



Information Analysis Inc Announces Availability of Annual Letter to Shareholders

Fairfax, VA, May 5, 2021 – Information Analysis Incorporated (OTCQB: IAIC) (“IAI” or “the Company”) today announced the availability of a letter to its shareholders from Stan Reese, the Company’s President and CEO. The letter is posted in the investor relations section of the Company’s website and the complete letter also follows:

Dear Fellow Shareholders:

I want to start by thanking our former CEO and Company founder Sandy Rosenberg. I am deeply honored to have taken over as CEO of our Company following Sandy’s retirement at the end of 2020. When Sandy founded Information Analysis Incorporated (IAI) in 1979, computers were nascent technology and certainly not commonly found on the desks of government agency employees. He recognized the resulting opportunity to create a company that would become a trusted resource for a wide variety of government agencies as they began to harness the power of computers. Since that time, the world of information technology has undergone tremendous evolution and IAI has also followed that arc.

We have a long history as a trusted IT consultant for government agencies. During the 41 years that Sandy ran the Company, the Company completed many modernization projects and has converted over 100 million lines of code. Based on the excellent reputation the Company has earned with federal government agencies, in June of 2020 IAI was awarded a subcontract worth \$25 million over 7 years. This contract enabled the Company to show a profit of \$215,000 in the third quarter and \$363,000 in the fourth quarter of 2020. The Company’s net income was \$413,000 for the year.

We have built a very strong base in our legacy systems modernization business and believe there is still a big opportunity for us to grow and expand this business. A 2017 study by Reuters estimated that there are still 220 billion lines of COBOL in use and the COVID crisis drove an acute awareness of the need for the government to update its systems last year when several states’ COBOL based unemployment insurance systems crashed, unable to handle the sudden spike in claims. There are substantial growth opportunities for our legacy business and we expect to capitalize on the moment by hiring new salesmen and leveraging our existing relationships with major blue chip clients including the Department of Defense, Department of Treasury, PricewaterhouseCoopers, General Dynamics Information Technology, Guidehouse, and Department of Homeland Security.

While we are very excited about the mid-term opportunity to grow our systems modernization business, we’re even more energized by a massive long term growth

opportunity we see arising from our ability to leverage our multi-decade relationships with blue-chip clients to provide them with more comprehensive high-margin solutions in areas such as cybersecurity, cloud computing, data analytics, and machine learning. On April 7th of this year, we took the first step in this direction by acquiring Tellenger, Inc. Tellenger brings significant experience and capabilities to IAI, particularly in cybersecurity, along with cloud computing and data analytics. They have a legacy of innovation and are well-versed in working with government agencies. They have contracts with the Department of Homeland Security, The Department of Health and Human Services, the U.S. Census Bureau, and the U.S. Marine Corps.

I am extremely excited about the addition of Tellenger to IAI. As we mentioned when we closed the deal, we expected it to be immediately accretive. More importantly, however, we believe that there will be substantial synergies with Tellenger as their capabilities and tools open up a wide range of new contracts that we can compete for with our existing customer base, where we think our long-term relationships and years of accumulated goodwill will position us well to win. Although we have only owned the Company for a month, we are already seeing many intriguing opportunities open up to sell their capabilities to our customers and, perhaps surprisingly, also to sell our modernization services to new relationships that they have brought.

Our goal now, in addition to exploiting these powerful synergies with Tellenger, is to acquire other businesses to further expand the high margin capabilities and services that we can offer to our blue-chip customer base.

If pivoting the Company for growth is my first focus as CEO, upgrading and strengthening the Board to support this growth is my second focus. To move in this direction, we recently elected Mark Krial, a very seasoned executive who has served on the Board since 2016, as our Chairman. We also buttressed the Board's cybersecurity and cloud computing expertise by adding Jack Johnson. Jack has had a very distinguished career, including being named the first-ever Chief Security Officer of the Department of Homeland Security (DHS). In this role, he directed all security-related activities for DHS and its over 200,000 employees. Mr. Johnson previously served as Partner at Guidehouse, the legacy PricewaterhouseCoopers US Public Sector business, where he oversaw the entire Defense sector, which includes all entities within the US Department of Defense; Army, Navy, Air Force, Marine Corps, the Office of the Secretary of Defense, all other defense organizations and other defense agencies, as well as NATO and all commercial aerospace and defense activities.

We believe that the recent initiatives to develop our business and leadership team puts us in a strong position to identify, analyze, and integrate additional businesses into IAI.

Finally, in an effort to boost liquidity and ultimately the value of our publicly traded shares, we intend to pursue an up-listing to either the NASDAQ or New York Stock Exchange (NYSE). We have already completed a first step toward effecting this by upgrading our stock listing to a higher tier of the OTC markets. We currently have over 700 shareholders who each own over 100 shares of our common stock.

2021 – What Lies Ahead

I have big growth ambitions for IAI. Having been with the Company since 1993, including the last twenty years as Chief Operating Officer, I am keenly aware of both our strengths and weaknesses. By leveraging our strengths to grow the business as we continue to shore up those weaknesses, I have no doubt that we can build substantial value for all of our shareholders. In the four months since I assumed the role of CEO at the beginning of 2021, our senior management team has wasted little time rolling up our sleeves and has made significant progress on our roadmap for growth. The Company has achieved profitability, strengthened its Board of Directors and management team, successfully completed a very strategic and accretive acquisition in Tellenger, and is moving toward a listing on a major exchange.

Sincerely,

Stan Reese, President and CEO
Information Analysis, Inc.

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 securely 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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