



AGENT INFORMATION SOFTWARE, INC.

Quarterly Reports

Quarter Ended September 30, 2015

Trading Symbol: AIFS

AGENT INFORMATION SOFTWARE, INC.
Quarterly Report
September 30, 2015 and 2014

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AGENT INFORMATION SOFTWARE, INC.
Quarterly Report

Unaudited Consolidated Balance Sheets

September 30, 2015 and 2014

	September 30 2015	September 30 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,044,764	\$ 326,527
Restricted cash	247,308	276,224
Accounts receivable, trade	54,575	129,165
Deferred income taxes, current	96,000	105,000
Other current assets	199,644	186,493
Total current assets	1,642,291	1,023,409
Capitalized software, net	2,070,949	1,913,644
Equipment, net	144,439	237,094
Total assets	\$ 3,857,679	\$ 3,174,147
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities on long-term debt	\$ 26,926	\$ 26,352
Accounts payable, trade	40,463	79,152
Deferred revenue	1,466,961	1,074,276
Accrued payroll and related liabilities	201,983	239,903
Other accrued liabilities	138,080	184,242
Total current liabilities	1,874,413	1,603,925
Long-term debt	38,673	66,042
Deferred income taxes	67,000	105,000
Total liabilities	1,980,086	1,774,967
Stockholders' equity:		
Common stock, \$0.001 par value, 12,000,000 shares authorized, 4,269,610 shares issued and outstanding	3,279,679	3,277,853
Accumulated other comprehensive income (loss)	(72,996)	(37,293)
Accumulated deficit	(1,329,090)	(1,841,380)
Total stockholders' equity	1,877,593	1,399,180
Total liabilities and stockholders' equity	\$ 3,857,679	\$ 3,174,147

See accompanying notes to Unaudited Consolidated Financial Statements

AGENT INFORMATION SOFTWARE, INC.
Quarterly Report

Unaudited Consolidated Statements of Operations

For the Nine Months Ended September 30, 2015 and 2014

	September 30 2015	September 30 2014
	<u> </u>	<u> </u>
Sales:		
Recurring sales	\$ 3,355,353	\$ 3,073,419
Non-recurring sales	226,006	118,750
Total net sales	<u>3,581,359</u>	<u>3,192,169</u>
Cost and expenses:		
Cost of sales	1,229,739	1,059,430
Research and development	216,797	399,992
Sales, marketing and customer service	1,310,647	1,251,823
General and administrative	758,250	757,617
Total costs and expenses	<u>3,515,433</u>	<u>3,468,862</u>
Income from operations	65,926	(276,693)
Other income (expense):		
Other income (expense), net	(692)	1,774
Total other income (expense):	<u>(692)</u>	<u>1,774</u>
Income before provision for income taxes	65,234	(274,919)
Provision for income taxes	<u>18,500</u>	<u>18,500</u>
Net income (loss)	<u>\$ 46,734</u>	<u>\$ (293,419)</u>
Earnings per share - Basic	\$ 0.01	\$ (0.07)
Weighted average shares outstanding - Basic	4,269,610	4,269,610
Earnings per share - Diluted	\$ 0.01	\$ (0.07)
Weighted average shares outstanding - Diluted	4,679,277	4,508,166

See accompanying notes to Unaudited Consolidated Financial Statements

AGENT INFORMATION SOFTWARE, INC.

Unaudited Consolidated Statements of Changes in Stockholders' Equity

For the Nine Months Ended September 30, 2015 and 2014

	Common Stock		Retained Earnings/ (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2013	4,269,610	\$ 3,276,162	\$ (1,547,961)	\$ (20,682)	\$ 1,707,519
Net loss			(293,419)		(293,419)
Foreign currency translation Comprehensive loss				(16,611)	(16,611)
					(310,030)
Stock option expense		1,691			1,691
Balance, September 30, 2014	4,269,610	\$ 3,277,853	\$ (1,841,380)	\$ (37,293)	\$ 1,399,180
Net income			172,137		172,137
Foreign currency translation Comprehensive income				(31,777)	(31,777)
					140,360
Stock option expense		2,255			2,255
Balance, December 31, 2014	4,269,610	\$ 3,278,417	\$ (1,375,824)	\$ (52,459)	\$ 1,850,134
Net loss			46,734		46,734
Foreign currency translation Comprehensive income				(20,537)	(20,537)
					26,197
Stock option expense		1,262			1,262
Balance, September 30, 2015	4,269,610	\$ 3,279,679	\$ (1,329,090)	\$ (72,996)	\$ 1,877,593

See accompanying notes to Unaudited Consolidated Financial Statements

AGENT INFORMATION SOFTWARE, INC.**Quarterly Report****Unaudited Consolidated Statements of Cash Flows****For the Nine Months Ended September 30, 2015 and 2014**

	September 30 2015	September 30 2014
Cash flows from operating activities:		
Net income (loss)	\$ 46,734	\$ (293,419)
Adjustments to reconcile net income (loss) to net cash provided by operations:		
Depreciation and amortization	509,271	436,376
Stock option expense	1,262	1,691
Changes in operating assets and liabilities:	494,899	110,810
Net cash provided by operating activities	<u>1,052,166</u>	<u>255,458</u>
Cash flows from investing activities:		
Acquisitions of property and equipment	-	(9,639)
Capitalized software development	(410,000)	(450,000)
Net cash used in investing activities	<u>(410,000)</u>	<u>(459,639)</u>
Cash flows from financing activities:		
Payments of long-term debt	(20,157)	(19,678)
Common stock redemption	-	-
Net cash used in financing activities	<u>(20,157)</u>	<u>(19,678)</u>
Effect of exchange rate changes on cash	<u>(20,537)</u>	<u>(16,611)</u>
Net increase (decrease) in cash	601,472	(240,470)
Cash and cash equivalents, beginning of year	443,292	566,997
Cash and cash equivalents, September 30, 2015 and 2014	<u>\$ 1,044,764</u>	<u>\$ 326,527</u>

See accompanying notes to Unaudited Consolidated Financial Statements