
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): **May 5, 2022**

INTERLINK ELECTRONICS, INC.
(Exact Name of Registrant as Specified in Charter)

Nevada
(State or Other Jurisdiction
of Incorporation)

001-37659
(Commission
File Number)

77-0056625
(IRS Employer
Identification No.)

1 Jenner, Suite 200
Irvine, California
(Address of Principal Executive Offices)

92618
(Zip Code)

(805) 484-8855
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	LINK	The NASDAQ Stock Market LLC

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On May 5, 2022, Interlink Electronics, Inc. announced its financial results for the quarter ended March 31, 2022. A copy of the press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 2.02 of Current Report on Form 8-K and Exhibit 99.1 attached hereto is intended to be furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are filed as part of this Current Report on Form 8-K:

Exhibit Number	Description
<u>99.1</u>	<u>Press Release Issued by Interlink Electronics, Inc. dated May 5, 2022.</u>
104	Cover Page Interactive Data File for this Current Report on Form 8-K (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 5, 2022

INTERLINK ELECTRONICS, INC.

By: /s/ Ryan J. Hoffman

Ryan J. Hoffman

Chief Financial Officer

Interlink Electronics Reports First Quarter 2022 Results

Revenue Increased 27% From Prior Year, and 23% Sequentially From Prior Quarter

May 5, 2022 1:00 PM PDT

IRVINE, CA – (Business Wire) – Interlink Electronics, Inc. (NASDAQ: LINK), an industry-leading trusted advisor and technology partner in the advancing world of human-machine interface (HMI) and force-sensing technologies, today announced its financial results for the three months ended March 31, 2022. Revenue for the quarter was \$2.0 million, up 27% from the prior year period on increased shipments of our sensor products and solutions, and up 23% sequentially from the three months ended December 31, 2021. Gross margin increased to 62% on efficiencies from the higher volume of sales.

Consolidated Financial Highlights

(Amounts in thousands except per share data and percentages)

Consolidated Financial Results	Three months ended March 31,			
	2022	2021	\$ Δ	% Δ
Revenue	\$ 1,991	\$ 1,568	\$ 423	27.0%
Gross profit	\$ 1,241	\$ 874	\$ 367	42.0%
Gross margin	62.3%	55.7%		
Income (loss) from operations	\$ 18	\$ (60)	\$ 78	130.0%
Net income (loss)	\$ 142	\$ (43)	\$ 185	430.2%
Earnings (loss) per common share – diluted	\$ 0.01	\$ (0.01)	\$ 0.02	200.0%

- Revenue in the first quarter of 2022 increased 27% to \$2.0 million from \$1.6 million in the same year-ago period, primarily due to higher demand of our custom products in the medical market and for our standard products, offset by lower shipments of our custom products in the consumer market. Demand in the medical market continues to recover from the restrictive effects of the pandemic which previously impacted our customers' ability to install devices in hospitals, while the decrease in shipments to our consumer market customers was primarily due to a design change by one of our largest consumer products customers.
- Gross margin increased to 62.3% in the current quarter from 55.7% in the year-ago quarter. Gross margin is impacted by our sales volume, the mix of products and customers, and production efficiencies.
- Income/loss from operations was an operating income of \$18 thousand for the first quarter of 2022, compared with an operating loss of \$60 thousand in the same period in 2021. Operating income/loss was impacted by higher operating expenses in the current quarter due to increased engineering and administrative headcount and increased professional fees, and due to the prior year having included the \$186 thousand benefit from forgiveness of the PPP loan.
- In the first quarter of 2022, after-tax net income/loss was net income of \$142 thousand, or \$0.01 per diluted share, compared to a net loss of \$43 thousand, or \$0.01 per diluted share, in the same year-ago period.
- Interlink ended the quarter with \$8.1 million in cash and cash equivalents, and \$2.3 million in marketable securities.

"We are pleased with our quarterly results, and we continue to see an increase in commercial activity," said Steven N. Bronson, Chairman, President, and CEO of Interlink Electronics. "We are committed to expanding our sales and technical support resources to drive new customer opportunities.

"We continue to actively pursue acquisitions that are part of our accelerated growth plans," added Mr. Bronson.

About Interlink Electronics, Inc.

Interlink Electronics is a world-leading trusted provider of HMI, sensor, and IoT solutions. In addition to standard product offerings, Interlink utilizes its expertise in materials science, manufacturing, firmware, and software to produce in-house system solutions for custom applications. For 35 years, Interlink has led the printed electronics industry in the commercialization of its patented Force Sensing Resistor® technology and has supplied some of the world's top electronics manufacturers with intuitive sensor and interface technologies like the VersaPad and the new VersaPad Plus, which boasts the largest active surface area of any resistive touchpad. It also has a proven track record of supplying technological solutions for mission-critical applications in a diverse range of markets—including medical, automotive, consumer electronics, telecommunications, and industrial control—providing standard and custom-designed sensors that give engineers the flexibility and functionality they seek in today's sophisticated electronic devices. Interlink serves an international customer base from its headquarters in Irvine, California, and world-class materials science lab and R&D center in Camarillo, California. They are supported by strategic global locations covering manufacturing, distribution, and sales support. For more information, please visit InterlinkElectronics.com.

Forward Looking Statements

This release contains forward-looking statements. Forward-looking statements include, but are not limited to, the company's views on future financial performance and are generally identified by phrases such as "thinks," "anticipates," "believes," "estimates," "expects," "intends," "plans," and similar words. Forward-looking statements are not guarantees of future performance and are inherently subject to uncertainties and other factors which could cause actual results to differ materially from the forward-looking statement. These statements are based upon, among other things, assumptions made by, and information currently available to, management, including management's own knowledge and assessment of the company's industry, R&D initiatives, competition and capital requirements. Other factors and uncertainties that could affect the company's forward-looking statements include, among other things, the following: our success in predicting new markets and the acceptance of our new products; efficient management of our infrastructure; the pace of technological developments and industry standards evolution and their effect on our target product and market choices; the effect of outsourcing technology development; changes in the ordering patterns of our customers; a decrease in the quality and/or reliability of our products; protection of our proprietary intellectual property; competition by alternative sophisticated as well as generic products; continued availability of raw materials for our products at competitive prices; disruptions in our manufacturing facilities; risks of international sales and operations including fluctuations in exchange rates; compliance with regulatory requirements applicable to our manufacturing operations; and customer concentrations. Additional factors that could cause actual results to differ materially from those anticipated by our forward-looking statements are under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent Annual Report (Form 10-K) or Quarterly Report (Form 10-Q) filed with the Securities and Exchange Commission. Forward-looking statements are made as of the date of this release, and we expressly disclaim any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:

Interlink Electronics, Inc.
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Steven N. Bronson, CEO
805-623-4184

INTERLINK ELECTRONICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

	March 31, 2022	December 31, 2021
	(in thousands)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 8,130	\$ 10,777
Restricted cash	5	5
Marketable securities	2,335	—
Accounts receivable, net	1,300	1,080
Inventories	799	814
Prepaid expenses and other current assets	388	391
Total current assets	12,957	13,067
Property, plant and equipment, net	290	338
Intangible assets, net	116	131
Right-of-use assets	119	163
Deferred tax assets	8	8
Other assets	42	72
Total assets	\$ 13,532	\$ 13,779
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 333	\$ 338
Accrued liabilities	251	507
Lease liabilities, current	114	138
Accrued income taxes	66	54
Total current liabilities	764	1,037
Long-term liabilities		
Lease liabilities, long-term	14	37
Total long-term liabilities	14	37
Total liabilities	778	1,074
Stockholders' equity		
Preferred stock	2	2
Common stock	7	7
Additional paid-in-capital	62,552	62,552
Accumulated other comprehensive income	103	96
Accumulated deficit	(49,910)	(49,952)
Total stockholders' equity	12,754	12,705
Total liabilities and stockholders' equity	\$ 13,532	\$ 13,779

INTERLINK ELECTRONICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three months ended March 31,	
	2022	2021
	(in thousands, except per share data)	
Revenue, net	\$ 1,991	\$ 1,568
Cost of revenue	750	694
Gross profit	1,241	874
Operating expenses:		
Engineering, research and development	263	217
Selling, general and administrative	960	717
Total operating expenses	1,223	934
Income (loss) from operations	18	(60)
Other income (expense):		
Other income (expense), net	155	10
Income (loss) before income taxes	173	(50)
Income tax expense (benefit)	31	(7)
Net income (loss)	\$ 142	\$ (43)
Net income (loss) applicable to common stockholders	\$ 42	\$ (43)
Earnings (loss) per common share – basic and diluted	\$ 0.01	\$ (0.01)
Weighted average common shares outstanding – basic and diluted	6,602	6,601