



AGENT INFORMATION SOFTWARE, INC.

Quarterly Reports

Quarter Ended September 30, 2017

Trading Symbol: AIFS

AGENT INFORMATION SOFTWARE, INC.
Quarterly Report
September 30, 2017

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AGENT INFORMATION SOFTWARE, INC.
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Unaudited Consolidated Balance Sheets

September 30, 2017 and 2016

	September 30 2017	September 30 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,728,980	\$ 1,297,087
Restricted cash	-	-
Accounts receivable, trade	56,603	5,805
Deferred income taxes, current	147,006	136,250
Other current assets	138,587	161,309
Total current assets	2,071,176	1,600,451
Capitalized software, net	2,553,779	2,379,408
Equipment, net	141,783	194,654
Total assets	\$ 4,766,738	\$ 4,174,513
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities on long-term debt	\$ 4,109	\$ 18,445
Accounts payable, trade	10,725	23,479
Deferred revenue	1,821,542	1,607,572
Accrued payroll and related liabilities	191,312	173,135
Other accrued liabilities	185,251	131,640
Total current liabilities	2,212,939	1,954,271
Long-term debt	28,717	32,713
Deferred income taxes	170,000	51,000
Total liabilities	2,411,656	2,037,984
Stockholders' equity:		
Common stock, \$0.001 par value, 12,000,000 shares authorized, 4,269,610 shares issued and outstanding	3,283,869	3,281,813
Accumulated other comprehensive income (loss)	(222,065)	(237,597)
Accumulated deficit	(706,722)	(907,687)
Total stockholders' equity	2,355,082	2,136,529
Total liabilities and stockholders' equity	\$ 4,766,738	\$ 4,174,513

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Unaudited Consolidated Statements of Operations

For the Nine Months Ended September 30, 2017 and 2016

	September 30 2017	September 30 2016
	<u> </u>	<u> </u>
Revenues:		
Recurring Revenue	\$ 3,546,216	\$ 3,352,803
Non-recurring Revenue	138,263	205,760
Total Net Revenue	<u>3,684,479</u>	<u>3,558,563</u>
Cost and expenses:		
Cost of sales	982,873	1,182,534
Research and development	273,352	221,736
Sales, marketing and customer service	1,490,470	1,368,838
General and administrative	728,576	728,817
Total costs and expenses	<u>3,475,271</u>	<u>3,501,925</u>
Income from operations	209,208	56,638
Other income (expense):		
Other income (expense), net	(866)	50,965
Total other income (expense):	<u>(866)</u>	<u>50,965</u>
Income before provision for income taxes	208,342	107,603
Provision for income taxes	<u>44,994</u>	<u>(37,750)</u>
Net income (loss)	<u>\$ 163,348</u>	<u>\$ 145,353</u>
Earnings per share - Basic	\$ 0.04	\$ 0.03
Weighted average shares outstanding - Basic	4,269,610	4,269,610
Earnings per share - Diluted	\$ 0.03	\$ 0.03
Weighted average shares outstanding - Diluted	4,764,527	4,859,166

AGENT INFORMATION SOFTWARE, INC.

Unaudited Consolidated Statements of Changes in Stockholders' Equity

For the Nine Months Ended September 30, 2017

	Common Stock		Retained Earnings/ (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount			
Net loss			55,827		55,827
Foreign currency translation Comprehensive income				(20,076)	(20,076)
					35,751
Common stock redemption					-
Stock option expense		2,076			2,076
Balance, December 31, 2016	4,269,610	\$ 3,282,176	\$ (980,697)	\$ (125,947)	\$ 2,175,532
Net gain/(loss)			114,255		114,255
Foreign currency translation Comprehensive income				9,713	9,713
					123,968
Common stock redemption					-
Stock option expense		565			565
Balance, March 31, 2017	4,269,610	\$ 3,282,741	\$ (866,442)	\$ (116,234)	\$ 2,300,065
Net gain/(loss)			4,694	-	4,694
Foreign currency translation Comprehensive income				4,249	4,249
					8,943
Common stock redemption					-
Stock option expense		564			564
Balance, June 30, 2017	4,269,610	\$ 3,283,305	\$ (861,748)	\$ (111,985)	\$ 2,309,572
Net gain/(loss)			44,400	-	44,400
Foreign currency translation Comprehensive income				546	546
					44,946
Common stock redemption					-
Stock option expense		564			564
Balance, Sept 30, 2017	4,269,610	\$ 3,283,869	\$ (817,348)	\$ (111,439)	\$ 2,355,082

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Unaudited Consolidated Statements of Cash Flow

For the Nine Months Ended September 30, 2017 and 2016

	<u>September 30 2017</u>	<u>September 30 2016</u>
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ 163,348	\$ 145,353
Adjustments to reconcile net income (loss) to net cash provided by operations:	-	-
Depreciation and Amortization	444,613	385,396
Stock Option Expense	2,055	1,713
Gain on Sales of Assets	-	(47,500)
Deferred Income Tax Benefit	(75,006)	(56,250)
Changes in operating assets & liabilities	513,371	372,991
Net Cash Provided by Operating Activities	<u>1,048,381</u>	<u>801,703</u>
Cash Flows from Investing Activities:		
Proceeds from Sale of Assets	-	47,500
Acquisition of Property & Eqpt	(2,590)	(122,852)
Capitalized Software Development	(475,000)	(502,500)
Net Cash Used in Investing Activities	<u>\$ (477,590)</u>	<u>\$ (577,852)</u>
Cash Flows from Financing Activities:		
Proceeds (Payments) from (of) Long-Term Debt	93	40,209
Net Cash Used in Financing Activities	<u>93</u>	<u>40,209</u>
Effect of exchange rate changes on cash	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	570,884	264,060
Cash and Cash Equivalents, Beginning of Year	<u>1,158,096</u>	<u>1,033,027</u>
Cash and Cash Equivalents, Sept 30, 2017 and 2016	<u><u>1,728,980</u></u>	<u><u>\$ 1,297,087</u></u>