, Mr. Rosenbaum has an aggregate of 1,805,000 nonqualified stock options outstanding, of which 1,580,000 are exercisable.
- At December 31, 2022, Mr. Sterne has 1,901,735 nonqualified stock options outstanding, of which 1,714,235 are exercisable.
- At December 31, 2022, Mr. Litvack has 600,000 nonqualified stock options outstanding, none of which are exercisable.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.Equity Compensation Plan Information

The following table gives information as of December 31, 2022 about shares of our common stock authorized for issuance under all of our equity compensation plans (in thousands, except for per share amounts):

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders 1,3	1,204	\$0.94	82
Equity compensation plans not approved by security holders 2,3	23,176	0.38	281
Total	24,380		363

1. Includes the 2008 and 2011 Plans.
2. Includes the 2019 Plan. Number of securities to be issued upon exercise of outstanding options, warrants and rights includes Non-Plan awards.
3. The types of awards that may be issued under each of these plans is discussed more fully in Note 15 to our consolidated financial statements included in Item 8.

Security Ownership of Certain Beneficial Holders

The following table sets forth certain information as of March 24, 2023 with respect to the stock ownership of (i) those persons or groups who beneficially own more than 5% of our common stock, (ii) each of our directors, (iii) each of our executive officers, and (iv) all of our directors and executive officers as a group (based upon information furnished by those persons).

As of March 24, 2023, 84,522,832 shares of our common stock were issued and outstanding.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class ¹
>5% HOLDERS (EXCLUDING EXECUTIVE OFFICERS AND DIRECTORS)		
GEM Partners, LP	8,936,770 2	9.99%
Thomas Staz Revocable Trust	4,575,376 3	5.41%
EXECUTIVE OFFICERS AND DIRECTORS		
Jeffrey Parker ¹¹	11,190,583 4	11.75%
Cynthia French ¹¹	2,232,133 5	2.58%
Sanford Litvack ¹¹	483,475 6	*
Frank Newman ¹¹	1,838,100 7	2.13%
Paul Rosenbaum ¹¹	3,321,031 8	3.80%
Robert Sterne ¹¹	1,950,000 9	2.26%
All directors and executive officers as a group (6 persons)	21,015,322 10	20.20%

- 1 Percentage is calculated based on all outstanding shares of common stock plus, for each person or group, any shares of common stock that the person or the group has the right to acquire within 60 days pursuant to options, warrants, conversion privileges or other rights. Unless otherwise indicated, each person or group has sole voting and dispositive power over all such shares of common stock.
- 2 GEM Investment Advisors, LLC ("GEM Advisors") is the general partner of GEM Partners LP ("GEM"). Mr. Daniel Lewis is the controlling person of GEM Advisors. GEM Advisors and Mr. Lewis have shared voting and dispositive power. Beneficial ownership includes (i) 6,600 shares held by Mr. Lewis, (ii) 3,998,246 shares held by GEM, and (iii) 4,931,924 shares underlying convertible notes held by GEM. Excludes 7,520,000 shares underlying convertible notes held by GEM that are not convertible within 60 days due to exercise limitations. The principal business address of GEM Advisors and Mr. Lewis is 100 State Street, Suite 2B, Teaneck, NJ 07666. Information derived from a Schedule 13G/A filed by GEM Advisors on February 13, 2023.
- 3 Thomas Staz is the trustee of the Thomas Staz Revocable Trust ("Staz Trust"). The principal business address of the Thomas Staz Revocable Trust is 1221 Brickell Avenue, Suite 2660, Miami, Florida 33131. Beneficial ownership excludes 750,000 shares underlying convertible notes held by the Staz Trust that are not convertible within 60 days due to exercise limitations. Information derived from a Schedule 13D filed by the Staz Trust on April 7, 2021.
- 4 Includes 10,680,000 shares of common stock issuable upon currently exercisable options, 393,324 shares held by Mr. Parker directly, and 117,259 shares held by Jeffrey Parker and Deborah Parker Joint Tenants in Common, over which Mr. Parker has shared voting and dispositive power.
- 5 Includes 2,040,550 shares of common stock issuable upon currently exercisable options.
- 6 Includes 225,000 shares of common stock issuable upon currently exercisable options and 192,308 shares of common stock issuable upon conversion of convertible notes. Excludes 675,000 shares of common stock issuable upon options that may become exercisable in the future.
- 7 Includes 1,654,000 shares of common stock issuable upon currently exercisable options and excludes 300,000 shares of common stock issuable upon options that may become exercisable in the future.

- 8 Includes 1,805,000 shares of common stock issuable upon currently exercisable options and 1,019,231 shares of common stock issuable upon conversion of convertible notes. Excludes 300,000 shares of common stock issuable upon options that may become exercisable in the future.
 - 9 Includes 1,901,735 shares of common stock issuable upon currently exercisable options and excludes 250,000 shares of common stock issuable upon options that may become exercisable in the future.
 - 10 Includes 18,306,285 shares of common stock issuable upon currently exercisable options and 1,211,539 shares of common stock issuable upon conversion of convertible notes held by directors and officers and excludes 1,525,000 shares of common stock issuable upon options that may become exercisable in the future (see notes 4, 5, 6, 7, 8 and 9 above).
 - 11 The person's address is 4446-1A Hendricks Avenue, Suite 354, Jacksonville, Florida 32207.
- * Percentage ownership is less than 1%.

Item 13. Certain Relationships and Related Transactions and Director Independence.

Related Party Transactions

We paid approximately \$7,000 and \$97,000 in 2022 and 2021, respectively for patent-related legal services to SKGF, of which Robert Sterne is a partner. In addition, we paid approximately \$115,000 and \$130,000 in 2022 and 2021, respectively, for principal and interest on an unsecured note payable to SKGF. The note was issued in 2016 to convert outstanding unpaid legal fees to an unsecured promissory note. The note has been amended multiple times to defer principal payments. The note, as amended, allows for interest at 4% per annum, monthly installments of \$12,500 per month beginning October 2022, with a final balloon payment due on April 30, 2027. At December 31, 2022, the outstanding balance of the note, including unpaid interest is approximately \$612,000.

In May 2022, we sold an aggregate of \$100,000 in promissory notes, convertible into shares of our common stock at a fixed conversion price of \$0.13 to Paul Rosenbaum, one of our directors since December 2016. In August 2022, we sold an aggregate of \$25,000 in promissory notes, convertible into shares of our common stock at a fixed conversion price of \$0.13 to Sanford Litvack, who became an independent director in October 2022.

Director Independence

We follow the rules of Nasdaq in determining if a director is independent. The Board also consults with our counsel to ensure that the Board's determination is consistent with those rules and all relevant securities and other laws and regulations regarding the independence of directors. The Board has affirmatively determined that Messrs. Litvack, Newman, Rosenbaum, and Sterne are independent directors.

Item 14. Principal Accountant Fees and Services.

The firm of MSL, P.A. acts as our principal accountants. The following is a summary of fees paid to the principal accountants for services rendered.

Audit Fees. For the years ended December 31, 2022 and 2021, the aggregate fees billed by our principal accountants for professional services rendered for the audit of our annual financial statements, the review of our financial statements included in our quarterly reports, and services provided in connection with regulatory filings were approximately \$189,000 and \$120,000, respectively.

Audit Related Fees. For the years ended December 31, 2022 and 2021, there were no fees billed for professional services by our principal accountants for assurance and related services.

Tax Fees. For the years ended December 31, 2022 and 2021, there were no fees billed for professional services rendered by our principal accountants for tax compliance, tax advice or tax planning.

All Other Fees. For the years ended December 31, 2022 and 2021, there were no fees billed for other professional services by our principal accountants.

All the services discussed above were approved by our audit committee. The audit committee pre-approves the services to be provided by our principal accountants, including the scope of the annual audit and non-audit services to be performed by the principal accountants and the principal accountants' audit and non-audit fees.

PART IV**Item 15. Exhibits and Financial Statement Schedules.**

(a) Documents filed as part of this report:

(1) Financial statements:

Consolidated Balance Sheets as of December 31, 2022 and 2021

Consolidated Statements of Comprehensive Loss for the years ended December 31, 2022 and 2021

Consolidated Statements of Shareholders' Deficit for the years ended December 31, 2022 and 2021

Consolidated Statements of Cash Flows for the years ended December 31, 2022 and 2021

Notes to Consolidated Financial Statements for the years ended December 31, 2022 and 2021

(2) Financial statement schedules:

Not applicable.

(3) Exhibits.

Exhibit Number	Description
3.1	Amended and Restated Articles of Incorporation (incorporated by reference from Exhibit 3.1 of Current Report on Form 8-K filed March 29, 2016)
3.2	Amended and Restated Bylaws (incorporated by reference from Exhibit 3.1 of Current Report on Form 8-K filed August 14, 2007)
3.3	Articles of Amendment to Amended and Restated Articles of Incorporation (incorporated by reference from Exhibit 3.1 of Current Report on Form 8-K filed August 18, 2016)
3.4	Articles of Amendment to Amended and Restated Articles of Incorporation (incorporated by reference from Exhibit 3.1 of Current Report on Form 8-K filed July 13, 2017)
3.5	Articles of Amendment to the Amended and Restated Articles of Incorporation (incorporated by reference from Exhibit 3.5 of Form S-1 filed August 9, 2018)
3.6	Articles of Amendment to the Amended and Restated Articles of Incorporation (incorporated by reference from Exhibit 3.1 of Current Report on Form 8-K filed October 30, 2018)
3.7	Articles of Amendment to the Amended and Restated Articles of Incorporation (incorporated by reference from Exhibit 3.1 of Current Report on Form 8-K filed November 15, 2019)
3.8	Articles of Amendment to the Amended and Restated Articles of Incorporation (incorporated by reference from Exhibit 3.1 of Current Report on Form 8-K filed September 4, 2020)
3.9	Articles of Amendment to the Amended and Restated Articles of Incorporation (incorporated by reference from Exhibit 3.1 of Current Report on Form 8-K filed September 30, 2021)
3.10	Articles of Amendment to the Amended and Restated Articles of Incorporation (incorporated by reference from Exhibit 3.1 of Current Report on Form 8-K filed September 20, 2022)
3.11	Certificate of Designations of the Preferences, Limitations and Relative Rights of Series E Preferred Stock, dated November 21, 2005 (incorporated by reference from Exhibit 4.02 of Current Report on Form 8-K filed November 22, 2005)
4.1	Form of common stock certificate (incorporated by reference from Exhibit 4.1 of Annual Report on Form 10-K for the year ended December 31, 2015)

- 4.2 [Shareholder Protection Rights Agreement between the Registrant and American Stock Transfer & Trust Company, as Rights Agent \(incorporated by reference from Exhibit 4.01 of Form 8-K filed November 22, 2005\)](#)
- 4.3 [First Amendment to Shareholder Protection Rights Agreement dated as of November 20, 2015 between the Registrant and American Stock Transfer & Trust Company, as Rights Agent \(incorporated by reference from Exhibit 4.1 of Form 8-K filed November 23, 2015\)](#)
- 4.5 [Second Amendment to Shareholder Protection Rights Agreement dated as of November 20, 2020 between the Registrant and American Stock Transfer and Trust Company, as Rights Agent \(incorporated by reference from Exhibit 4.1 of Form 8-K filed November 20, 2020\)](#)
- 4.6 [Form of Rights Certificate pursuant to Second Amendment to Shareholder Protection Rights Agreement dated November 20, 2020 \(incorporated by reference from Exhibit 4.2 of Form 8-K filed November 23, 2020\)](#)
- 4.7 *[Description of Registered Securities](#)
- 10.1 [Form of 2022 Indemnification Agreement for Directors and Officers \(incorporated by reference from Exhibit 10.5 of Quarterly Report on Form 10-Q for the period ended September 30, 2022, filed November 14, 2022\) **](#)
- 10.2 [Standard Form of Employee Option Agreement \(incorporated by reference from Exhibit 10.1 of Form 8-K filed January 13, 2021\)](#)
- 10.3 [2008 Equity Incentive Plan \(Non-Named Executives\), as amended \(incorporated by reference from Exhibit 4.1 of Form S-8 filed October 24, 2008\) **](#)
- 10.4 [2011 Long-Term Incentive Equity Plan, as amended and restated \(incorporated by reference from Exhibit 10.1 of Form 8-K filed July 13, 2017\)**](#)
- 10.5 [Claims Proceeds Investment Agreement between Registrant and Brickell Key Investments LP \(incorporated by reference from Exhibit 10.2 of Quarterly Report on Form 10-Q filed May 16, 2016\)](#)
- 10.6 [Amendment to Claims Proceeds Investment Agreement between Registrant and Brickell Key Investments LP \(incorporated by reference from Exhibit 10.1 of Quarterly Report on Form 10-Q filed August 15, 2016\)](#)
- 10.7 [Amendment to Claims Proceeds Investment Agreement between Registrant and Brickell Key Investments LP dated December 28, 2017 \(incorporated by reference from Exhibit 10.11 of Annual Report on Form 10-K filed March 29, 2018\)](#)
- 10.8 [Amendment to Claims Proceeds Investment Agreement between Registrant and Brickell Key Investments LP dated April 26, 2018 \(incorporated by reference from Exhibit 10.21 of Registration Statement on Form S-1 filed August 9, 2018\)](#)
- 10.9 [Notice of Exercise of Rights Under Claims Proceeds Investment Agreement between Registrant and Brickell Key Investments LP dated December 20, 2018 \(incorporated by reference from Exhibit 10.2 of Current Report on Form 8-K/A filed December 28, 2018\)](#)
- 10.10 [Warrant Agreement between Registrant and Brickell Key Investments LP \(incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed December 21, 2018\)](#)
- 10.11 [Form of Convertible Promissory Note dated September 10, 2018 \(incorporated by reference from Exhibit 10.2 of Current Report on Form 8-K filed September 11, 2018\)](#)
- 10.12 [List of Holders of Convertible Notes dated September 10, 2018 \(incorporated by reference from Exhibit 10.4 of Current Report on Form 8-K filed September 11, 2018\)](#)
- 10.13 [Securities Purchase Agreement between Registrant and Holders of Convertible Notes dated September 18, 2018 \(incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed September 18, 2018\)](#)
- 10.14 [Form of Convertible Promissory Note dated September 18, 2018 \(incorporated by reference from Exhibit 10.2 of Current Report on Form 8-K filed September 19, 2018\)](#)
- 10.15 [Securities Purchase Agreement between Registrant and Holders of Convertible Notes dated February 25, 2019 \(incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed March 4, 2019\)](#)
- 10.16 [Form of Convertible Promissory Note dated February 28, 2019 \(incorporated by reference from Exhibit 10.2 of Current Report on Form 8-K filed March 4, 2019\)](#)
- 10.17 [List of Holders of Convertible Notes dated February 28, 2019 \(incorporated by reference from Exhibit 10.4 of Current Report on Form 8-K filed March 4, 2019\)](#)
- 10.18 [Securities Purchase Agreement between Registrant and Holders of Convertible Notes dated March 13, 2019 \(incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed March 14, 2019\)](#)

10.19	Form of Convertible Promissory Note dated March 13, 2019 (incorporated by reference from Exhibit 10.3 of Current Report on Form 8-K filed March 14, 2019)
10.20	List of Holders of Convertible Notes dated March 13, 2019 (incorporated by reference from Exhibit 10.4 of Current Report on Form 8-K filed March 14, 2019)
10.21	Securities Purchase Agreement between Registrant and Mark Fisher dated June 7, 2019 (incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed June 13, 2019)
10.22	Secured Convertible Note Agreement dated June 7, 2019 (incorporated by reference from Exhibit 10.2 of Current Report on Form 8-K filed June 13, 2019)
10.23	Security Agreement dated June 7, 2019 (incorporated by reference from Exhibit 10.4 of Current Report on Form 8-K filed June 13, 2019)
10.24	Form of Securities Purchase Agreement between Registrant and Holders of Convertible Notes dated June 19, 2019 (incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed June 25, 2019)
10.25	Form of Convertible Promissory Note dated June 19, 2019 (incorporated by reference from Exhibit 10.2 of Current Report on Form 8-K filed June 25, 2019)
10.26	List of Holders of Convertible Notes dated June 19, 2019 (incorporated by reference from Exhibit 10.4 of Current Report on Form 8-K filed June 25, 2019)
10.27	Form of Securities Purchase Agreement between Registrant and Holders of Convertible Notes dated July 18, 2019 (incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed July 23, 2019)
10.28	Form of Convertible Promissory Note dated July 18, 2019 (incorporated by reference from Exhibit 10.2 of Current Report on Form 8-K filed July 23, 2019)
10.29	List of Holders of Convertible Notes dated July 18, 2019 (incorporated by reference from Exhibit 10.4 of Current Report on Form 8-K filed July 23, 2019)
10.30	*2019 Long-term Incentive Plan dated August 9, 2019, as amended on January 16, 2023 **
10.31	Form of Securities Purchase Agreement between Registrant and Holders of Convertible Notes dated January 8, 2020 (incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed January 10, 2020)
10.32	Form of Convertible Promissory Note dated January 8, 2020 (incorporated by reference from Exhibit 10.2 of Current Report on Form 8-K filed January 10, 2020)
10.33	List of Holders of Convertible Notes dated January 8, 2020 (incorporated by reference from Exhibit 10.4 of Current Report on Form 8-K filed January 10, 2020)
10.34	Warrant Agreement between Registrant and Aspire Capital Fund, LLC dated February 28, 2020 (incorporated by reference from Exhibit 4.1 of Current Report on Form 8-K filed March 5, 2020)
10.35	Form of Subscription Agreement between Registrant and Accredited Investors dated March 5, 2020 (incorporated by reference from Exhibit 10.2 of Current Report on Form 8-K filed March 5, 2020)
10.36	Form of Subscription Agreement between Registrant and Accredited Investors dated March 13, 2020 (incorporated by reference from Exhibit 10.72 of Annual Report on Form 10-K filed April 14, 2020)
10.37	List of Accredited Investors to March 5, 2020 and March 13, 2020 Subscription Agreements (incorporated by reference from Exhibit 10.74 of Annual Report on Form 10-K filed April 14, 2020)
10.38	Form of Subscription Agreement between Registrant and Accredited Investors dated April 29, 2020 (incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed May 5, 2020)
10.39	List of Accredited Investors to April 29, 2020 Subscription Agreement (incorporated by reference from Exhibit 10.3 of Current Report on Form 8-K filed May 5, 2020)
10.40	Amendment to Subscription Agreement between Registrant and Accredited Investors dated May 1, 2020 (incorporated by reference from Exhibit 10.4 of Current Report on Form 8-K filed May 5, 2020)
10.41	Form of Subscription Agreement between Registrant and Accredited Investors dated May 22, 2020 (incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed May 29, 2020)
10.42	List of Accredited Investors to May 22, 2020 Subscription Agreement (incorporated by reference from Exhibit 10.3 of Current Report on Form 8-K filed May 29, 2020)
10.43	Form of Subscription Agreement between Registrant and Accredited Investors dated June 8, 2020 (incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed June 12, 2020)
10.44	List of Accredited Investors to June 8, 2020 Subscription Agreement (incorporated by reference from Exhibit 10.3 of Current Report on Form 8-K filed June 12, 2020)

- 10.45 [Form of Subscription Agreement between Registrant and Accredited Investors dated June 29, 2020 \(incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed July 6, 2020\)](#)
- 10.46 [List of Accredited Investors to June 29, 2020 Subscription Agreement \(incorporated by reference from Exhibit 10.3 of Current Report on Form 8-K filed July 6, 2020\)](#)
- 10.47 [Form of Subscription Agreement between Registrant and Accredited Investors dated August 19, 2020 \(incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed August 21, 2020\)](#)
- 10.48 [List of Accredited Investors to August 19, 2020 Subscription Agreement \(incorporated by reference from Exhibit 10.3 of Current Report on Form 8-K filed August 21, 2020\)](#)
- 10.49 [Form of Subscription Agreement between Registrant and Accredited Investors dated November 17, 2020 \(incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed November 23, 2020\)](#)
- 10.50 [List of Accredited Investors to November 17, 2020 Subscription Agreement \(incorporated by reference from Exhibit 10.3 of Current Report on Form 8-K filed November 23, 2020\)](#)
- 10.51 [Form of Subscription Agreement between Registrant and Accredited Investors dated December 11, 2020 \(incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed November 23, 2020\)](#)
- 10.52 [List of Accredited Investors to December 11, 2020 Subscription Agreement \(incorporated by reference from Exhibit 10.3 of Current Report on Form 8-K filed December 14, 2020\)](#)
- 10.53 [Form of Subscription Agreement between Registrant and Accredited Investors dated December 21, 2020 \(incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed November 23, 2020\)](#)
- 10.54 [List of Accredited Investors to December 21, 2020 Subscription Agreement \(incorporated by reference from Exhibit 10.3 of Current Report on Form 8-K filed December 23, 2020\)](#)
- 10.55 [Form of Subscription Agreement between Registrant and Accredited Investors dated January 5, 2021 \(incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed November 23, 2020\)](#)
- 10.56 [Form of Registration Rights Agreement between Registrant and Accredited Investors dated January 5, 2021 \(incorporated by reference from Exhibit 10.2 of Current Report on Form 8-K filed November 23, 2020\)](#)
- 10.57 [List of Accredited Investors to January 5, 2021 Subscription Agreement \(incorporated by reference from Exhibit 10.3 of Current Report on Form 8-K filed January 5, 2021\)](#)
- 10.58 [Form of Subscription Agreement between Registrant and Accredited Investors dated March 29, 2021 \(incorporated by reference from Exhibit 10.84 of Annual Report on Form 10-K filed March 31, 2021\)](#)
- 10.59 [Form of Registration Rights Agreement between Registrant and Accredited Investors dated March 29, 2021 \(incorporated by reference from Exhibit 10.85 of Annual Report on Form 10-K filed March 31, 2021\)](#)
- 10.60 [Form of Warrant Agreement between Registrant and Accredited Investors dated March 29, 2021 \(incorporated by reference from Exhibit 10.86 of Annual Report on Form 10-K filed March 31, 2021\)](#)
- 10.61 [List of Accredited Investors to March 29, 2021 Subscription Agreement \(incorporated by reference from Exhibit 10.87 of Annual Report on Form 10-K filed March 31, 2021\)](#)
- 10.62 [Form of Securities Purchase Agreement between Registrant and Accredited Investor dated December 14, 2021 \(incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed December 16, 2021\)](#)
- 10.63 [Form of Registration Rights Agreement between Registrant and Accredited Investor dated December 14, 2021 \(incorporated by reference from Exhibit 10.2 of Current Report on Form 8-K filed December 16, 2021\)](#)
- 10.64 [Form of Warrant Agreement between Registrant and Accredited Investor dated December 14, 2021 \(incorporated by reference from Exhibit 10.3 of Current Report on Form 8-K filed December 16, 2021\)](#)
- 10.65 [Form of Convertible Promissory Note dated May 10, 2022 \(incorporated by reference from Exhibit 10.1 of Quarterly Report on Form 10-Q filed May 11, 2022\)](#)
- 10.66 [Form of Securities Purchase Agreement between Registrant and Accredited Investors dated May 10, 2022 \(incorporated by reference from Exhibit 10.2 of Quarterly Report on Form 10-Q filed May 11, 2022\)](#)
- 10.67 [Form of Registration Rights Agreement between Registrant and Accredited Investors dated May 10, 2022 \(incorporated by reference from Exhibit 10.3 of Quarterly Report on Form 10-Q filed May 11, 2022\)](#)
- 10.68 [List of Holders of Convertible Notes dated May 10, 2022 \(incorporated by reference from Exhibit 10.4 of Quarterly Report on Form 10-Q filed May 11, 2022\)](#)

10.69	Form of Securities Purchase Agreement between Registrant and Accredited Investors (incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed June 2, 2022)
10.70	Form of Convertible Promissory Note (incorporated by reference from Exhibit 10.2 of Current Report on Form 8-K filed June 2, 2022)
10.71	Form of Registration Rights Agreement between Registrant and Accredited Investors (incorporated by reference from Exhibit 10.3 of Current Report on Form 8-K filed June 2, 2022)
10.72	List of Holders of Convertible Notes dated June 2, 2022 (incorporated by reference from Exhibit 10.4 of Current Report on Form 8-K filed June 2, 2022)
10.73	List of Holders of Convertible Notes dated June 30, 2022 (incorporated by reference from Exhibit 10.4 of Current Report on Form 8-K filed July 1, 2022)
10.74	List of Holders of Convertible Notes dated August 3, 2022 (incorporated by reference from Exhibit 10.6 of Quarterly Report on Form 10-Q filed August 9, 2022)
10.75	Securities Purchase Agreement between Registrant and Accredited Investor Dated November 30, 2022 (incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed December 6, 2022)
10.76	Form of Registration Rights Agreement between Registrant and Accredited Investor Dated November 30, 2022 (incorporated by reference from Exhibit 10.2 of Current Report on Form 8-K filed December 6, 2022)
10.77	Securities Purchase Agreement between Registrant and Accredited Investors Dated December 23, 2022 (incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed December 29, 2022)
10.78	Form of Convertible Promissory Note dated January 11, 2023 (incorporated by reference from Exhibit 10.3 of Current Report on Form 8-K filed January 13, 2023)
10.79	Form of Convertible Promissory Note dated January 13, 2023 (incorporated by reference from Exhibit 10.4 of Current Report on Form 8-K filed January 13, 2023)
10.80	Form of Registration Rights Agreement between Registrant and Accredited Investors (incorporated by reference from Exhibit 10.2 of Current Report on Form 8-K filed January 13, 2023)
10.81	List of Holders of Convertible Notes dated January 11 and January 13, 2023 (incorporated by reference from Exhibit 10.5 of Current Report on Form 8-K filed January 13, 2023)
10.82	Form of Securities Purchase Agreement between Registrant and Accredited Investors (incorporated by reference from Exhibit 10.6 of Current Report on Form 8-K filed January 13, 2023)
10.83	List of Accredited Investors to January 13, 2023 Subscription Agreement (incorporated by reference from Exhibit 10.8 of Current Report on Form 8-K filed January 13, 2023)
21.1	Schedule of Subsidiaries (incorporated by reference from Exhibit 21.1 of Annual Report on Form 10-K filed March 29, 2018)
23.1	*Consent of MSL, P.A.
31.1	*Rule 13a-14 and 15d-14 Certification of Jeffrey L. Parker
31.2	*Rule 13a-14 and 15d-14 Certification of Cynthia L. French
32.1	*Section 1350 Certification of Jeffrey L. Parker and Cynthia L. French
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

** Management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 28, 2023

PARKERVISION, INC.

By: /s/ Jeffrey L. Parker
Jeffrey L. Parker
Chief Executive Officer

Pursuant to the requirements of the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
By: <u>/s/ Jeffrey L. Parker</u> Jeffrey L. Parker	Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	March 28, 2023
By: <u>/s/ Cynthia L. French</u> Cynthia L. French	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) and Corporate Secretary	March 28, 2023
By: <u>/s/ Frank N. Newman</u> Frank N. Newman	Director	March 28, 2023
By: <u>/s/ Paul A. Rosenbaum</u> Paul A. Rosenbaum	Director	March 28, 2023
By: <u>/s/ Robert G. Sterne</u> Robert G. Sterne	Director	March 28, 2023
By: <u>/s/ Sanford M. Litvack</u> Sanford M. Litvack	Director	March 28, 2023

**DESCRIPTION OF REGISTRANT’S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

The following description of the securities of ParkerVision Inc. (the “Company”, “we”, “our” or similar terms) is based upon the Company’s amended and restated articles of incorporation (“Charter”), the Company’s bylaws (“Bylaws”) and applicable provisions of law. We have summarized certain portions of the Charter and Bylaws below. The summary is not complete and is subject to, and is qualified in its entirety by express reference to, the provisions of our Charter and Bylaws, each of which is filed as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.7 is a part.

Authorized Capital Stock

Pursuant to our Charter, our authorized capital stock consists of 190,000,000 shares, of which 175,000,000 is voting Common Stock, \$0.01 par value per share, and 15,000,000 is Preferred Stock, \$1.00 per share.

Common Stock

Authorization. The outstanding shares of the Company’s common stock are duly authorized, validly issued, fully paid and nonassessable.

Listing. The Company’s common stock is traded on the OTCQB Market under the ticker symbol “PRKR.”

Voting Rights. Common stockholders of record are entitled to one vote for each share held on all matters to be voted on by stockholders.

Preemptive Rights, Etc. Our stockholders have no preemptive or other subscription rights. There are no sinking fund provisions applicable to our common stock, except that upon the consummation of our initial business combination, subject to the limitations described herein, we will provide our stockholders with the opportunity to redeem their shares of our common stock for cash equal to their pro rata share of the aggregate amount then on deposit in the trust account.

Preferred Stock

Our Charter provides that shares of preferred stock may be issued from time to time in one or more series. Our board of directors will be authorized to fix the voting rights, if any, designations, powers, preferences, the relative, participating, optional or other special rights and any qualifications, limitations and restrictions, applicable to the shares of each series. Our board of directors will be able, without stockholder approval, to issue preferred stock with voting and other rights that could adversely affect the voting power and other rights of the holders of the common stock and could have anti-takeover effects.

Series E Preferred Stock

On November 17, 2005, the board of directors designated 100,000 shares of authorized preferred stock as the Series E Preferred Stock in conjunction with its adoption of a Shareholder Protection Rights Plan (as described below). Certain rights of this series of preferred stock are defined in terms of a “Reference Package.” The “Reference Package” is initially 1,000 shares of common stock, as adjusted for stock dividends, subdivisions and combinations. The holders of full or fractional shares of this series are entitled to receive dividends, when and as declared by the board of directors, on each date that dividends or other distributions (other than dividends or distributions payable in our common stock) are payable on or in respect of common stock comprising part of the Reference Package, in an amount per whole share of this series equal to the aggregate amount of dividends or other distributions that would be payable on such date to a holder of the Reference Package. In addition, on the last day of March, June, September and December in each year, the holders of this series are entitled to receive dividends in an amount per whole share of this series equal to the excess (if any) of \$100 over the aggregate dividends paid per whole share of this series during the three-month period ending on such last day. Dividends on each full and each fractional share of this series are cumulative from the date such full or fractional share is originally issued. In the event of any liquidation, dissolution or winding up of our affairs, whether voluntary or involuntary, the holders of full and fractional shares of this series shall be entitled, before any distribution or payment is made on any date to the holders of the common stock or any other stock of ours ranking junior to this series upon liquidation, to be paid in full an amount per whole share of this series equal to the greater of \$100 or the aggregate amount distributed or to be distributed in connection with such liquidation, dissolution or winding up to a holder of the Reference Package, together with accrued dividends to such distribution or payment date, whether or not earned or declared.

Our Series E Preferred Stock shall rank junior to all other series or classes of our preferred stock, now existing or hereafter created, as to payment of dividends and the distribution of assets, unless the terms of any such other series or class shall provide otherwise.

Each whole share of this series shall, on any matter, vote as a class with any other capital stock comprising part of the Reference Package and voting on such matter and shall have the number of votes thereon that a holder of the Reference Package would have.

Shareholder Protection Rights Plan

We have a Shareholder Protection Rights Agreement (“Rights Agreement”), originally adopted on November 21, 2005 and amended on November 20, 2015 and November 20, 2020 pursuant to which we issued, on November 29, 2005, as a dividend, one right to acquire a fraction of a share of Series E Preferred Stock for each then outstanding share of Common Stock. Each share of Common Stock issued by us after such date also has included, and any subsequent shares of Common Stock issued by us prior to the Separation Time (as defined in the Rights Agreement) will include, an attached right. The following description of the Rights Agreement, and any description of the Rights Agreement included in a prospectus supplement, may not be complete and is subject to and qualified in its entirety by reference to the terms and provisions of the Rights Agreement.

The principal objective of the Rights Agreement is to cause someone interested in acquiring us to negotiate with our Board rather than launch an unsolicited or hostile bid. The Rights Agreement subjects a potential acquirer to substantial voting and economic dilution.

The rights initially are not exercisable and trade with our Common Stock. In the future, the rights may become exercisable with various provisions that may discourage a takeover bid. If a potential acquirer initiates a takeover bid or becomes the beneficial owner of 15% or more of our Common Stock, the rights will separate from the Common Stock. Upon separation, the holders of the rights may exercise their rights at an exercise price of \$14.50 per right (the “Exercise Price”), subject to adjustment and payable in cash. Additionally, the rights have what are known as “flip-in” and “flip-over” provisions that could make any acquisition of us more costly to the potential acquirer. The “flip-in” provision provides that, in the event a potential acquirer acquires 15% or

more of the outstanding shares of our Common Stock, upon payment of the exercise price, the holders of the rights will receive from us that number of shares of Common Stock having an aggregate market price equal to twice the Exercise Price, as adjusted. The “flip-over” provision allows the holder to purchase that number of shares of common/voting equity of a successor entity, if we are not the surviving corporation in a business combination, with an aggregate market price equal to twice the Exercise Price.

We have the right to substitute for any of our shares of Common Stock that we are obligated to issue, shares of Series E Preferred Stock at a ratio of one thousandth of a share of Series E Preferred Stock for each share of Common Stock.

The rights may be redeemed upon approval of the Board at a redemption price of \$0.01 per right. The Rights Agreement expires on November 20, 2023.

Classified Board; Director Nominations; Special Meetings

Our Board is divided into three classes, with only one class of directors elected at each annual meeting, and our shareholders may remove our directors only for cause. Nominations for our Board may be made by our Board or by any holder of Common Stock. A shareholder entitled to vote for the election of directors may nominate a person for election as director only if the shareholder provides written notice of his nomination to our secretary not later than 120 days in advance of the same day and month that our proxy statement was released to shareholders in connection with the previous year’s annual meeting of shareholders or, if no annual meeting was held in the previous year, then by the end of the fiscal year to which the annual meeting in which the nomination will be made relates. A special meeting of our shareholders may be called only by our Board or our chief executive officer. These provisions and the Board’s right to issue shares of our preferred stock from time to time, in one or more classes or series without stockholder approval, are intended to enhance the likelihood of continuity and stability in the composition of the policies formulated by our Board. These provisions are also intended to discourage some tactics that may be used in proxy fights.

PARKERVISION, INC.
2019 Long Term Incentive Plan
(As Amended and Restated)

Section 1. Purpose; Definitions.

1.1. Purpose. The purpose of the Plan is to enable the Company to offer to employees, officers and directors of and consultants to the Company and its Subsidiaries, Parent and Affiliates whose past, present and/or potential future contributions to the Company and its Subsidiaries have been, are or will be important to the success of the Company, an opportunity to share monetarily in the success of and/or acquire a proprietary interest in the Company. The various types of long-term incentive awards that may be provided under the Plan will enable the Company to respond to changes in compensation practices, tax laws, accounting regulations and the size and diversity of its businesses.

1.2. Definitions. For purposes of the Plan, the following terms shall be defined as set forth below:

(a)“ Affiliate” means a corporation, limited liability company or other entity that controls, is controlled by, or is under common control with the Company and designated by the Committee from time to time as such.

(b)“ Agreement” means the agreement between the Company and the Holder, or such other document as may be determined by the Committee, setting forth the terms and conditions of an award under the Plan.

(c)“ Asset Sale” means an acquisition by any one person, or more than one person acting as a group, together with acquisitions during the 12-month period ending on the date of the most recent acquisition by such person or persons, of assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

(d)“ Board” means the Board of Directors of the Company.

(e)“ Change of Control” means a transaction in which any one person, or more than one person acting as a group, acquires the ownership of stock of the Company that, together with the stock held by such person or group, constitutes more than 50% of the total Fair Market Value or combined voting power of the stock of the Company. A Change of Control caused by an increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company acquires its stock in exchange for property is not treated as a Change of Control for purposes of the Plan.

(f)“ Code” means the Internal Revenue Code of 1986, as amended from time to time, the Treasury Regulations thereunder, and any other relevant interpretive guidance issued by the Internal Revenue Service or the Treasury Department.

(g)“ Committee” means the committee of the Board designated to administer the Plan as provided in Section 2.1. If no Committee is so designated, then all references in this Plan to “Committee” shall mean the Board.

(h)“ Common Stock” means the Common Stock of the Company, par value \$0.01 per share.

(i)“ Company” means ParkerVision, Inc., a corporation organized under the laws of the State of Florida.

(j)“ Disability” means physical or mental impairment as determined under procedures established by the Committee for purposes of the Plan.

(k)“ Effective Date” means the date determined pursuant to Section 11.1.

(l)“ Fair Market Value,” unless otherwise required by any applicable provision of the Code or any regulations issued thereunder, means, as of any given date: (i) if the Common Stock is listed on a national securities exchange or is traded over-the-counter and last sale information is available, unless otherwise determined by the Committee, the last sale price of the Common Stock in the principal trading market for the Common Stock on such date, as reported by the exchange or by such source that the Committee deems reliable, as the case may be; or (ii) if the fair market value of the Common Stock cannot be determined pursuant to clause (i), such price as the Committee shall determine, in good faith.

(m)“ Holder” means a person who has received an award under the Plan.

(n)“ Non-qualified Stock Option” means any Stock Option that is not an “incentive stock option” within the meaning of Section 422 of the Code.

(o)“ Normal Retirement” means retirement from active employment with the Company or any Subsidiary on or after such age which may be designated by the Committee as “retirement age” for any particular Holder. If no age is designated, it shall be 65.

(p)“ Other Stock-Based Award” means an award under Section 8 that is valued in whole or in part by reference to, or is otherwise based upon, Common Stock.

(q)“ Parent” means any present or future “parent corporation” of the Company, as such term is defined in Section 424(e) of the Code.

(r) “Plan” means the ParkerVision, Inc. 2019 Long Term Incentive Plan, as hereinafter amended from time to time.

(s) “ Repurchase Value” shall mean the Fair Market Value if the award to be settled under Section 2.2(e) or repurchased under Section 5.2(l) is comprised of shares of Common Stock and the difference between Fair Market Value and the exercise price (if lower than Fair Market Value) if the award is a Stock Option or Stock Appreciation Right; in each case, multiplied by the number of shares subject to the award. “Repurchase Value” if the award to be repurchased under Section 9.2 is comprised of shares of Common Stock shall mean the greater of the Fair Market Value or the value of such award based upon the price per share of Common Stock received or to be received by other shareholders of the Company in the event. “Repurchase Value” if the award to be repurchased under Section 9.2 is comprised of Stock Options or Stock Appreciation Rights shall mean the difference between the greater of (1) the Fair Market Value or the value of such award based upon the price per share of Common Stock received or to be received by other shareholders of the Company in the event and (2) the exercise price (if lower), multiplied by the number of shares subject to the award.

(t)“ Restriction Period” means the time or times within which awards may be subject to forfeiture, including upon termination of employment or failure of performance conditions.

(u)“ Restricted Stock” means Common Stock received under an award made pursuant to Section 7 that is subject to restrictions under Section 7.

(v)“ Restricted Stock Unit” means an unfunded, unsecured right to receive, on the applicable settlement date, one share or an amount in cash or other consideration determined by the Committee to be of equal value as of such settlement date, subject to certain vesting conditions and other restrictions.

(w)“ SAR Value” means the excess of the Fair Market Value (on the exercise date) over (i) the exercise price that the participant would have otherwise had to pay to exercise the related Stock Option or (ii) if a Stock Appreciation Right is granted unrelated to a Stock Option, the Fair Market Value of a share of Common Stock on the date of grant of the Stock Appreciation Right, in either case, multiplied by the number of shares for which the Stock Appreciation Right is exercised.

(x)“ Stock Appreciation Right” means the right to receive from the Company, without a cash payment to the Company, either a number of shares of Common Stock equal to the SAR Value divided by the Fair Market Value (on the exercise date), or, at the Company’s election, cash in the amount of the SAR Value.

(y)“ Stock Option” or “Option” means any option to purchase shares of Common Stock which is granted pursuant to the Plan. Stock Options shall be Non-qualified Stock Options.

(z) “Subsidiary” means any present or future “subsidiary corporation” of the Company, as such term is defined in Section 424(f) of the Code.

(aa) “vest” means to become exercisable or to otherwise obtain ownership rights in an award.

Section 2. Administration.

2.1. Committee Membership. The Plan shall be administered by the Board or a Committee. If administered by a Committee, such Committee shall be composed of at least two directors, all of whom are “non-employee” directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended. Committee members shall serve for such term as the Board may in each case determine and shall be subject to removal at any time by the Board.

2.2. Powers of Committee. The Committee shall have full authority to award, pursuant to the terms of the Plan: (i) Stock Options, (ii) Stock Appreciation Rights, (iii) Restricted Stock, (iv) Restricted Stock Units, and/or (v) Other Stock-Based Awards. For purposes of illustration and not of limitation, the Committee shall have the authority (subject to the express provisions of this Plan):

(a) to select the officers, employees, directors and consultants of the Company, Parent, Subsidiary or Affiliate to whom Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units and/or Other Stock-Based Awards may from time to time be awarded hereunder;

(b) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any award granted hereunder (including, but not limited to, number of shares, share exercise price or types of consideration paid upon exercise of such options, such as other securities of the Company or other property, any restrictions or limitations, and any vesting, exchange, surrender, cancellation, acceleration, termination, exercise or forfeiture provisions, as the Committee shall determine);

(c) to determine any specified performance goals or such other factors or criteria which need to be attained for the vesting of an award granted hereunder;

(d) to determine the terms and conditions under which awards granted hereunder are to operate on a tandem basis and/or in conjunction with or apart from other awards under this Plan and cash and non-cash awards made by the Company, Parent, Subsidiary and/or Affiliate outside of this Plan; and

(e) to make payments and distributions with respect to awards (*i.e.*, to “settle” awards) through cash payments in an amount equal to the Repurchase Value.

(f) to make decisions with respect to outstanding awards that may become necessary upon a Change of Control, Asset Sale, or an event that triggers anti-dilution adjustments under the terms of an outstanding award.

The Committee may not modify or amend any outstanding Option or Stock Appreciation Right to reduce the exercise price of such Option or Stock Appreciation Right, as applicable, below the exercise price as of the date of grant of such Option or Stock Appreciation Right. In addition, no payment of cash or other property having a value greater than the Repurchase Value may be made, and no Option or Stock Appreciation Right with a lower exercise price may be granted, in exchange for, or in connection with, the cancellation or surrender of an Option or Stock Appreciation Right.

2.3. Interpretation of Plan. Subject to Section 10, the Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall from time to time deem advisable, to interpret the terms and provisions of the Plan and any award issued under the Plan (and to determine the form and substance of all Agreements relating thereto), and to otherwise supervise the administration of the Plan. Subject to Section 10, all decisions made by the Committee pursuant to the provisions of the Plan shall be made in the Committee's sole discretion and shall be final and binding upon all persons, including the Company, its Parent, Subsidiaries, Affiliates and Holders.

2.4 Award Agreements. The terms and conditions of each award made hereunder, as determined by the Committee, shall be set forth in an Agreement, which shall be delivered to the person receiving such award upon, or as promptly as reasonably practicable following, the grant of such award. The effectiveness of an award shall be subject to the Holder's acceptance of the Agreement, unless otherwise provided in the Agreement.

2.5 Indemnification. In addition to such other rights of indemnification as they may have as Directors or members of the Committee, and to the extent allowed by Florida law, the Committee shall be indemnified by the Company against the reasonable expenses, including attorney's fees, actually incurred in connection with any action, suit, or proceeding or in connection with any appeal therein, to which the Committee may be party by reason of any action taken or failure to act under or in connection with the Plan or any award granted under the Plan, and against all amounts paid by the Committee in settlement thereof (*provided, however*, that the settlement has been approved by the Company, which approval shall not be unreasonably withheld) or paid by the Committee in satisfaction of a judgment in any such action, suit, or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit, or proceeding that such Committee did not act in good faith and in a manner which such person reasonably believed to be in the best interests of the Company, or in the case of a criminal proceeding, had no reason to believe that the conduct complained of was unlawful; *provided, however*, that within 60 days after the institution of any such action, suit, or proceeding, such Committee shall, in writing, offer the Company the opportunity at its own expense to handle and defend such action, suit or proceeding.

Section 3. Stock Subject to Plan.

3.1. Number of Shares. The total number of shares of Common Stock reserved and available for issuance under the Plan shall be up to 30,000,000 shares of Common Stock (the "Shares"). Shares may consist, in whole or in part, of authorized and unissued shares or treasury shares. The Company may make grants under this Plan at such time or times when it does not have sufficient authorized and unissued shares or treasury shares available to be reserved for such grants, provided that the issuance of Shares upon exercise or vesting of such grant, as the case may be, will be subject to the Company having sufficient authorized and unissued shares or treasury shares.

3.2. Recycling Provision. If any shares of Common Stock that have been granted pursuant to a Stock Option cease to be subject to a Stock Option, or if any shares of Common Stock that are subject to any Stock Appreciation Right, Restricted Stock award, Restricted Stock Units or Other Stock-Based Award granted hereunder are forfeited, or any such award otherwise terminates without a payment being made to the Holder in the form of Common Stock, such shares shall again be available for distribution in connection with future grants and awards under the Plan. If a Holder pays the exercise price of a Stock Option by surrendering any previously owned shares and/or arranges to have the appropriate number of shares otherwise issuable upon exercise withheld to cover the withholding tax liability associated with the Stock Option exercise, then, in the Committee's discretion, the number of shares available under the Plan may be increased by the lesser of (i) the number of such surrendered shares and shares used to pay taxes; and (ii) the number of shares purchased under such Stock Option.

3.3. Adjustment Upon Changes in Capitalization, Etc. In the event of any Common Stock dividend payable on shares of Common Stock, Common Stock split or reverse split, combination or exchange of shares of Common Stock, or other extraordinary or unusual event which results in a change in the shares of Common Stock of the Company as a whole, the Committee shall determine, in its sole discretion, whether such change equitably requires an adjustment in the terms of any award in order to prevent dilution or enlargement of the benefits available under the Plan (including number of shares subject to the award and the exercise price) or the aggregate number of shares reserved for issuance under the Plan. Any such adjustments will be made by the Committee, whose determination will be final, binding and conclusive.

3.4. Administrative Stand Still. In the event of any changes in capitalization described above in Section 3.3, or any other extraordinary transaction or change affecting the shares or the share price of Common Stock, including any equity restructuring or any securities offering or other similar transaction, for administrative convenience, the Committee may refuse to permit the exercise of any award for up to sixty days before and/or after such transaction; provided, however, that the Committee may not refuse to permit the exercise of any award during the last five trading days prior to the expiration of such award.

3.5. Substitute Awards. In connection with an entity's merger or consolidation with the Company or any Subsidiary or Affiliate or the Company's or any Subsidiary's or Affiliate's acquisition of an entity's property or stock, the Committee may grant awards in substitution for any options or other stock or stock-based awards granted before such merger or consolidation by such entity or its affiliate. Substitute awards may be granted on such terms as the Committee deems appropriate, notwithstanding limitations on awards in the Plan. Substitute awards will not count against the plan limit.

3.6 Individual Limits. Non-employee directors may not be granted during any calendar year in excess of the lesser of 1,000,000 shares of Common Stock or \$175,000 (calculating the value of any awards based on the grant date fair value).

Section 4. Eligibility.

Awards may be made or granted to employees, officers, directors and consultants of the Company or its Subsidiaries, Parent or Affiliates who are deemed to have rendered or to be able to render significant services to the Company or its Subsidiaries and who are deemed to have contributed or to have the potential to contribute to the success of the Company or Subsidiary and which recipients are qualified to receive options under the regulations governing Form S-8 registration statements under the Securities Act of 1933, as amended ("Securities Act"). Notwithstanding anything to the contrary, an award may be made or granted to a person in connection with his hiring or retention, or at any time on or after the date he reaches an agreement (oral or written) with the Company or its Subsidiaries, Parent or Affiliates with respect to such hiring or retention, even though it may be prior to the date the person first performs services for the Company or its Subsidiaries; provided, however, that no portion of any such award shall vest prior to the date the person first performs such services and the date of grant shall be deemed to be the date hiring or retention commences.

Section 5. Stock Options.

5.1. Grant. Stock Options granted under the Plan shall be Non-qualified Stock Options. Any Stock Option granted under the Plan shall contain such terms, not inconsistent with this Plan, as the Committee may from time to time approve.

5.2. Terms and Conditions. Stock Options granted under the Plan shall be subject to the following terms and conditions:

(a) Option Term. The term of each Stock Option shall be fixed by the Committee; provided, however, that no Stock Option may be exercisable after the expiration of ten years from the date of grant.

(b) Exercise Price. The exercise price per share of Common Stock purchasable under a Stock Option shall be determined by the Committee at the time of grant; provided, however, that the exercise price of a Stock Option may not be less than 100% of the Fair Market Value on the date of grant or, if greater, the par value of a share of Common Stock.

(c) Exercisability. Stock Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee, provided that no Stock Option may be exercisable unless and until the Company has sufficient authorized unissued shares or treasury shares available for such exercise. The Committee intends generally to provide that Stock Options be exercisable only in installments, i.e., that they vest over time, typically over a two- to five-year period. The Committee may waive such installment exercise provisions at any time at or after the time of grant in whole or in part, based upon such factors as the Committee determines.

(d) Method of Exercise. Subject to a sufficient number of Shares being available, and the installment, exercise and waiting period provisions as set forth in the Agreement, Stock Options may be exercised in whole or in part at any time during the term of the Option by giving written notice of exercise to the Company specifying the number of shares of Common Stock to be purchased. Such notice shall be accompanied by payment in full of the purchase price, which shall be in cash or, if provided in the Agreement, either in shares of Common Stock (including Restricted Stock and other contingent awards under this Plan or a reduction of the number of shares of Common Stock otherwise deliverable upon exercise of such Option) or partly in cash and partly in such Common Stock, or such other means which the Committee determines are consistent with the Plan's purpose and applicable law. Cash payments shall be made by wire transfer, certified or bank check or personal check, in each case payable to the order of the Company; provided, however, that the Company shall not be required to deliver certificates for shares of Common Stock with respect to which an Option is exercised until the Company has confirmed the receipt of good and available funds in payment of the purchase price thereof (except that, in the case of an exercise arrangement approved by the Committee and described in the next sentence of this section, payment may be made as soon as practicable after the exercise). The Committee may permit a Holder to elect to pay the exercise price upon the exercise of a Stock Option by irrevocably authorizing a third party to sell shares of Common Stock (or a sufficient portion of the shares) acquired upon exercise of the Stock Option and remit to the Company a sufficient portion of the sale proceeds to pay the entire exercise price and any tax withholding resulting from such exercise. The Committee may also authorize other means for paying the exercise price of a Stock Option, including using the value of the Stock Option (as determined by the difference in the Fair Market Value of the Common Stock and the exercise price of the Stock Option or other means determined by the Committee).

(e) Stock Payments. Payments in the form of Common Stock shall be valued at the Fair Market Value on the date of exercise. Such payments shall be made by delivery of stock certificates in negotiable form that are effective to transfer good and valid title thereto to the Company, free of any liens or encumbrances.

(f) Transferability. Except as may be set forth in the next sentence of this Section or in the Agreement, no Stock Option shall be transferable by the Holder other than by will or by the laws of descent and distribution, and all Stock Options shall be exercisable, during the Holder's lifetime, only by the Holder (or, to the extent of legal incapacity or incompetency, the Holder's guardian or legal representative). Notwithstanding the foregoing, a Holder, with the approval of the Committee, may transfer a Stock Option (i) (A) by gift, for no consideration, or (B) pursuant to a domestic relations order, in either case, to or for the benefit of the Holder's "Immediate Family" (as defined below), or (ii) to an entity in which the Holder and/or members of Holder's Immediate Family own more than fifty percent of the voting interest, subject to such limits as the Committee may establish and the execution of such documents as the Committee may require, and the transferee shall remain subject to all the terms and conditions applicable to the Stock Option prior to such transfer. The term "Immediate Family" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, any person sharing the Holder's household (other than a tenant or employee), a trust in which these persons have more than fifty percent beneficial interest, and a foundation in which these persons (or the Holder) control the management of the assets.

(g) Termination by Reason of Death. If a Holder's employment by, or association with, the Company, Parent, Subsidiary or Affiliate terminates by reason of death, any Stock Option held by such Holder, unless otherwise determined by the Committee and set forth in the Agreement, shall thereupon automatically terminate, except that the portion of such Stock Option that has vested on the date of death may thereafter be exercised by the legal representative of the estate or by the legatee of the Holder under the will of the Holder,

for a period of one year (or such other greater or lesser period as the Committee may specify in the Agreement) from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is shorter.

(h) Termination by Reason of Disability. If a Holder's employment by, or association with, the Company, Parent, Subsidiary or Affiliate terminates by reason of Disability, any Stock Option held by such Holder, unless otherwise determined by the Committee and set forth in the Agreement, shall thereupon automatically terminate, except that the portion of such Stock Option that has vested on the date of termination may thereafter be exercised by the Holder for a period of one year (or such other greater or lesser period as the Committee may specify in the Agreement) from the date of such termination or until the expiration of the stated term of such Stock Option, whichever period is shorter.

(i) Termination by Reason of Normal Retirement. Subject to the provisions of Section 12.3, if such Holder's employment by, or association with, the Company, Parent, Subsidiary or Affiliate terminates due to Normal Retirement, any Stock Option held by such Holder, unless otherwise determined by the Committee and set forth in the Agreement, shall thereupon automatically terminate, except that the portion of such Stock Option that has vested on the date of termination may thereafter be exercised by the Holder for a period of one year (or such other greater or lesser period as the Committee may specify in the Agreement) from the date of such termination or until the expiration of the stated term of such Stock Option, whichever period is shorter.

(j) Other Termination. Subject to the provisions of Section 12.3, if such Holder's employment by, or association with, the Company, Parent, Subsidiary or Affiliate terminates for any reason other than death, Disability or Normal Retirement, any Stock Option held by such Holder, unless otherwise determined by the Committee and set forth in the Agreement, shall thereupon automatically terminate, except that, if the Holder's employment is terminated by the Company, Parent, Subsidiary or Affiliate without cause, the portion of such Stock Option that has vested on the date of termination may thereafter be exercised by the Holder for a period of three months (or such other greater or lesser period as the Committee may specify in the Agreement) from the date of such termination or until the expiration of the stated term of such Stock Option, whichever period is shorter.

(k) Buyout and Settlement Provisions. The Committee may at any time, in its sole discretion, offer to repurchase a Stock Option previously granted, at a purchase price not to exceed the Repurchase Value, based upon such terms and conditions as the Committee shall establish and communicate to the Holder at the time that such offer is made.

(l) Rights as Shareholder. A Holder shall have none of the rights of a Shareholder with respect to the shares subject to the Option until such shares shall be transferred to the Holder upon the exercise of the Option.

Section 6. Stock Appreciation Rights.

6.1. Grant. Subject to the terms and conditions of the Plan, the Committee may grant Stock Appreciation Rights in tandem with an Option ("Related Right") or alone and unrelated to an Option. The Committee may grant Stock Appreciation Rights to participants who have been or are being granted Stock Options under the Plan as a means of allowing such participants to exercise their Stock Options without the need to pay the exercise price in cash. In the case of a Non-qualified Stock Option, a Stock Appreciation Right may be granted either at or after the time of the grant of such Non-qualified Stock Option.

6.2. Terms and Conditions. Stock Appreciation Rights shall be subject to the following terms and conditions:

(a) Exercisability. Stock Appreciation Rights shall be exercisable as shall be determined by the Committee and set forth in the Agreement. Notwithstanding the foregoing, a Related Right shall be exercisable only to the same extent as the related Option, provided that the Holder surrenders the applicable portion of the related Stock Option upon exercise of the Related Right. Upon exercise of all or a portion of a Stock Appreciation Right and, if applicable, surrender of the applicable portion of the related Stock Option, the Holder shall be entitled to receive a number of shares of Common Stock equal to the SAR Value divided by the Fair Market Value on the date the Stock Appreciation Right is exercised or, at the Company's election, cash for the value so calculated.

(b) Termination. All or a portion of a Related Right shall terminate and shall no longer be exercisable upon the termination or after the exercise of the applicable portion of the related Stock Option.

(c) Shares Available Under Plan. The granting of a Stock Appreciation Right in tandem with a Stock Option shall not affect the number of shares of Common Stock available for awards under the Plan. The number of shares available for awards under the Plan will, however, be reduced by the number of shares of Common Stock acquirable upon exercise of the Stock Option to which such Stock Appreciation Right relates.

Section 7. Restricted Stock; Restricted Stock Units.

7.1. Grant. Shares of Restricted Stock and Restricted Stock Units may be awarded either alone or in addition to other awards granted under the Plan. The Committee shall determine the eligible persons to whom, and the time or times at which, grants of Restricted Stock will be awarded, the number of shares to be awarded, the price (if any) to be paid by the Holder, any Restriction Period, the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the awards. In addition, the Committee shall determine the eligible persons to whom, and the time or times at which, grants of Restricted Stock Units will be awarded, and the vesting and forfeiture conditions during the applicable Restriction Period, as set forth in an Agreement. The Agreement will provide that that the issuance of Shares upon vesting of Restricted Stock or a Restricted Stock Unit, as applicable, will be subject to the Company having sufficient authorized and unissued shares or treasury shares.

7.2. Restricted Stock Terms and Conditions. Each Restricted Stock award shall be subject to the following terms and conditions:

(a) Certificates. Restricted Stock, when issued, will be represented by a stock certificate or certificates registered in the name of the Holder to whom such Restricted Stock shall have been awarded. During the Restriction Period, certificates representing the

Restricted Stock and any securities constituting Retained Distributions (as defined below) shall bear a legend to the effect that ownership of the Restricted Stock (and such Retained Distributions) and the enjoyment of all rights appurtenant thereto are subject to the restrictions, terms and conditions provided in the Plan and the Agreement. Such certificates shall be deposited by the Holder with the Company, together with stock powers or other instruments of assignment, each endorsed in blank, which will permit transfer to the Company of all or any portion of the Restricted Stock and any securities constituting Retained Distributions that shall be forfeited or that shall not become vested in accordance with the Plan and the Agreement.

(b) Rights of Holder. Restricted Stock shall constitute issued and outstanding shares of Common Stock for all corporate purposes. The Holder will have the right to vote such Restricted Stock and to exercise all other rights, powers and privileges of a holder of Common Stock with respect to such Restricted Stock, with the exceptions that (i) the Holder will not be entitled to delivery of the stock certificate or certificates representing such Restricted Stock until the Restriction Period shall have expired and unless all other vesting requirements with respect thereto shall have been fulfilled; (ii) the Company will retain custody of the stock certificate or certificates representing the Restricted Stock during the Restriction Period; (iii) the Company will retain custody of all dividends and distributions (“Retained Distributions”) made, paid or declared with respect to the Restricted Stock (and such Retained Distributions will be subject to the same restrictions, terms and conditions as are applicable to the Restricted Stock) until such time, if ever, as the Restricted Stock with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested and with respect to which the Restriction Period shall have expired; and (iv) a breach by the Holder of any of the restrictions, terms or conditions contained in this Plan or the Agreement or otherwise established by the Committee with respect to any Restricted Stock or Retained Distributions will cause a forfeiture of such Restricted Stock and any Retained Distributions with respect thereto.

(c) Vesting; Forfeiture. Upon the expiration of the Restriction Period with respect to each award of Restricted Stock and the satisfaction of any other applicable restrictions, terms and conditions (i) all or part of such Restricted Stock shall become vested in accordance with the terms of the Agreement, and (ii) any Retained Distributions with respect to such Restricted Stock shall become vested to the extent that the Restricted Stock related thereto shall have become vested. Any such Restricted Stock and Retained Distributions that do not vest shall be forfeited to the Company and the Holder shall not thereafter have any rights with respect to such Restricted Stock and Retained Distributions that shall have been so forfeited.

7.3. Restricted Stock Units Terms and Conditions. Each Restricted Stock Units award shall be subject to the following terms and conditions:

(a) Settlement. The Committee may provide that settlement of Restricted Stock Units will occur upon or as soon as reasonably practicable after the Restricted Stock Units vest or will instead be deferred, on a mandatory basis or at the Holder’s election, in a manner intended to comply with Section 409A.

(b) No Rights as a Shareholder. A Holder will have no rights of a holder of Common Stock with respect to shares subject to any Restricted Stock Unit unless and until the shares are delivered in settlement of the Restricted Stock Unit. No shares of Common Stock will be issued at the time a Restricted Stock Unit is granted.

(c) Dividend Equivalents. If the Committee provides, a grant of Restricted Stock Units may provide a Holder with the right to receive dividend equivalents. Dividend equivalents may be paid currently or credited to an account for the Holder, settled in cash or shares and subject to the same restrictions on transferability and forfeitability as the Restricted Stock Units with respect to which the dividend equivalents are granted and subject to other terms and conditions as set forth in the Agreement.

(d) Forfeiture. Upon the expiration of the Restriction Period with respect to each award of Restricted Stock Units, if the applicable restrictions, terms, and conditions have not been met, all or part of such Restricted Stock Units shall be forfeited to the Company and the Holder shall not thereafter have any rights with respect to such Restricted Stock Units that shall have been so forfeited.

7.4 Removal of Restrictions. The Committee may remove any or all of the restrictions on Restricted Stock or Restricted Stock Units upon the determination that, by reason of changes in applicable laws or other changes in circumstances arising after the date of grant, such action is appropriate.

Section 8. Other Stock-Based Awards.

Other Stock-Based Awards may be awarded, subject to limitations under applicable law, that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of Common Stock, as deemed by the Committee to be consistent with the purposes of the Plan, including, without limitation, purchase rights, shares of Common Stock awarded which are not subject to any restrictions or conditions, convertible or exchangeable debentures, or other rights convertible into shares of Common Stock and awards valued by reference to the value of securities of or the performance of specified Subsidiaries. These Other Stock-Based Awards may include performance shares or options, whose award is tied to specific performance goals. Other Stock-Based Awards may be awarded either alone or in addition to or in tandem with any other awards under this Plan or any other plan of the Company. Each Other Stock-Based Award shall be subject to such terms and conditions as may be determined by the Committee, provided that no Shares shall be issued in respect of Other Stock-Based Awards unless and until the Company has sufficient authorized and unissued shares or treasury shares.

Section 9. Accelerated Vesting and Exercisability.

9.1. Non-Approved Transactions. If there is a Change of Control, and the Board does not authorize or otherwise approve such transaction, then the vesting periods of any and all Stock Options and other awards granted and outstanding under the Plan shall be accelerated and all such Stock Options and awards will immediately and entirely vest, and the respective holders thereof will have the immediate right to purchase and/or receive any and all Common Stock subject to such Stock Options and awards on the terms set forth in this Plan and the respective Agreements respecting such Stock Options and awards, and all performance goals will be deemed achieved at 100% of target levels and all other terms and conditions will be deemed met.

9.2. Approved Transactions. In the event of an Asset Sale or if there is a Change of Control that has been approved by the Company's Board of Directors, then the Committee may (i) accelerate the vesting of any and all Stock Options and other awards granted and outstanding under the Plan; (ii) require a Holder of any Stock Option, Stock Appreciation Right, Restricted Stock award or Other Stock-Based Award granted under this Plan to relinquish such award to the Company upon the tender by the Company to Holder of cash, stock or other property, or any combination thereof, in an amount equal to the Repurchase Value of such award; provided, however, that the obligation to tender the Repurchase Value to such Holders may be subject to any terms and conditions to which the tender of consideration to the Company's shareholders in connection with the acquisition is subject, including any terms and conditions of the acquisition providing for an adjustment to or escrow of such consideration; and provided, further, that in the case of any Stock Option or Stock Appreciation Right with an exercise price that equals or exceeds the price paid for a share of Common Stock in connection with the acquisition, the Committee may cancel the Stock Option or Stock Appreciation Right without the payment of consideration therefor; and/or (iii) terminate all incomplete performance periods in respect of awards in effect on the date the acquisition occurs, determine the extent to which performance goals have been met based upon such information then available as it deems relevant and cause to be paid to the Holder all or the applicable portion of the award based upon the Committee's determination of the degree of attainment of performance goals, or on such other basis determined by the Committee.

9.3. Code Section 409A. Notwithstanding any provisions of this Plan or any award granted hereunder to the contrary, no acceleration shall occur with respect to any award to the extent such acceleration would cause the Plan or an award granted hereunder to fail to comply with Code Section 409A.

Section 10. Amendment and Termination.

The Board may at any time, and from time to time, amend alter, suspend or discontinue any of the provisions of the Plan or any Agreement, but no amendment, alteration, suspension or discontinuance shall be made that would impair the rights of a Holder under any Agreement theretofore entered into hereunder, without the Holder's consent, except as set forth in this Plan or the Agreement.

Section 11. Term of Plan.

11.1. Effective Date. The Effective Date of the Plan shall be August 7, 2019.

11.2. Termination Date. Unless terminated by the Board, this Plan shall continue to remain effective until such time as no further awards may be granted and all awards granted under the Plan are no longer outstanding.

Section 12. General Provisions.

12.1. Written Agreements. Each award granted under the Plan shall be confirmed by, and shall be subject to the terms of, the Agreement executed by the Company and the Holder, or such other document as may be determined by the Committee. The Committee may terminate any award made under the Plan if the Agreement relating thereto is not executed and returned to the Company within 10 days after the Agreement has been delivered to the Holder for his or her execution.

12.2. Unfunded Status of Plan. The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. Neither the Company, the Board, nor the Committee shall be required to establish any special or separate fund or to segregate any assets to ensure the performance of obligations under the Plan. With respect to any payments not yet made to a Holder by the Company, nothing contained herein shall give any such Holder any rights that are greater than those of a general creditor of the Company.

12.3. Employees.

(a) Engaging in Competition with the Company; Solicitation of Customers and Employees; Disclosure of Confidential Information. If a Holder's employment with the Company, Parent, Subsidiary or Affiliate is terminated for any reason whatsoever, and Holder (i) within three months after the date thereof, accepts employment with any competitor of, or otherwise engages in competition with, the Company, Parent, Subsidiary or Affiliate, (ii) within two years after the date thereof, solicits any customers or employees of the Company, Parent, Subsidiary or Affiliate to do business with or render services to the Holder or any business with which the Holder becomes affiliated or to which the Holder renders services or (iii) at any time uses or discloses to anyone outside the Company any confidential information of the Company, Parent, Subsidiary or Affiliate in violation of the Company's policies or any agreement between the Holder and the Company, Parent, Subsidiary or Affiliate, the Committee, in its sole discretion, may require such Holder to return (through the payment of cash, return and transfer to the Company of shares of Common Stock or by other methods determined by the Committee) to the Company the economic value of any award that was realized or obtained by such Holder at any time during the period beginning on the date that is six months prior to the date such Holder's employment with the Company is terminated; provided, however, that if the Holder is a resident of the State of California, such right must be exercised by the Company for cash within six months after the date of termination of the Holder's service to the Company or within six months after exercise of the applicable Stock Option, whichever is later. In such event, Holder agrees to (1) remit to the Company, in cash, an amount equal to the difference between the Fair Market Value of the shares subject to the award on the date of termination (or the sales price of such Shares if the Shares were sold during such six month period) and the price the Holder paid the Company for such shares, or (2) in the case of SARs, shall, at the Company's election, return the full amount paid to the Holder in connection therewith.

(b) Termination for Cause. If a Holder's employment with the Company, Parent, subsidiary or Affiliate is terminated for "cause" (as may be defined in the Agreement or an employment agreement entered into by the Holder), the Committee may, in its sole discretion, require such Holder to return to the Company the economic value of any award that was realized or obtained by such Holder at any time during the period beginning on that date that is six months prior to the date such Holder's employment with the Company is terminated. In such event, Holder agrees to (1) remit to the Company, in cash, an amount equal to the difference between the Fair Market Value of the shares on the date of termination (or the sales price of such Shares if the shares were sold during such six month period) and the price the Holder paid the Company for such shares, (2) with the consent of the Company, which may be withheld for any reason or no reason, surrender to the Company shares of Common Stock having Fair Market Value equal to the Fair Market Value on the date they

were acquired upon exercise of the Option or (3) in the case of SARs, shall return the full amount paid to the Holder in connection therewith.

(c) No Right of Employment. Nothing contained in the Plan or in any award hereunder shall be deemed to confer upon any Holder who is an employee of the Company, Parent, Subsidiary or Affiliate any right to continued employment with the Company, Parent, Subsidiary or Affiliate, nor shall it interfere in any way with the right of the Company, Parent, Subsidiary or Affiliate to terminate the employment of any Holder who is an employee at any time.

12.4. No Fractional Shares. No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional awards or other securities or property shall be issued or paid in lieu of fractional shares of Common Stock or whether any fractional shares should be rounded, forfeited or otherwise eliminated.

12.5. Limitations on Liability.

(a) Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, other employee or agent of the Company or any Subsidiary, Parent or Affiliate will be liable to any Holder, former Holder, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan or any award, and such individual will not be personally liable with respect to the Plan because of any contract or other instrument executed in his or her capacity as member of the Committee, director, officer, other employee or agent of the Company or any Subsidiary, Parent or Affiliate. The Company will indemnify and hold harmless each director, officer, other employee and agent of the Company or any Subsidiary, Parent or Affiliate that has been or will be granted or delegated any duty or power relating to the Plan's administration or interpretation, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Committee's approval) arising from any act or omission concerning this Plan unless arising from such person's own fraud or bad faith.

(b) Neither the Company nor any Subsidiary shall be liable to a Holder or any other person as to: (i) the non-issuance or sale of shares as to which the Company has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any shares hereunder; and (ii) any tax consequence expected, but not realized, by any Holder or other person due to the receipt, exercise or settlement of any Award granted hereunder.

12.6. Lock-Up Period. The Company may, at the request of any underwriter, placement agent or otherwise, in connection with the registered offering of any Company securities under the Securities Act or pursuant to an exemption therefrom, prohibit Holders from, directly or indirectly, selling or otherwise transferring any shares or other Company securities acquired under this Plan during a period of up to one hundred eighty days following either the effective date of a Company registration statement filed under the Securities Act, in the case of a registered offering, or the closing date of the sale of the Company securities, in the case of an offering exempt from registration, or for such longer period as determined by the underwriter or placement agent.

12.7. Data Privacy. As a condition for receiving any award, each Holder explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this paragraph by and among the Company and its Parent, Subsidiaries and Affiliates exclusively for implementing, administering and managing the Holder's participation in the Plan. The Company and its Parent, Subsidiaries and Affiliates may hold certain personal information about a Holder, including the Holder's name, address and telephone number; birthdate; social security, insurance number or other identification number; salary; nationality; job title(s); any shares held in the Company or its Parent, Subsidiaries and Affiliates; and award details, to implement, manage and administer the Plan and awards (the "Data"). The Company and its Parent, Subsidiaries and Affiliates may transfer the Data amongst themselves as necessary to implement, administer and manage a Holder's participation in the Plan, and the Company and its Parent, Subsidiaries and Affiliates may transfer the Data to third parties assisting the Company with Plan implementation, administration and management. These recipients may be located in the Holder's country, or elsewhere, and the Holder's country may have different data privacy laws and protections than the recipients' country. By accepting an award, each Holder authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, to implement, administer and manage the Holder's participation in the Plan, including any required Data transfer to a broker or other third party with whom the Company or the Holder may elect to deposit any shares. The Data related to a Holder will be held only as long as necessary to implement, administer, and manage the Holder's participation in the Plan. A Holder may, at any time, view the Data that the Company holds regarding such Holder, request additional information about the storage and processing of the Data regarding such Holder, recommend any necessary corrections to the Data regarding the Holder or refuse or withdraw the consents in this Section 12.8 in writing, without cost, by contacting the local human resources representative. The Company may cancel Holder's ability to participate in the Plan and, in the Committee's discretion, the Holder may forfeit any outstanding awards if the Holder refuses or withdraws the consents in this Section 12.8. For more information on the consequences of refusing or withdrawing consent, Holders may contact their local human resources representative.

12.8. Successor. The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company and its Subsidiaries, taken as a whole.

12.9. Investment Representations; Company Policy. The Committee may require each person acquiring shares of Common Stock pursuant to a Stock Option or other award under the Plan to represent to and agree with the Company in writing that the Holder is acquiring the shares for investment without a view to distribution thereof. Each person acquiring shares of Common Stock pursuant to a Stock Option or other award under the Plan shall be required to abide by all policies of the Company in effect at the time of such acquisition and thereafter with respect to the ownership and trading of the Company's securities.

12.10. Additional Incentive Arrangements. Nothing contained in the Plan shall prevent the Board from adopting such other or additional incentive arrangements as it may deem desirable, including, but not limited to, the granting of Stock Options and the awarding of Common Stock and cash otherwise than under the Plan; and such arrangements may be either generally applicable or applicable only in specific cases.

12.11. Withholding Taxes. Not later than the date as of which an amount must first be included in the gross income of the Holder for Federal income tax purposes with respect to any Stock Option or other award under the Plan, the Holder shall pay to the Company, or make arrangements satisfactory to the Committee regarding the payment of, any Federal, state and local taxes of any kind required by law to be withheld or paid with respect to such amount. If permitted by the Committee, tax withholding or payment obligations may be settled with Common Stock, including Common Stock that is part of the award that gives rise to the withholding requirement. The obligations of the Company under the Plan shall be conditioned upon such payment or arrangements and the Company or the Holder's employer (if not the Company) shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Holder from the Company or any Subsidiary.

12.12. Clawback. Notwithstanding any other provisions of the Plan, any award which is subject to recovery under any law, government regulation or listing requirement of any national securities exchange on which the Company's securities are listed, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or listing requirement).

12.13. Governing Law. The Plan and all awards made and actions taken thereunder shall be governed by and construed in accordance with the law of the State of Florida (without regard to choice of law provisions).

12.14. Other Benefit Plans. Any award granted under the Plan shall not be deemed compensation for purposes of computing benefits under any retirement plan of the Company or any Parent, Subsidiary or Affiliate and shall not affect any benefits under any other benefit plan now or subsequently in effect under which the availability or amount of benefits is related to the level of compensation (unless required by specific reference in any such other plan to awards under this Plan).

12.15. Non-Transferability. Except as otherwise expressly provided in the Plan or the Agreement, no right or benefit under the Plan may be alienated, sold, assigned, hypothecated, pledged, exchanged, transferred, encumbered or charged, and any attempt to alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same shall be void.

12.16. Applicable Laws. The obligations of the Company with respect to all Stock Options and other awards under the Plan shall be subject to (i) all applicable laws, rules and regulations and such approvals by any governmental agencies as may be required, including, without limitation, the Securities Act, and (ii) the rules and regulations of any securities exchange on which the Common Stock may be listed. Notwithstanding anything herein to the contrary, the Plan and all awards will be administered only in conformance with such applicable laws. To the extent such applicable laws permit, the Plan and all Agreements will be deemed amended as necessary to conform to such applicable laws.

12.17. Conflicts. If any of the terms or provisions of the Plan or an Agreement conflict with the requirements of Section 422 of the Code, then such terms or provisions shall be deemed inoperative to the extent they so conflict with such requirements. Additionally, if this Plan or any Agreement does not contain any provision required to be included herein under Section 422 of the Code, such provision shall be deemed to be incorporated herein and therein with the same force and effect as if such provision had been set out at length herein and therein. If any of the terms or provisions of any Agreement conflict with any terms or provisions of the Plan, then such terms or provisions shall be deemed inoperative to the extent they so conflict with the requirements of the Plan. Additionally, if any Agreement does not contain any provision required to be included therein under the Plan, such provision shall be deemed to be incorporated therein with the same force and effect as if such provision had been set out at length therein.

12.18. Compliance with Section 409A of the Code. The Company intends that any awards be structured in compliance with, or to satisfy an exemption from, Section 409A of the Code, such that there are no adverse tax consequences, interest, or penalties pursuant to Section 409A of the Code as a result of the awards. Notwithstanding the Company's intention, in the event any award is subject to Section 409A of the Code, the Committee may, in its sole discretion and without a participant's prior consent, amend this Plan and/or outstanding Agreements, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and actions with retroactive effect) as are necessary or appropriate to (i) exempt this Plan and/or any award from the application of Section 409A of the Code, (ii) preserve the intended tax treatment of any such award, or (iii) comply with the requirements of Section 409A of the Code, including without limitation any such regulations guidance, compliance programs and other interpretive authority that may be issued after the date of grant of an award. This Plan shall be interpreted at all times in such a manner that the terms and provisions of the Plan and the awards are exempt from or comply with Section 409A of the Code.

12.19. Sub-Plans. The Committee may from time to time establish sub-plans under the Plan for purposes of satisfying blue sky, securities, tax or other laws of various jurisdictions in which the Company intends to grant awards. Any sub-plans shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable. All sub-plans shall be deemed a part of the Plan, but each sub-plan shall apply only to the participants in the jurisdiction for which the sub-plan was designed.

12.20. Non-Registered Stock. The shares of Common Stock to be distributed under this Plan have not been, as of the Effective Date, registered under the Securities Act or any applicable state or foreign securities laws and the Company has no obligation to any Holder to register the Common Stock or to assist the Holder in obtaining an exemption from the various registration requirements, or to list the Common Stock on a national securities exchange or any other trading or quotation system.

12.21. Non-Uniform Treatment. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or actually receive, awards. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Agreements.



EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

ParkerVision, Inc.
Jacksonville, Florida

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Registration No. 333-157740, Registration No. 333-197741, Registration No. 333-178064, Registration No. 333-214596, Registration No. 333-226784, Registration No. 333-237761, and Registration No. 333-261231) of ParkerVision, Inc. of our report dated March 28, 2023, relating to the consolidated financial statements, which appears in this Form 10-K.

/s/ MSL P.A.
Fort Lauderdale, Florida
March 28, 2023

SECTION 302 CERTIFICATION

I, Jeffrey L. Parker, certify that:

1. I have reviewed this Annual Report on Form 10-K of ParkerVision, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons fulfilling the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2023

Name: /s/ Jeffrey L. Parker

Title: Chief Executive Officer (Principal Executive Officer)

SECTION 302 CERTIFICATION

I, Cynthia L. French certify that:

1. I have reviewed this Annual Report on Form 10-K of ParkerVision, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons fulfilling the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2023

Name: /s/ Cynthia L. French

Title: Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

SECTION 906 CERTIFICATION

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of ParkerVision, Inc. (the "Company") on Form 10-K, for the period ended December 31, 2022 as filed with the Securities and Exchange Commission (the "Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Dated: March 28, 2023

Name: /s/ Jeffrey L. Parker
Title: Chief Executive Officer
(Principal Executive Officer)

Dated: March 28, 2023

Name: /s/ Cynthia L. French
Title: Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)