



# AGENT INFORMATION SOFTWARE, INC.

**Quarterly Reports**  
Quarter Ended June 30, 2013  
Trading Symbol: AIFS

**AGENT INFORMATION SOFTWARE, INC.**  
**Quarterly Report**  
**June 30, 2013 and 2012**

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**AGENT INFORMATION SOFTWARE, INC.****Quarterly Report****Unaudited Consolidated Balance Sheets****June 30, 2013 and 2012**

	June 30 2013	June 30 2012
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 433,881	\$ 642,779
Restricted cash	282,024	-
Accounts receivable, trade	231,613	53,403
Deferred income taxes, current	174,000	175,000
Other current assets	161,395	209,666
Total current assets	<u>1,282,913</u>	<u>1,080,848</u>
Capitalized software, net	1,788,147	2,328,635
Equipment, net	272,021	238,835
Total assets	<u>\$ 3,343,081</u>	<u>\$ 3,648,318</u>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Line of credit	\$ 35,000	\$ 225,000
Current maturities on long-term debt	\$ 11,945	\$ 11,945
Accounts payable, trade	142,702	101,403
Deferred revenue	914,297	777,800
Accrued payroll and related liabilities	198,614	281,618
Other accrued liabilities	103,518	50,661
Total current liabilities	<u>1,406,076</u>	<u>1,448,427</u>
Long-term debt	28,866	40,811
Deferred income taxes	174,000	171,000
Total liabilities	<u>1,608,942</u>	<u>1,660,238</u>
Stockholders' equity:		
Common stock, \$0.001 par value, 12,000,000 shares authorized, 4,269,610 and 4,272,610 shares issued and outstanding, respectively	3,274,757	3,273,520
Accumulated other comprehensive income (loss)	(16,731)	3,373
Accumulated deficit	(1,523,887)	(1,288,813)
Total stockholders' equity	<u>1,734,139</u>	<u>1,988,080</u>
Total liabilities and stockholders' equity	<u>\$ 3,343,081</u>	<u>\$ 3,648,318</u>

See accompanying notes to Unaudited Consolidated Financial Statements

**AGENT INFORMATION SOFTWARE, INC.**  
**Quarterly Report**

**Unaudited Consolidated Statements of Operations**

**For the Six Months Ended June 30, 2013 and 2012**

	<u>June 30</u> <u>2013</u>	<u>June 30</u> <u>2012</u>
Sales:		
Recurring sales	\$ 2,162,055	\$ 2,127,252
Non-recurring sales	265,426	208,944
Total net sales	<u>2,427,481</u>	<u>2,336,196</u>
Cost and expenses:		
Cost of sales	773,003	635,709
Research and development	326,799	253,173
Sales, marketing and customer service	755,630	1,058,243
General and administrative	516,712	547,589
Total costs and expenses	<u>2,372,144</u>	<u>2,494,714</u>
Income from operations	55,337	(158,518)
Other income (expense):		
Other income (expense), net	<u>(571)</u>	<u>889</u>
Total other income (expense):	(571)	889
Income before provision for income taxes	54,766	(157,629)
Provision for income taxes	<u>9,500</u>	<u>9,200</u>
Net income (loss)	<u>\$ 45,266</u>	<u>\$ (166,829)</u>
Earnings per share - Basic	\$ 0.01	\$ (0.04)
Weighted average shares outstanding - Basic	4,269,610	4,269,610
Earnings per share - Diluted	\$ 0.01	\$ (0.03)
Weighted average shares outstanding - Diluted	4,724,943	4,873,188

See accompanying notes to Unaudited Consolidated Financial Statements

**AGENT INFORMATION SOFTWARE, INC.**

**Unaudited Consolidated Statements of Changes in Stockholders' Equity**

**For the Six Months Ended June 30, 2013 and 2012**

	Common Stock		Retained Earnings/ (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2011	4,272,610	\$ 3,269,122	\$ (1,121,984)	\$ 8,778	\$ 2,155,916
Net loss			(166,829)		(166,829)
Foreign currency translation Comprehensive loss				(5,405)	(5,405)
					(172,234)
Common stock redemption	(3,000)	400			400
Stock option expense		3,998			3,998
Balance, June 30, 2012	4,269,610	\$ 3,273,520	\$ (1,288,813)	\$ 3,373	\$ 1,988,080
Net loss			(447,169)		(447,169)
Foreign currency translation Comprehensive loss				7,313	7,313
					(439,856)
Common stock redemption	(3,000)	(400)			(400)
Stock option expense		5,030			5,030
Balance, December 31, 2012	4,269,610	\$ 3,273,752	\$ (1,569,153)	\$ 16,091	\$ 1,720,690
Net income			45,266		45,266
Foreign currency translation Comprehensive loss				(32,822)	(32,822)
					12,444
Stock option expense		1,005			1,005
Balance, June 30, 2013	4,269,610	\$ 3,274,757	\$ (1,523,887)	\$ (16,731)	\$ 1,734,139

See accompanying notes to Unaudited Consolidated Financial Statements

**AGENT INFORMATION SOFTWARE, INC.****Quarterly Report****Unaudited Consolidated Statements of Cash Flows****For the Six Months Ended June 30, 2013 and 2012**

	June 30 2013	June 30 2012
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 45,266	\$ (166,829)
Adjustments to reconcile net income (loss) to net cash provided by operations:		
Depreciation and amortization	344,270	336,696
Stock option expense	1,005	4,398
Changes in operating assets and liabilities:	174,291	(106,857)
Net cash provided by operating activities	<u>564,832</u>	<u>67,408</u>
<b>Cash flows from investing activities:</b>		
Acquisitions of property and equipment	(128,220)	(54,193)
Capitalized software development	(294,006)	(200,000)
Net cash used in investing activities	<u>(422,226)</u>	<u>(254,193)</u>
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in lines of credit	35,000	225,000
Payments of long-term debt	(5,973)	(5,972)
Common stock redemption	-	-
Net cash used in financing activities	<u>29,027</u>	<u>219,028</u>
Effect of exchange rate changes on cash	<u>(32,822)</u>	<u>-</u>
Net increase (decrease) in cash	138,811	32,243
Cash and cash equivalents, beginning of year	295,070	610,536
Cash and cash equivalents, June 30, 2013 and 2012	<u>\$ 433,881</u>	<u>\$ 642,779</u>

See accompanying notes to Unaudited Consolidated Financial Statements