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**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 14, 2019

**INTELLINETICS, INC.**  
(Exact name of Registrant as specified in its charter)

Nevada  
(State or other jurisdiction  
of incorporation)

000-31671  
(Commission  
File Number)

87-0613716  
(I.R.S Employer  
Identification No.)

2190 Dividend Dr., Columbus, Ohio  
(Address of principal executive offices)

43228  
(Zip code)

Registrant's telephone number, including area code: 614-921-8170

Intellinetics, Inc.  
(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 (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))

Securities registered pursuant to Section 12(b) of the Act: None.

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Title of each class  
None

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Trading Symbol(s)

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Name of each exchange on which registered

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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.

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**Item 2.02 Results of Operations and Financial Condition.**

On August 14, 2019, Intellinetics, Inc., a Nevada corporation (the “Company”), issued a press release announcing its financial results for the six-months and fiscal quarter ended June 30, 2019. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

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

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

Exhibit No. Name of Exhibit

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99.1 [Press release issued by Intellinetics, Inc., on August 14, 2019.](#)

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**SIGNATURES**

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

INTELLINETICS, INC.

By: /s/ James F. DeSocio  
James F. DeSocio  
President and Chief Executive Officer

Dated: August 14, 2019

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## Intellinetics, Inc. Reports Second Quarter and Six-Month Results

### *Revenue Growth Over First Quarter*

COLUMBUS, OH – (August 14, 2019) – Intellinetics, Inc. (OTCOB: INLX), a cloud-based document solutions provider, announced financial results for the three and six months ended June 30, 2019.

#### **2019 Second Quarter Financial Highlights**

- Total Revenue increased 24% sequentially from Q1 2019.
- Total Revenue increased 17% from Q2 2018.
- Software as a Service Revenue increased 30% from Q2 2018.
- Net Loss of \$473,662.
- Adjusted EBITDA Loss of \$163,720, a decrease of 58% from Q2 2018.

#### **2019 Six Month Financial Highlights**

- Total Revenue increased 8% from the same period in 2018.
- Software as a Service Revenue increased 21% from the same period in 2018.
- Net Loss of \$1,143,515.
- Adjusted EBITDA Loss of \$454,894, a decrease of 34% from the same period in 2018.

#### **Summary – 2019 Second Quarter Results**

Revenues for the three months ended June 30, 2019 were \$640,608 as compared with \$549,678 for the same period in 2018, and as compared with \$515,385 for Q1 2019. Intellinetics reported a net loss of \$473,662 and \$669,451 for the three months ended June 30, 2019 and 2018, respectively, representing a decrease in net loss of \$195,789. The decreased net loss was a result of higher revenue, driven by higher professional services, software as a service, and maintenance compared to 2018, partially offset by lower software and third party software, as well as lower cost of revenues and lower operating expenses. Net loss per share for the three months ended June 30, 2019 and 2018 was (\$0.03) and (\$0.04), respectively.

#### **Summary – 2019 Six-Month Results**

Revenues for the six months ended June 30, 2019 were \$1,155,993 as compared with \$1,075,052 for the same period in 2018. Intellinetics reported a net loss of \$1,143,515 and \$1,307,960 for the six months ended June 30, 2019 and 2018, respectively, representing a decrease in net loss of \$164,445. The decreased net loss was a result of higher revenue, driven by higher professional services, software as a service, and maintenance compared to 2018, partially offset by lower software and third party software, as well as lower cost of revenues and lower operating expenses. Net loss per share for the six months ended June 30, 2019 and 2018 was (\$0.06) and (\$0.07), respectively.

#### **2019 Highlights**

- Our commitment to the Human Services Provider market continued with the launch of our advanced Incident Case Management System, which vastly enhanced compliance and organization transparency regarding the status of incidents, enabling our customers to make better decisions in providing service to their consumers.
  - Our continued investment in enhancing the security of our platform for all users, as well as help our customers improved their systems through strategic collaboration.
  - We continue to expand and enhance our partnerships with solutions providers, including health care and education, as well as participation in relevant associations.
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James F. DeSocio, President & CEO of Intellinetics, stated, “Both our revenues and margins increased in Q2, reflecting traction in a few areas. First, our focused market strategy has enabled our pipeline to grow, which we in turn were able to convert into orders and revenue. Further, a mix shift towards our own internal software and fewer third party solution integrations resulted in higher margins for us. Our backlog of orders is strong and I am excited to see our focus begin to yield results. Our commitment and expertise in the Human Service Provider, state and local government, and education markets is keeping our attention squarely on solutions for these organizations.”

“As an example, our value-add strengths include the workflow engines within our solutions, which we believe are superior to basic cloud storage products. Whether it is our unique Auditshield™ function, which highlights documents which are missing, or the powerful, rules-based workflow engine driving our Incident Case Management System, the word is getting out that these tools are making a difference for our customers.” DeSocio concluded.

#### **About Intellinetics, Inc.**

Intellinetics, Inc., located in Columbus, Ohio, is a cloud-based content services software provider. Its IntelliCloud™ suite of solutions serve a mission-critical role for organizations in highly regulated, risk and compliance-intensive markets in Healthcare, K-12, Public Safety, Public Sector, Risk Management, Financial Services and beyond. IntelliCloud solutions make content secure, compliant, and process-ready to drive innovation, efficiencies and growth. For additional information, please visit [www.intellinetics.com](http://www.intellinetics.com).

#### **Cautionary Statement**

Statements in this press release which are not purely historical, including statements regarding future business and new revenues associated with any industry, initiative, or service; Intellinetics’ future revenues, revenue consistency, growth and long-term value, including in 2019; growth of software as a service, professional services, and maintenance revenue; market penetration; execution of Intellinetics’ business plan, strategy, direction and focus; and other intentions, beliefs, expectations, representations, projections, plans or strategies regarding future growth, financial results, and other future events are forward-looking statements. The forward-looking statements involve risks and uncertainties including, but not limited to, the risks associated with the effect of changing economic conditions, trends in the products markets, variations in Intellinetics’ cash flow or adequacy of capital resources, market acceptance risks, the success of Intellinetics’ solutions providers, including human services, health care, and education, technical development risks, and other risks, uncertainties and other factors discussed from time to time in its reports filed with or furnished to the Securities and Exchange Commission, including in Intellinetics’ most recent annual report on Form 10-K as well as subsequently filed reports on Form 10-Q and Form 8-K. Intellinetics cautions investors not to place undue reliance on the forward-looking statements contained in this press release. Intellinetics disclaims any obligation and does not undertake to update or revise any forward-looking statements in this press release. Expanded and historical information is made available to the public by Intellinetics on its website at [www.intellinetics.com](http://www.intellinetics.com) or at [www.sec.gov](http://www.sec.gov).

#### **CONTACT:**

Joe Spain, CFO  
Intellinetics, Inc.  
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**Non-GAAP Financial Measure**

Intellinetics uses non-GAAP Adjusted EBITDA as a supplemental measure of our performance that is not required by, or presented in accordance with, accounting principles generally accepted in the United States (GAAP).

A non-GAAP financial measure is a numerical measure of a company's financial performance that excludes or includes amounts so as to be different from the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows of a company. Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered as an alternative to net income, operating income, or any other performance measure derived in accordance with GAAP, or as an alternative to cash flow from operating activities or a measure of our liquidity. Intellinetics urges investors to review the reconciliation of non-GAAP Adjusted EBITDA to the comparable GAAP Net Loss, which is included in this press release, and not to rely on any single financial measure to evaluate Intellinetics' financial performance.

We believe that Adjusted EBITDA is a useful performance measure and is used by us to facilitate a comparison of our operating performance on a consistent basis from period-to-period and to provide for a more complete understanding of factors and trends affecting our business than measures under GAAP can provide alone. We define "Adjusted EBITDA" as earnings before interest expense, any income taxes, depreciation and amortization expense, and other non-cash expenses such as share-based compensation, note conversion warrant expense and other financing related transaction costs.

**Reconciliation of Net Loss to Adjusted EBITDA**

|                               | For the Three Months Ended June 30, |              |
|-------------------------------|-------------------------------------|--------------|
|                               | 2019                                | 2018         |
| Net loss - GAAP               | \$ (473,662)                        | \$ (669,450) |
| Interest expense, net         | 239,347                             | 219,352      |
| Depreciation and amortization | 2,099                               | 2,384        |
| Share-based compensation      | 68,496                              | 62,222       |
| Adjusted EBITDA               | \$ (163,720)                        | \$ (385,492) |

**Reconciliation of Net Loss to Adjusted EBITDA**

|                               | For the Six Months Ended June 30, |                |
|-------------------------------|-----------------------------------|----------------|
|                               | 2019                              | 2018           |
| Net loss - GAAP               | \$ (1,143,515)                    | \$ (1,307,960) |
| Interest expense, net         | 472,494                           | 428,336        |
| Depreciation and amortization | 4,007                             | 4,578          |
| Share-based compensation      | 212,120                           | 181,810        |
| Adjusted EBITDA               | \$ (454,894)                      | \$ (693,236)   |

**INTELLINETICS, INC. and SUBSIDIARY**  
**Condensed Consolidated Statements of Operations**  
(Unaudited)

|   | For the Three Months Ended<br>June 30, |                     | For the Six Months Ended<br>June 30, |                       |
|---|--|---------------------|--------------------------------------|-----------------------|
|   | 2019                                   | 2018                | 2019                                 | 2018                  |
| <b>Revenues:</b>  |  |                     |                                      |                       |
| Sale of software  | \$ 7,102                               | \$ 34,158           | \$ 8,852                             | \$ 75,152             |
| Software as a service   | 229,982                                | 177,583             | 429,165                              | 354,183               |
| Software maintenance services   | 252,713                                | 245,299             | 505,349                              | 488,867               |
| Professional services   | 142,738                                | 52,605              | 194,405                              | 111,556               |
| Third Party services  | 8,073                                  | 40,033              | 18,222                               | 45,294                |
| <b>Total revenues</b>   | <b>640,608</b>                         | <b>549,678</b>      | <b>1,155,993</b>                     | <b>1,075,052</b>      |
| <b>Cost of revenues:</b>  |  |                     |                                      |                       |
| Sale of software  | 1,164                                  | 12,672              | 3,010                                | 30,533                |
| Software as a service   | 60,579                                 | 68,594              | 128,268                              | 145,687               |
| Software maintenance services   | 20,541                                 | 25,064              | 49,919                               | 50,601                |
| Professional services   | 39,814                                 | 19,317              | 73,320                               | 36,143                |
| Third Party services  | 8,006                                  | 33,954              | 18,052                               | 44,199                |
| <b>Total cost of revenues</b>   | <b>130,104</b>                         | <b>159,601</b>      | <b>272,569</b>                       | <b>307,163</b>        |
| <b>Gross profit</b>   | <b>510,504</b>                         | <b>390,077</b>      | <b>883,424</b>                       | <b>767,889</b>        |
| <b>Operating expenses:</b>  |  |                     |                                      |                       |
| General and administrative  | 521,057                                | 593,400             | 1,060,018                            | 1,136,835             |
| Sales and marketing   | 221,663                                | 244,391             | 490,420                              | 506,100               |
| Depreciation  | 2,099                                  | 2,384               | 4,007                                | 4,578                 |
| <b>Total operating expenses</b>   | <b>744,819</b>                         | <b>840,175</b>      | <b>1,554,445</b>                     | <b>1,647,513</b>      |
| <b>Loss from operations</b>   | <b>(234,315)</b>                       | <b>(450,098)</b>    | <b>(671,021)</b>                     | <b>(879,624)</b>      |
| <b>Other income (expense)</b>   |  |                     |                                      |                       |
| Interest expense, net   | (239,347)                              | (219,353)           | (472,494)                            | (428,336)             |
| <b>Total other income (expense)</b>   | <b>(239,347)</b>                       | <b>(219,353)</b>    | <b>(472,494)</b>                     | <b>(428,336)</b>      |
| <b>Net loss</b>   | <b>\$ (473,662)</b>                    | <b>\$ (669,451)</b> | <b>\$ (1,143,515)</b>                | <b>\$ (1,307,960)</b> |
| <b>Basic and diluted net loss per share:</b>                                    | <b>\$ (0.03)</b>                       | <b>\$ (0.04)</b>    | <b>\$ (0.06)</b>                     | <b>\$ (0.07)</b>      |
| <b>Weighted average number of common shares outstanding - basic and diluted</b> | <b>18,524,878</b>                      | <b>17,729,421</b>   | <b>18,502,782</b>                    | <b>17,724,377</b>     |



**INTELLINETICS, INC. and SUBSIDIARY**  
**Condensed Consolidated Balance Sheets**

| <b>ASSETS</b>   | <b>(Unaudited)</b><br><b>June 30, 2019</b> | <b>December 31, 2018</b> |
|---|--|--------------------------|
| <b>Current assets:</b>  |  |                          |
| Cash  | \$ 412,224                                 | \$ 1,088,630             |
| Accounts receivable, net  | 173,898                                    | 135,739                  |
| Prepaid expenses and other current assets   | 143,571                                    | 162,495                  |
| <b>Total current assets</b>   | <b>729,693</b>                             | <b>1,386,864</b>         |
| Property and equipment, net   | 10,613                                     | 9,131                    |
| Right of use asset  | 117,894                                    | -                        |
| Other assets  | 10,284                                     | 10,284                   |
| <b>Total assets</b>   | <b>\$ 868,484</b>                          | <b>\$ 1,406,279</b>      |
| <b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>  |  |                          |
| <b>Current liabilities:</b>   |  |                          |
| Accounts payable and accrued expenses   | \$ 292,073                                 | \$ 308,121               |
| Lease liability - current   | 21,523                                     | -                        |
| Deferred revenues   | 587,970                                    | 723,619                  |
| Deferred compensation   | 141,166                                    | 165,166                  |
| Notes payable - related party - current   | 24,014                                     | 46,807                   |
| <b>Total current liabilities</b>  | <b>1,066,746</b>                           | <b>1,243,713</b>         |
| <b>Long-term liabilities:</b>   |  |                          |
| Notes payable   | 3,242,445                                  | 3,144,926                |
| Notes payable - related party - net of current portion  | 1,075,703                                  | 1,045,937                |
| Lease liability - net of current portion  | 100,715                                    | -                        |
| Other long-term liabilities   | 844,862                                    | 502,295                  |
| <b>Total long-term liabilities</b>  | <b>5,263,725</b>                           | <b>4,693,158</b>         |
| <b>Total liabilities</b>  | <b>6,330,471</b>                           | <b>5,936,871</b>         |
| <b>Stockholders' deficit:</b>   |  |                          |
| Common stock, \$0.001 par value, 75,000,000 shares authorized; 18,524,878 and 17,729,421 shares issued and outstanding at June 30, 2019 and December 31, 2018, respectively | 31,528                                     | 30,733                   |
| Additional paid-in capital  | 14,312,785                                 | 14,101,460               |
| Accumulated deficit   | (19,806,300)                               | (18,662,785)             |
| <b>Total stockholders' deficit</b>  | <b>(5,461,987)</b>                         | <b>(4,530,592)</b>       |
| <b>Total liabilities and stockholders' deficit</b>  | <b>\$ 868,484</b>                          | <b>\$ 1,406,279</b>      |

**INTELLINETICS, INC. and SUBSIDIARY**  
**Condensed Consolidated Statements of Cash Flows**  
(Unaudited)

|  | <b>For the Six Months Ended June 30,</b> |                |
|--|--|----------------|
|  | <b>2019</b>                              | <b>2018</b>    |
| <b>Cash flows from operating activities:</b>                                       |  |                |
| Net loss   | \$ (1,143,515)                           | \$ (1,307,960) |
| <b>Adjustments to reconcile net loss to net cash used in operating activities:</b> |  |                |
| Depreciation and amortization  | 4,007                                    | 4,578          |
| Bad debt expense   | 4,121                                    | (3,834)        |
| Amortization of deferred financing costs   | 91,925                                   | 124,431        |
| Amortization of beneficial conversion option                                       | 35,360                                   | 128,477        |
| Amortization of right of use asset   | 20,655                                   | -              |
| Stock issued for services  | 87,500                                   | 57,500         |
| Stock options compensation   | 124,620                                  | 124,310        |
| <b>Changes in operating assets and liabilities:</b>                                |  |                |
| Accounts receivable  | (42,280)                                 | 100,247        |
| Prepaid expenses and other current assets  | 18,924                                   | (61,445)       |
| Right of use asset   | (138,549)                                | -              |
| Accounts payable and accrued expenses  | (16,048)                                 | (10,068)       |
| Lease liability, current and long-term   | 122,238                                  | -              |
| Deferred compensation  | (24,000)                                 | (24,000)       |
| Other long-term liabilities  | 342,567                                  | 150,311        |
| Deferred revenues  | (135,649)                                | (100,139)      |
| Total adjustments  | 495,391                                  | 490,368        |
| Net cash used in operating activities  | (648,124)                                | (817,592)      |
| <b>Cash flows from investing activities:</b>                                       |  |                |
| Purchases of property and equipment  | (5,489)                                  | (3,410)        |
| Net cash used in investing activities  | (5,489)                                  | (3,410)        |
| <b>Cash flows from financing activities:</b>                                       |  |                |
| Repayment of notes payable - related parties                                       | (22,793)                                 | (23,947)       |
| Net cash used in/provided by financing activities                                  | (22,793)                                 | (23,947)       |
| Net increase (decrease) in cash  | (676,406)                                | (844,949)      |
| Cash - beginning of period   | 1,088,630                                | 1,125,921      |
| Cash - end of period   | \$ 412,224                               | \$ 280,972     |
| <b>Supplemental disclosure of cash flow information:</b>                           |  |                |
| Cash paid during the period for interest and taxes                                 | \$ 4,405                                 | \$ 28,973      |

