

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): April 14, 2021

INTELLIGENT SYSTEMS CORPORATION

(Exact name of Registrant as specified in its charter)

Georgia

(State or other jurisdiction
of incorporation or organization)

1-9330

Commission file number

58-1964787

(I.R.S. Employer Identification No.)

4355 Shackleford Road, Norcross, Georgia

(Address of principal executive offices)

30093

(Zip Code)

Registrant's telephone number, including area code: **(770) 381-2900**

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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. ☐

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value for the class	INS	NYSE American

Item 7.01 Regulation FD Disclosure.

On April 14, 2021, Intelligent Systems Corporation (the “Company”) posted an investor presentation on the Investor Relations section of its website, which is located at <https://intelsys.com/>. A copy of the investor presentation is attached as Exhibit 99.1 to this Current Report on Form 8-K (“Investor Presentation”).

By filing this Current Report on Form 8-K and furnishing the information contained herein, the Company makes no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD.

The information contained in the Investor Presentation is summary information that is intended to be considered in the context of the Company’s filings with the Securities and Exchange Commission (the “SEC”) and other public announcements that the Company may make by press release or otherwise from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

In accordance with General Instruction B-2 of Form 8-K, the information set forth in or incorporated by reference into this Item 7.01 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed 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.*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Presentation dated April 2021

SIGNATURE

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: April 14, 2021

INTELLIGENT SYSTEMS CORPORATION
(Registrant)

/s/ Matthew A. White

By: Matthew A. White
Chief Financial Officer



Investor Presentation

April 2021

Forward Looking/Safe Harbor Statements

In addition to historical information, this presentation may contain forward-looking statements relating to Intelligent Systems Corporation. All statements, trend analyses and other information contained in the following discussion relative to markets for our products and trends in revenue, gross margins and anticipated expense levels, as well as other statements including words such as "may", "will", "anticipate", "believe", "intend", "plan", "estimate", "expect", "strategy" and "likely", and other similar expressions constitute forward-looking statements. Prospective investors and current shareholders are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. Intelligent Systems Corporation undertakes no obligation to update or revise its forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results except as required by law.

Who is Intelligent Systems?

Leading provider of technology solutions and processing services to the financial technology and services market

NYSE Listed:
INS (1981)

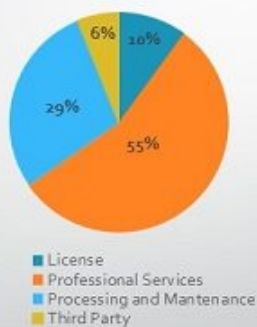
Market Capitalization: \$354M

Founded in:
1973

Employees:
~570

Headquarters:
Norcross, Georgia

**Sales by Segment
FY'20**



Core Offering



CoreCard Software, Inc
FinTech operations are conducted through our wholly owned CoreCard Software, Inc

CoreCard SRL
Wholly owned subsidiary in Romania

CoreCard DMCC
Wholly owned subsidiary in United Arab Emirates

ISC Software in India
Wholly owned subsidiary in India

Intelligent Systems Management Bios

Team Member	Position	Held since	Biography	
	J. Leland Strange	Chairman & CEO	January 1985	<i>Mr. Strange was appointed chairman and CEO in 1985. He is an inductee in the Georgia Technology Hall of Fame and the Hall of Fame of the Georgia Tech College of Management. Mr. Strange is on the Board of Trustees and past Chairman of the Georgia Tech Research Corporation and is on the advisory board of Georgia Tech's College of Management as well as a trustee emeritus of the Georgia Tech Foundation. In the past, he has served on the board of publicly traded companies such as Allied Automotive Group (NYSE:AH), Great Plains Software, Matria Healthcare and IQ Software. Mr. Strange founded Quadram Corporation in 1980. Quadram pioneered the enhancement products industry as one of the fastest growing electronics companies in the U.S. in the early years of the personal computer industry.</i>
	Matt White	CFO & Corporate Secretary	January 2019	<i>Mr. White was appointed CFO and Corporate Secretary of Intelligent Systems in 2019 with responsibility for financial and SEC reporting, legal and contract matters, corporate governance and due diligence. Prior to this role he was CFO of CoreCard Software, Inc., Intelligent Systems' principal operating business. Mr. White remains the CFO for CoreCard, functioning in a dual capacity on both the corporate and subsidiary management teams. Prior to joining CoreCard, he was a Senior Director at Equifax, having held various positions in accounting and SEC reporting while at the company. Previously, Matt worked in an SEC reporting role at Humana and was a Senior Manager in the audit practice at Deloitte.</i>

Why Invest in Intelligent Systems?

Diverse, recurring revenue streams from existing and new customers

Unique market positioning with an agile business model, vetted software and a proven ability to scale

Strong long-term outlook in the payments space with significant, growing total addressable market

Resilient, account-based business supported by counter cyclical opportunities

Profitable business with strong ROIC profile

Strong balance sheet and favorable capital structure to support growth strategy



Our History



UNIQUE GROWTH OPPORTUNITY

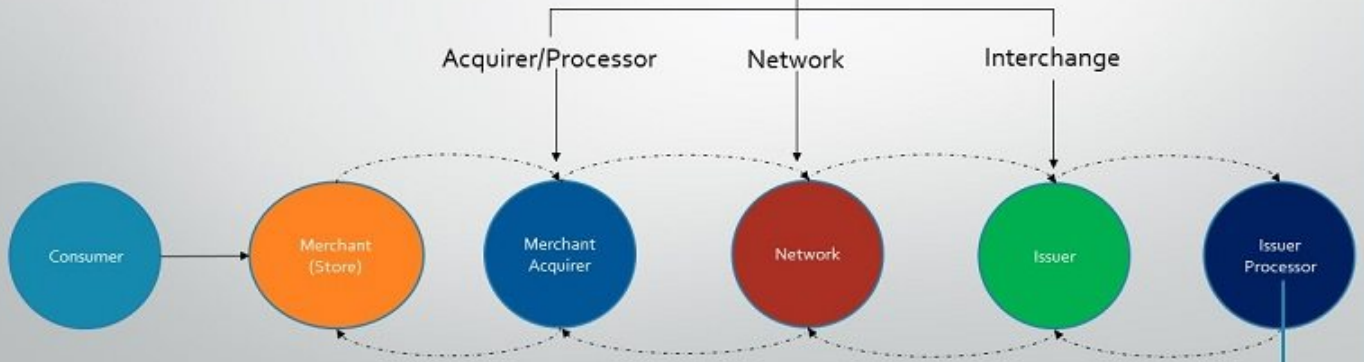


Key Players in Digital Payment Industry

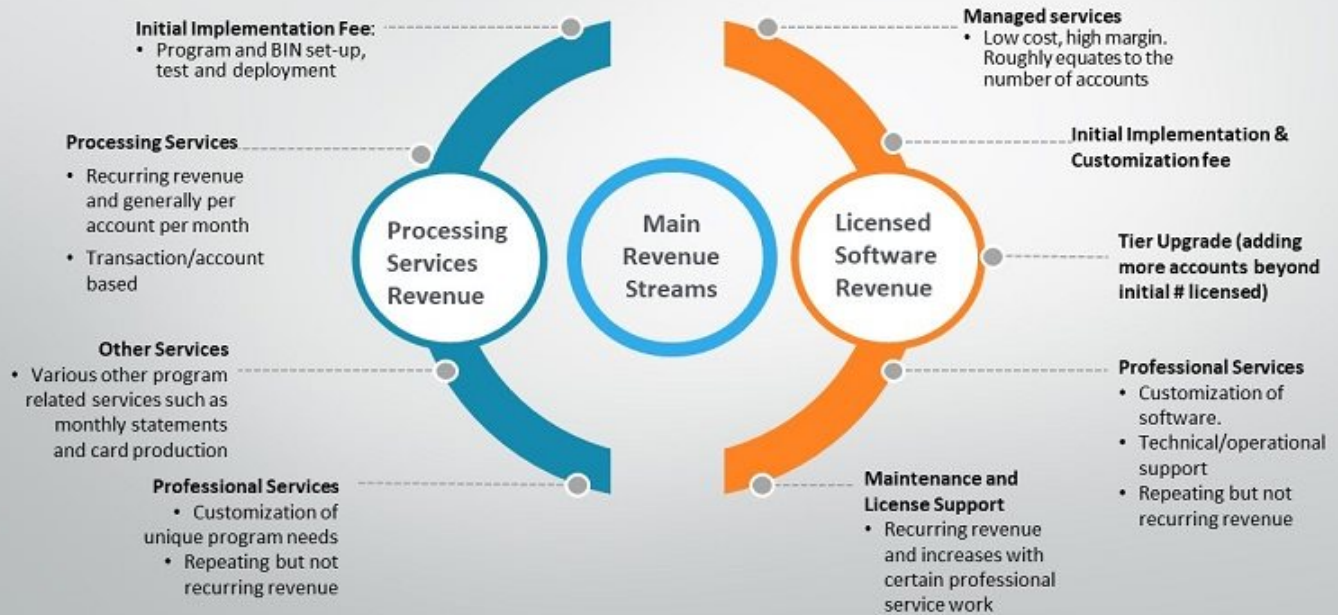
Intelligent Systems provides customized solutions for card management, payment and transaction processing products. Customers include:

- Retailer based credit cards
- Network based credit cards
- Small business lenders

Payment Industry Makeup



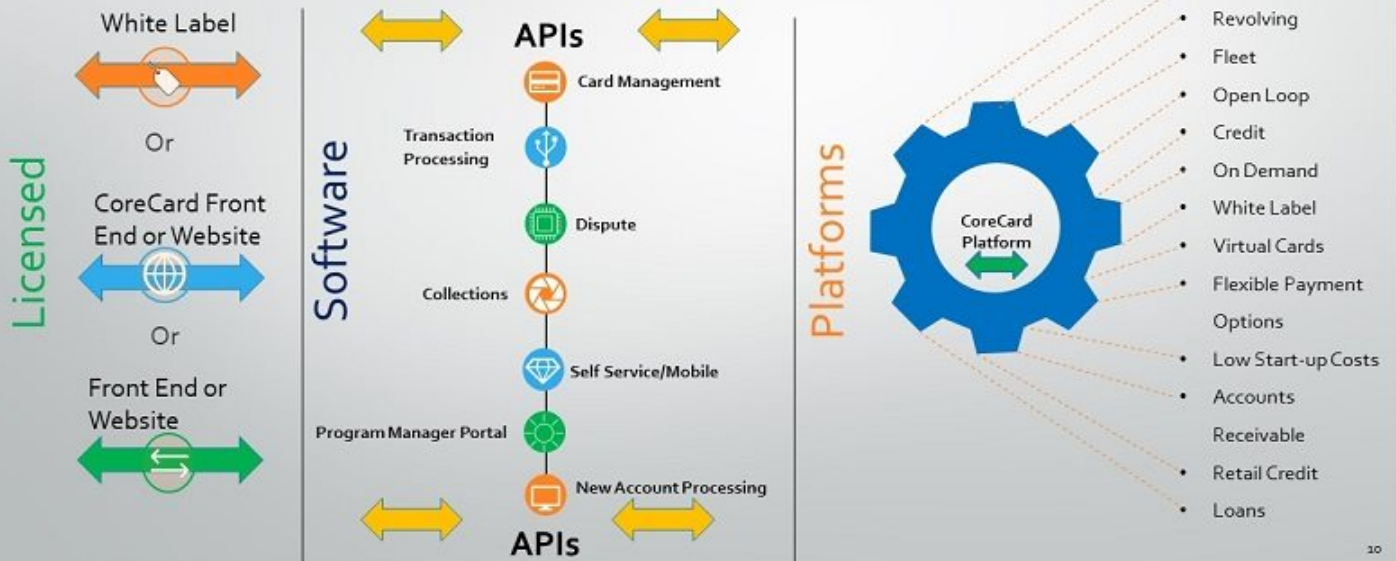
Differentiated Portfolio



(1) Although customization of licensed products is optional, nearly all customers use this service to modify the software to their specific business needs

What is CoreCard?

CoreCard provides industry leading card management applications and payment solutions. The team has three decades of domain expertise in building and managing payment systems. Corecard operates a state-of-the-art processing facility providing program and card portfolio managers all the benefits of our feature rich solutions.



CoreCard Markets Served

CoreCard's solutions address the unique needs of clients that issue or process across a variety of financial services markets.

Client End Market		Credit Cards / Loans	Prepaid / Debit Cards
Card Based	Open Loop	Credit Cards (network branded bank cards) ▪ Mastercard ▪ Visa	Prepaid Cards ▪ Business (Corporate Card) ▪ GPR Prepaid Cards ▪ Rewards, Promotions & Incentives Debit Cards ▪ Payroll & Benefits
	Closed Loop	Private Label Cards ▪ Retail ▪ Dealership Fleet Cards	Prepaid Gift & Promotions Cards Shopping & Loyalty Cards
Non-Card Based	Lending Products & Other	Short-Term Consumer Loans POS Consumer Finance ▪ General Merchandise / Catalog ▪ Patient Finance A/R Management (businesses) ▪ Manufacturing ▪ Commercial Lending ▪ Factoring Collections / Debt Recovery	

Industry & Competitive Positioning

CoreCard's unique offering of ease-of-use and flexibility solutions bolster competitive advantage in a large, underpenetrated, growing market.

Market Position

- Highly fragmented market
- Intelligent Systems focuses on core capabilities making it nimble and more efficient
- Competitors are engaged in lower margin business segments (such as POS) that Intelligent Systems is not

Rapid Development

- CoreCard software is faster and more flexible and than legacy software
- Rapid development of software for unique offerings
- Intelligent Systems is industry known for fastest customer response

Customization

- Unique product offering (licensing and processing)
- Work with customer to develop highly customizable solutions
- Full service outside provider
- Generates repeat business

Complex Services

- Complex work solutions offered
- Provides materials to end users in the most customer friendly way
- Proven choice for high margin complex work

GROWTH STRATEGY



Efficient Strategy

Our strategy centers on a results-driven approach to prudently investing in the development of superior technology and people

- ✓ High return go to market strategy
- ✓ Top-line growth
- ✓ Minimal need for overhead spend
- ✓ Known industry leading provider (CoreCard)
- ✓ Investing in Product Development & Technology
- ✓ Winning new business with little marketing spend due to the strength of our solutions
- ✓ CoreCard has zero dedicated salespeople



Pillars for Growth

Large addressable market

The issuer solutions market is estimated to be ~\$7 billion with a CAGR of 3% between 2017-2021

Proven ability to scale CoreCard software

Intelligent Systems Corporation's proven ability to handle large quantities of transactions has expanded their brand image, caught the attention of large companies and is a key inflection point in its transition to growth

High value-add services

CoreCards's flexible parameter-driven software enables them to preform customizable, complex and high value-add work for their customers

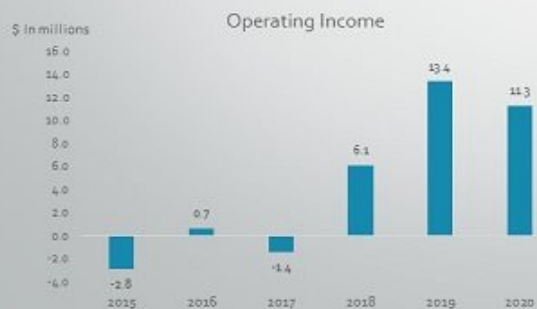
Niche market position

Intelligent System Corporation focuses on areas that their competitors can not or will not do

Loyal customers

Excellent customer service results in high levels of customer retention

Key Performance Indicators



APPENDIX



Balance Sheet

Intelligent Systems Corporation CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

As of December 31,	2020	2019
ASSETS		
Current assets:		
Cash	\$ 37,960	\$ 26,415
Accounts receivable, net	3,270	8,759
Other current assets	1,263	965
Total current assets	42,493	36,079
Investments	1,921	3,081
Notes and interest receivable	2,081	1,795
Property and equipment, at cost less accumulated depreciation	6,914	2,177
Other long-term assets	3,020	1,108
Total assets	\$ 57,025	\$ 44,240
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 714	\$ 403
Deferred revenue, current portion	1,322	689
Accrued payroll	1,901	2,503
Accrued expenses	321	153
Income tax payable	954	1,100
Other current liabilities	4,850	1,345
Total current liabilities	10,062	6,193
Deferred revenue, net of current portion	-	23
Deferred tax liability	818	275
Long-term lease obligation	1,994	460
Total non-current liabilities	2,812	758
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Common stock, \$0.01 par value; Authorized shares - 20,000,000;		
Issued shares - 8,529,368 and 8,924,988 at December 31, 2020 and 2019, respectively;		
Outstanding shares - 8,885,797 and 8,924,988 at December 31, 2020 and 2019, respectively	89	89
Additional paid-in capital	15,838	15,450
Treasury stock, 43,571 and 0 shares as of December 31, 2020 and 2019, respectively, at cost	(1,839)	-
Accumulated other comprehensive loss	(140)	(94)
Accumulated income	30,005	21,844
Total stockholders' equity	44,151	37,289
Total liabilities and stockholders' equity	\$ 57,025	\$ 44,240

Income Statement

Intelligent Systems Corporation CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands, except share and per share amounts)

Year Ended December 31,	2020	2019
Revenue		
Services	\$ 32,273	\$ 28,578
Products	3,600	5,725
Total net revenue	35,873	34,303
Cost of revenue		
Services	15,427	11,759
Products	-	-
Total cost of revenue	15,427	11,759
Expenses		
Marketing	132	151
General and administrative	3,866	3,495
Research and development	5,153	5,516
Income from operations	11,295	13,382
Investment income (loss)	(1,044)	34
Other income	378	99
Income before income taxes	10,629	13,515
Income taxes	2,468	2,546
Net income	\$ 8,161	\$ 10,969
Earnings per share:		
Basic	\$ 0.91	\$ 1.24
Diluted	\$ 0.91	\$ 1.22
Basic weighted average common shares outstanding	8,919,602	8,873,071
Diluted weighted average common shares outstanding	9,014,985	8,967,901

Cash Flow

Intelligent Systems Corporation CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands)

	Year Ended December 31,	
	2020	2019
OPERATING ACTIVITIES:		
Net income	\$ 8,161	\$ 10,969
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,138	1,012
Stock-based compensation expense	388	191
Gain on sale of investment	(125)	(34)
Provision for deferred income taxes	543	555
Non-cash investment loss	1,009	-
Non-cash interest income	(131)	(49)
Equity in loss of affiliate company	400	332
Changes in operating assets and liabilities:		
Accounts receivable, net	5,489	(5,028)
Other current assets	(358)	224
Other long-term assets	22	61
Accounts payable	311	131
Accrued payroll	(602)	1,358
Deferred revenue, current portion	633	(92)
Accrued expenses	168	82
Other current liabilities	2,945	961
Deferred revenue, net of current portion	(23)	(88)
Net cash provided by operating activities	20,905	10,585
INVESTING ACTIVITIES:		
Purchases of property and equipment	(6,875)	(1,670)
Advances on note and interest receivable	(1,000)	(2,000)
Proceeds from sale of investments	135	379
Net cash used in investing activities	(7,740)	(3,297)
FINANCING ACTIVITIES:		
Sale of capital stock pursuant to exercise of option	-	210
Repurchases of common stock	(1,639)	-
Net cash (used in) provided by financing activities	(1,639)	210
Effects of exchange rate changes on cash	(46)	(2)
Net increase in cash	11,541	7,496
Cash at beginning of year	20,415	18,919
Cash at end of year	\$ 37,956	\$ 26,415
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ 1,826	\$ 1,159