



AGENT INFORMATION SOFTWARE, INC.

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March 2, 2018

Dear Shareholders:

On Thursday April 12, 2018 at 10:00am the Company will hold its annual shareholder meeting at our corporate offices located at 430 N. Vineyard Ave. Suite 100 Ontario, CA 97164. The meeting will begin at 10:00am.

Attached you will find the 2017 Proxy Card. The audited financial statements can be downloaded from <http://www.agentinformationsoftware.com/investors.htm>. They are also available from Computershare at <http://www.investorvote.com/AIFS>.

Auto-Graphics continued to fine-tune the capacity of SHAREit to improve service to end-users by opening collections between different types of libraries, extending patron discovery, and improving access to items that previously had been held in closed information silos. This increased access has had the added benefit of reducing acquisition costs along with costs associated with third-party lenders for SHAREit resource sharing customers, which include public libraries, school or K-12 libraries, special libraries, and college or academic institutions. In fact, one SHAREit customer, Access PA, reported a \$1.8M reduction in purchasing costs due to increased resource sharing in 2017. It is gratifying to see Auto-Graphics competencies and product differentiation acknowledged by their customers – in 2017 the company experienced the largest growth in their resource sharing solution in the past 30 years. Auto-Graphics is preparing a celebration of providing cloud-based resource-sharing for 25 years, and their continued expansion of SHAREit capabilities makes the company uniquely qualified for any sized state or consortia looking at improving or establishing resource sharing regionally or statewide, since SHAREit offers flexible and customizable configuration choices, both at the administrator and at the library level.

The strength of the SHAREit product integrated with the ability of VERSO to adapt to various environments allowed the company to add another new customer in early 2018 following an extensive RFP process in 2017. This new customer is coming online as this letter is being prepared. A formal announcement will be made public soon.

Auto-Graphics' nearly seven (7) decades of providing solutions to the markets it serves reflects how well the company has listened to their customer base and stayed abreast of new technologies, continuously reinventing their products and services to help libraries become more efficient and patron-centric. In 2018, at PLA (Public Library Association Show in Philadelphia), Auto-Graphics will introduce the next generation of its software platform, the AGENT Library Platform, which will bring unprecedented speed, security, and multi-platform support to the library industry. Continuing with Auto-Graphics' long history of customer care, all of our SaaS customers will receive the upgrade to the new platform as part of the continuing SaaS support and maintenance fees.

We are pleased to introduce a program that is now available to all our shareholders. It is called the Direct Registration System, or DRS, and is being offered by our transfer agent, Computershare, Inc. DRS is a service that allows companies to issue shares in book-entry form in place of traditional stock certificates. For instance, when you receive shares of AIS stock you will be sent a statement indicating the number of shares Computershare is holding on your behalf, unless you specifically request a physical certificate.

Effective immediately, we will implement DRS for all registered shareholder transactions. This means that routine stock transfers or the replacement of lost stock certificates will result in the issuance of a DRS statement in place of the traditional certificate.

There are many benefits to DRS.

- Receive convenience and security of book-entry shares that eliminate the possibility of lost certificates
- Avoid the time-consuming and costly process of replacing a stock certificate
- Simplifies the transfer process to change ownership
- Brokers can send stock certificates presently held by you to Computershare for deposit into your DRS account
- Sell any of your DRS shares through Computershare at attractive prices
- Request the issuance of a stock certificate at any time

If you have physical stock certificates, you may continue to hold them, or you can send them to Computershare for deposit to your DRS account. Please contact Computershare with any questions you may have by visiting their website at www.computershare.com and click "Contact Us" in the Shareholder Services, or contact them at (800) 522-6645 or write to Computershare, Inc., P.O. Box 505000, Louisville, KY 40233-5000

The company will continue to focus on new products and functionality built on our new AGENT platform to meet the market needs while allowing us to take advantage of cost savings. We continue to feel strongly that our company's flexibility to meet our customer needs, outstanding customer support and service, and our new product platform, and continued focused as a SaaS solution provider will make the company's products and services more relevant than ever for our libraries and their patrons.

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, Bryan Straight at (909) 569-1535.

Best regards,



Paul R. Cope
President