
**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): **August 10, 2021**

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 August 10, 2021, Interlink Electronics, Inc. announced its financial results for the quarter ended June 30, 2021. 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 exhibit is filed as part of this Current Report on Form 8-K:

<u>Exhibit Number</u>	<u>Description</u>
<u>99.1</u>	<u>Press Release Issued by Interlink Electronics, Inc. dated August 10, 2021.</u>

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: August 10, 2021

INTERLINK ELECTRONICS, INC.

By: /s/ Ryan J. Hoffman
Ryan J. Hoffman
Chief Financial Officer

Interlink Electronics Reports Second Quarter 2021 Results
Revenue Increased By 32% Sequentially From Previous Quarter

August 10, 2021 6:00 AM 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 June 30, 2021. Net revenue for the quarter was \$2.1 million, up 21% from the prior year period, and sequentially up 32% from the previous quarter. Gross margin was 55% for the quarter.

Consolidated Financial Highlights

(Amounts in thousands except per share data and percentages)

Consolidated Financial Results	Three months ended June 30,				Six months ended June 30,			
	2021	2020	\$ Δ	% Δ	2021	2020	\$ Δ	% Δ
Net revenue	\$ 2,064	\$ 1,702	\$ 362	21.3%	\$ 3,632	\$ 3,393	\$ 239	7.0%
Gross profit	\$ 1,127	\$ 998	\$ 129	12.9%	\$ 2,001	\$ 1,957	\$ 44	2.2%
Gross margin	54.6%	58.6%			55.1%	57.7%		
Income (loss) from operations	\$ 133	\$ 41	\$ 93	nm	\$ 73	\$ (31)	\$ 104	nm
Net income (loss)	\$ 63	\$ 13	\$ 50	nm	\$ 20	\$ (5)	\$ 25	nm
Earnings (loss) per share – diluted	\$ 0.01	\$ 0.00	\$ 0.01	nm	\$ 0.00	\$ (0.00)	\$ 0.00	nm

- Revenue in the second quarter of 2021 increased 21% to \$2.1 million from \$1.7 million in the same year-ago period, primarily due to higher demand for our custom products in the consumer and medical markets. Increases in product volume in the consumer market was due to an increase in our customers' demands and purchases on corresponding products and programs, while increased demand in the medical market was partly a reflection of the pandemic-impacted levels in the prior year.
- Gross margin decreased to 54.6% in the current quarter from 58.6% in the year-ago quarter. Gross margin is impacted by the mix of products and customers, and production costs.
- Income from operations was \$133 thousand for the second quarter of 2021, compared with \$41 thousand in the same period in 2020. Operating income was impacted by higher gross profit on higher revenues, offset partially by higher selling, general and administrative expenses associated with continued strategic investments in personnel and operational and administrative infrastructure.
- In the second quarter of 2021, after-tax net income was \$63 thousand, or \$0.01 per diluted share, compared to \$13 thousand, or \$0.00 per diluted share, in the same year-ago period.
- Interlink ended the quarter with \$6.2 million in cash and cash equivalents.

“We are experiencing strong momentum evidenced by our 32% sequential quarterly revenue growth and our pipeline of new programs entering into mass production in the next six to twelve months,” said Steven N. Bronson, Chairman, President, and CEO of Interlink Electronics. “We are also committed to augmenting our organic growth with acquisitions.

“Our goal is to build a diversified global technology organization consisting of sensors, test & measurement, engineering services, and specialty manufacturers of precision components and solutions,” 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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805-623-4184

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

	June 30, 2021	December 31, 2020
	(in thousands, except par value)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,245	\$ 6,120
Restricted cash	5	5
Accounts receivable, net	1,173	1,113
Inventories	878	866
Prepaid expenses and other current assets	168	392
Total current assets	<u>8,469</u>	<u>8,496</u>
Property, plant and equipment, net	423	407
Intangible assets, net	162	195
Right-of-use assets	258	334
Deferred tax assets	526	527
Other assets	65	63
Total assets	<u>\$ 9,903</u>	<u>\$ 10,022</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 374	\$ 235
Accrued liabilities	300	343
Lease liabilities, current	189	219
PPP loan payable	—	186
Accrued income taxes	65	59
Total current liabilities	<u>928</u>	<u>1,042</u>
Long-term liabilities		
Lease liabilities, long-term	87	140
Total long-term liabilities	<u>87</u>	<u>140</u>
Total liabilities	<u>1,015</u>	<u>1,182</u>
Stockholders' equity		
Preferred stock	—	—
Common stock	7	7
Additional paid-in-capital	57,971	57,966
Accumulated other comprehensive income	60	37
Accumulated deficit	(49,150)	(49,170)
Total stockholders' equity	<u>8,888</u>	<u>8,840</u>
Total liabilities and stockholders' equity	<u>\$ 9,903</u>	<u>\$ 10,022</u>

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

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	(in thousands, except per share data)			
Revenue, net	\$ 2,064	\$ 1,702	\$ 3,632	\$ 3,393
Cost of revenue	937	704	1,631	1,436
Gross profit	<u>1,127</u>	<u>998</u>	<u>2,001</u>	<u>1,957</u>
Operating expenses:				
Engineering, research and development	232	293	449	578
Selling, general and administrative	762	664	1,479	1,410
Total operating expenses	<u>994</u>	<u>957</u>	<u>1,928</u>	<u>1,988</u>
Income (loss) from operations	133	41	73	(31)
Other income (expense):				
Other income (expense), net	(29)	(8)	(19)	(2)
Income (loss) before income taxes	104	33	54	(33)
Income tax expense (benefit)	41	20	34	(28)
Net income (loss)	<u>\$ 63</u>	<u>\$ 13</u>	<u>\$ 20</u>	<u>\$ (5)</u>
Earnings (loss) per share – basic and diluted	<u>\$ 0.01</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (0.00)</u>
Weighted average common shares outstanding – basic and diluted	<u>6,601</u>	<u>6,580</u>	<u>6,601</u>	<u>6,571</u>