

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 18, 2020

INFORMATION ANALYSIS INCORPORATED

(Exact name of registrant as specified in its charter)

VA
(State or other jurisdiction
of incorporation)

000-22405
Commission
File Number

54-1167364
(IRS Employer
Identification No.)

11240 Waples Mill Rd, Ste 201
Fairfax, VA 22030
(Address of principal executive offices, including zip code)

703-383-3000
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

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.

Section 2 – Financial Information

Item 2.02 Results of Operations and Financial Condition.

On August 18, 2020, Information Analysis Incorporated issued a press release reporting earnings and other financial results for its quarter and six months ended June 30, 2020. A copy of this press release, captioned "Information Analysis Inc. Reports Improving Results in its Second Quarter", is attached as Exhibit 99.1 to this Current Report on Form 8-K (the "8-K"). The information in this 8-K, including the exhibit, 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 shall be expressly set forth by specific reference in such a filing.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

99.1 [Press Release dated August 18, 2020, captioned: "Information Analysis Inc. Reports Improving Results in its Second Quarter"](#).

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 18, 2020

INFORMATION ANALYSIS INCORPORATED
By: /s/ Matthew T. Sands
Matthew T. Sands
Controller and Acting Principal Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
EX-99.1	IAI Press Release dated August 18, 2020

For additional information contact:
Matt Sands
(703) 293-7925

For release: August 18, 2020

Information Analysis Inc. Reports Improving Results in its Second Quarter

FAIRFAX, VIRGINIA – Information Analysis Incorporated (IAIC:OTC PINK) reported on Friday its results for the second quarter and first six months of 2020.

For the second quarter of 2020, revenues increased 30% to \$4,819,000, compared to second quarter 2019 revenues of \$3,704,000. The information technology services company reduced its net losses by \$174,000, or 83%, and reported a net loss in the second quarter of 2020 of \$35,000, or \$0.00 per share basic and diluted, versus a net loss in the second quarter of 2019 of \$209,000, or (\$0.02) per share basic and diluted.

For the first six months of 2020, revenues increased 41% to \$6,881,000, compared to second quarter 2019 revenues of \$4,883,000. The company reduced its net losses by \$238,000, or 60%, and reported a net loss in the six months ended June 30, 2020, of \$161,000, or (\$0.01) per share basic and diluted, versus a net loss in the six months ended June 30, 2019, of \$399,000, or (\$0.04) per share basic and diluted.

“There is no doubt about it - 2019 was a tough year,” said Sandor Rosenberg, Chairman and Chief Executive Officer of IAI. “Contracts were expiring in normal course, but every material new contract and subcontract we won was delayed due to protests by companies competing for the business. Despite managing our offices and employees through ever-changing directives and regulations due to the COVID health emergency, we turned the corner during this second quarter, as the largest of these delayed subcontracts emerged from protest almost a year after it was originally won. In June we were able to commence a massive modernization effort at a federal agency that could be worth upwards of \$25 million over the subcontract’s seven-year term. With the addition of this effort, we expect our third quarter to be profitable, and we should remain so for the foreseeable future.

“With our recent large-scale modernization successes, especially with regard to aging COBOL-based systems, we are poised to pursue and win opportunities with the federal government, as well as efforts to modernize and enhance state and local data systems and large-scale commercial systems. We make an excellent teammate when tackling multi-faceted modernization efforts.”

About Information Analysis Incorporated

Information Analysis Incorporated (www.infoa.com), headquartered in Fairfax, Virginia, is an information technology product and services company. The Company is a software conversion specialist, modernizing legacy systems and extending their reach to the internet and more modern platforms.

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Information Analysis Reports Improving Results in its Second Quarter

August 18, 2020

Page 2 of 5

Additional information for investors

This release may contain forward-looking statements regarding the Company's business, customer prospects, or other factors that may affect future earnings or financial results. Such statements involve risks and uncertainties which could cause actual results to vary materially from those expressed in the forward-looking statements. Investors should read and understand the risk factors detailed in the Company's 10-K for the fiscal year ended December 31, 2019 and in other filings with the Securities and Exchange Commission.

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Information Analysis Incorporated
Statements of Operations

<i>(in thousands, except per share data; unaudited)</i>	3 Months ended June 30,	
	2020	2019
Revenues:		
Professional fees	\$ 928	\$ 762
Software sales	<u>3,891</u>	<u>2,942</u>
Total revenues	4,819	3,704
Cost of revenues:		
Cost of professional fees	601	435
Cost of software sales	<u>3,829</u>	<u>2,912</u>
Total cost revenues	4,430	3,347
Gross profit	389	357
Selling, general and administrative expense	366	529
Commissions expense	<u>57</u>	<u>40</u>
Loss from operations	(34)	(212)
Other (loss) income	<u>(1)</u>	<u>3</u>
Loss before income taxes	<u>(35)</u>	<u>(209)</u>
Net loss	<u>\$ (35)</u>	<u>\$ (209)</u>
Net loss per share:		
Basic	\$ 0.00	\$ (0.02)
Diluted	\$ 0.00	\$ (0.02)
Weighted average common shares outstanding:		
Basic	11,211,760	11,207,804
Diluted	11,211,760	11,207,804

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Information Analysis Incorporated
Statements of Operations

<i>(in thousands, except per share data; unaudited)</i>	6 Months ended June 30,	
	2020	2019
Revenues:		
Professional fees	\$ 1,773	\$ 1,524
Software sales	<u>5,108</u>	<u>3,359</u>
Total revenues	6,881	4,883
Cost of revenues:		
Cost of professional fees	1181	881
Cost of software sales	<u>5,032</u>	<u>3,322</u>
Total cost revenues	6,213	4,203
Gross profit	668	680
Selling, general and administrative expense	707	1014
Commissions expense	<u>123</u>	<u>71</u>
Loss from operations	(162)	(405)
Other (loss) income	<u>1</u>	<u>6</u>
Loss before income taxes	<u>(161)</u>	<u>(399)</u>
Net loss	<u>\$ (161)</u>	<u>\$ (399)</u>
Net loss per share:		
Basic	\$ (0.01)	\$ (0.04)
Diluted	\$ (0.01)	\$ (0.04)
Weighted average common shares outstanding:		
Basic	11,211,760	11,204,799
Diluted	11,211,760	11,204,799

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Information Analysis Incorporated Balance Sheets

<i>(in thousands)</i>	As of June 30, 2020 <i>(unaudited)</i>	As of December 31, 2019 <i>(audited)</i>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 961	\$ 1,039
Accounts receivable, net	968	669
Prepaid expenses	88	500
Total current assets	<u>2,017</u>	<u>2,208</u>
Right-of-use operating lease asset	101	150
Fixed assets, net	16	10
Contract assets	14	-
Other assets	6	6
Total assets	<u>\$ 2,154</u>	<u>\$ 2,374</u>
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 176	\$ 216
Accrued payroll and related liabilities	250	220
Note payable – current	149	-
Commissions payable	104	108
Operating lease liability – current	99	104
Contract liabilities	64	464
Other accrued liabilities	8	54
Interest payable	1	-
Total current liabilities	<u>851</u>	<u>1,166</u>
Note payable – non-current	301	-
Operating lease liability – non-current	-	46
Total liabilities	<u>1,152</u>	<u>1,212</u>
Common stock, par value \$0.01, 30,000,000 shares authorized; 12,854,376 shares issued, 11,211,760 shares outstanding as of June 30, 2020, and December 31, 2019		
	128	128
Additional paid in capital	14,684	14,683
Accumulated deficit	(12,880)	(12,719)
Less treasury stock; 1,642,616 shares at cost	(930)	(930)
Total stockholders' equity	<u>1,002</u>	<u>1,162</u>
Total liabilities and stockholders' equity	<u>\$ 2,154</u>	<u>\$ 2,374</u>

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