10535 Foothill Blvd., Suite 200 • Rancho Cucamonga, CA 91730 • (800) 776-6939 • <u>www.agentinformation software.com</u>

March 23, 2019

Dear Shareholders:

On Tuesday, May 5, 2020 at 10:00AM, the Company will hold its annual shareholders meeting at the corporate offices located at 10535 Foothill Blvd., Suite 200, Rancho Cucamonga, CA 97130.

I encourage you to review the attached Proxy Card and cast your votes. The audited financial statements can be downloaded from our website at <u>http://www.agentinformationsoftware.com/investors.htm</u>. They are also available from Computershare at <u>http://www.investorvote.com/AIFS</u>.

As I write this letter, the staff are dealing with a challenging set of circumstances related to the COVID-19 pandemic. Last week, in order to meet the state's guidelines, the company transitioned the staff to telework. At this time, the company's staff, like most of the country, will work from home. The transition to this new normal, for about half our staff, was not a problem and was done so very effectively and efficiently. The staff will continue to telework until it is safe to return to the office.

A-G ended 2019 completing the first level of our transition from a private cloud facility to Amazon Hosted Web Services. By the end of the year, all our customers were successfully transitioned to the new platform. As we started 2020, we began to address specific functionality that had been built around our private cloud so that the functionality of the system could be optimized for the AWS environment. In order to assist with the transfer and integration of support systems and the AWS environment, the company hired a new CTO and Director of Customer Service/QA.

2019 was a financially successful year for the company. Recurring revenue continues its upward trajectory and finished over \$5M for the first time. Several new implementations accounted for a sharp rise in non-recurring revenue. Overall, 2019 sales were up 8% over 2018. EBITDA increased to 25% of sales from the 2018 level of 23%.

Again, the company is pleased to announce that the SHAREit[™] customer base is continuing to grow. The company was selected the winner of a new statewide SHAREit system based on an extensive RFP process. The new project was to start in March but because of COVID-19, it will more than likely be delayed until the summer of 2020.

As noted above, the company undertook the task of migrating all our products to a new search engine, database and backend system. Our existing infrastructure was transitioned to a new cloud hosting solution, AWS. Our partnership with AWS has encouraged us to employ improvements to the system and infrastructure. Because on the slower than usual system activity and reduced need for customer support following library closures due to COVID-19, the team is focusing on these issues.

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Throughout the next couple of weeks and possibly months, the company will work on addressing customer concerns that are a result of the COVID-19 virus. As libraries begin to return to normal operations from their hiatus, it will be our job to focus on helping in ways that may be as simple as adding messaging to home pages or as extensive as new functionality to meet the needs of the new normal. Our staff, from customer service to development, will be tasked to ensure our customers' needs are met in this time of adversity.

As noted above, the company has scheduled our annual meeting for May 5th, 2020 at 10:00AM, but we ask each of our shareholders to keep an eye on the company website for updates, should we have the need to reschedule the meeting due to continued concerns with COVID-19.

If you have questions, please do not hesitate to call or email me at (909) 569-1520, <u>prc@auto-graphics.com</u> or Bryan Straight, Controller at (909) 569-1535, <u>rbs@auto-graphics.com</u>.

Best regards,

Paul R. Cope President