

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): **November 16, 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 November 16, 2020, Information Analysis Incorporated issued a press release reporting earnings and other financial results for its three months and nine months ended September 30, 2020. A copy of this press release, captioned "Information Analysis Incorporated Returns to Profitability with Momentum", 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 November 16, 2020, captioned: "Information Analysis Incorporated Returns to Profitability with Momentum"](#).

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
EX-99.1	IAI Press Release dated November 16, 2020

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: November 16, 2020

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

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

For release: November 16, 2020

Information Analysis Incorporated Returns to Profitability with Momentum

FAIRFAX, VIRGINIA – Information Analysis Incorporated (IAIC:OTC MARKETS) today reported results for the three months and nine months ended September 30, 2020.

The information technology services company's 2020 third quarter revenues were \$3,923,000, an increase of 23% over its 2019 third quarter revenues of \$3,183,000. IAI's net income was \$215,000 versus a net loss of (\$179,000) for the same period in 2019. Basic and diluted earnings per share were \$0.02 for the quarter versus basic and diluted net loss per share of (\$0.02) in 2019.

For the nine months ended September 30, 2020, revenues were \$10,804,000, an increase of \$2,738,000, or 34%, over its 2019 nine months revenues of \$8,066,000. IAI produced net income of \$54,000 in 2020 versus a net loss of (\$579,000) in 2019. Basic and diluted earnings per share were \$0.00 for the nine months versus basic and diluted net loss per share of (\$0.05) in 2019.

Sandor Rosenberg, President and Chief Executive Officer of IAI, credits Stan Reese, Senior Vice President and Chief Operating Officer, for the 2020 turnaround due to the new contracts he has won and the excellent team he has assembled.

"In the third quarter we completely reversed our losses from the first half of the year," Reese said. "Since May, we have increased our billable workforce by over 80% under new long-term, large-scale contracts. We anticipate that these contracts will provide a solid foundation of revenue and profitability for the foreseeable future. This has allowed us to shift our focus from maintaining operations to meaningful growth for 2021 and beyond.

"Our capabilities when it comes to modernizing legacy systems such as COBOL-based systems, no matter how large, we believe are second to none. We now turn our attention to investments in corporate infrastructure and business development. Pursuit of strategic partnerships with synergistic emerging technology companies, as well as merger & acquisition opportunities, are also part of our plans."

Reese further commented, "While COBOL-related legacy system modernization is expected to remain a core competency, we recognize that expanding our service and product offerings is necessary to carry us through the new decade. We believe that our extensive roster of satisfied clients could prove appealing to prospective partners in high-growth fields such as cloud services and cyber security. We remain excited about the Company's future for the long-term benefit of our shareholders."

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Information Analysis Inc. Returns to Profitability

November 16, 2020

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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 cloud and more modern platforms.

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>	Three Months ended September 30,	
	2020	2019
Revenues:		
Professional fees	\$ 1,581	\$ 889
Software sales	2,342	2,294
Total revenues	3,923	3,183
Cost of revenues:		
Cost of professional fees	1,051	564
Cost of software sales	2,258	2,235
Total cost revenues	3,309	2,799
Gross profit	614	384
Selling, general and administrative expense	343	468
Commissions expense	56	98
Income (loss) from operations	215	(182)
Other income	-	3
Income (loss) before income taxes	215	(179)
Net income (loss)	\$ 215	\$ (179)
Net income (loss) per share:		
Basic	\$ 0.02	\$ (0.02)
Diluted	\$ 0.02	\$ (0.02)
Weighted average common shares outstanding:		
Basic	11,211,760	11,211,760
Diluted	11,837,427	11,211,760

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Information Analysis Incorporated
Statements of Operations

<i>(in thousands, except per share data; unaudited)</i>	Nine Months ended September 30,	
	2020	2019
Revenues:		
Professional fees	\$ 3,354	\$ 2,412
Software sales	7,450	5,654
Total revenues	10,804	8,066
Cost of revenues:		
Cost of professional fees	2,233	1,445
Cost of software sales	7,289	5,557
Total cost revenues	9,522	7,002
Gross profit	1,282	1,064
Selling, general and administrative expense	1,050	1,482
Commissions expense	179	169
Income (loss) from operations	53	(587)
Other income	1	8
Income (loss) before income taxes	54	(579)
Net income (loss)	\$ 54	\$ (579)
Net income (loss) per share:		
Basic	\$ 0.00	\$ (0.05)
Diluted	\$ 0.00	\$ (0.05)
Weighted average common shares outstanding:		
Basic	11,211,760	11,207,145
Diluted	11,810,392	11,207,145

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Information Analysis Incorporated Balance Sheets

<i>(in thousands)</i>	As of September 30, 2020 <i>(unaudited)</i>	As of December 31, 2019 <i>(audited)</i>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,469	\$ 1,039
Accounts receivable	1,600	669
Prepaid expenses	39	500
Total current assets	<u>3,108</u>	<u>2,208</u>
Contract assets	89	-
Right-of-use operating lease asset	77	150
Fixed assets, net	62	10
Other assets	6	6
Total assets	<u>\$ 3,342</u>	<u>\$ 2,374</u>
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 533	\$ 216
Contract liabilities	332	464
Accrued payroll and related liabilities	316	220
Other accrued liabilities	296	54
Commissions payable	119	108
Operating lease liability – current	73	104
Note payable – current	37	-
Total current liabilities	<u>1,706</u>	<u>1,166</u>
Note payable – non-current	413	-
Operating lease liability – non-current	-	46
Total liabilities	<u>2,119</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 September 30, 2020, and December 31, 2019	128	128
Additional paid in capital	14,690	14,683
Accumulated deficit	(12,665)	(12,719)
Less treasury stock; 1,642,616 shares at cost	(930)	(930)
Total stockholders' equity	<u>1,223</u>	<u>1,162</u>
Total liabilities and stockholders' equity	<u>\$ 3,342</u>	<u>\$ 2,374</u>

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