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March 17, 2015

To all Shareholders:

Enclosed, please find the 2014 audited financial statement for Agent Information Software, Inc.

For the year ended December 31, 2014, the company reported success because of the decision to migrate from our Adobe Flex^(TM) platform to the new SaaS platform. For our SHAREit^(TM) or resource sharing (ILL - InterLibrary Loan) customers, migration took place in February of 2014 and our Verso^(TM) ILS (Integrated Library System) customers began the migration in July of 2014. At the request of several of our customers we are extending the conversion time six (6) months to the summer of 2015. The new platform's UI provided several new views designed to enhance the patron user experience. Working with our customers, the company's customer service and product teams conducted extended web based training helping the library staff with the transition and implementation of the new platform. The last of our customers will migrate to the new platform in 2015 following the end of the school year. This will minimize impact on existing students and allow training of the patrons/students during the summer or at the start of the new school year. Those customers who have already migrated report good responses to the new platform. Libraries also report that the new patron centric displays, and integration with third party material (reviews, suggested readings, jacket art) and our new e-Book integration, are a big success. Libraries which have migrated are now looking for better ways to use the platform such as, allowing for staff to use mobile devices in the library to improve workflow and better assist the patrons.

The roll out of the new version of our product for both the large statewide projects (SHAREit) and libraries looking at VERSO as a new or replacement ILS has resulted in an increase in sales opportunities in 2014. New opportunities will continue in 2015. A-G closed three new VERSO ILS contracts in the last quarter of 2014. Contract implementation has begun and will be finished by the summer of 2015. In addition, two new statewide systems were awarded to A-G after the release of the new platform. Along with the new state contracts, we have successfully gone through the RFP process with three existing statewide contracts. These existing customers are already on the new platform or will be this summer when their new contract takes effect.

Sales for 2014 were down as a result on the delay in the release of the new platform. This delay hurt sales as we did not have the carryover of new sales from 2013 as expected. Looking closely at the reduction in sales a major portion of that lost revenue was in non-recurring sales, confirming the lack of new projects in 2014. As we look ahead, the company has a backlog (pre-sold contracts) for 2015 of \$4,950,000. Already, this is \$445,000 higher than we finished the year for 2014. As a special note, the company finished 2014 with annual recurring revenue of \$4,210,358; for 2015 that figure is already at \$4,600,171, up nearly \$400,000 from year end.

The company continues to see several statewide opportunities for SHAREit developing in 2015. As state operating budgets continue to be constrained, several opportunities have arisen because of states wishing to better use and share library resources within the state. If successful in winning the contracts the opportunities will strengthen the company's leadership position of providing statewide resource sharing solutions. Success in the states will also open doors to libraries within the state looking for a more effective ILS solution that can integrate with the statewide initiatives.

In 2014, the ILS industry found itself in the middle of some major mergers and acquisitions. As a result, the market, as expected reacted with caution. The life of a platform, a potential price increase and future support, understandably drive these concerns. We feel strongly that our company longevity, new product platform, and focused SaaS solution will make the company's products and services more relevant than ever.

If you have questions, please do not hesitate to email me at prc@auto-graphics.com or call me directly at 909-569-1520 or you may contact our controller, Paul Widjaja at 909-569-1535. The complete financial reports can also be accessed through the company's website at <http://www.agentinformationsoftware.com/investors.htm>.

Best regards,



Paul R. Cope
President