PRONTOFORMS

ProntoForms Corporation Announces Annual and Q4 2014 Results

OTTAWA, ON - (March 27, 2015)

Highlights:

- FY14 total revenue of $6,277,250, an increase of 44% over 2013
- FY14 recurring revenue of $4,953,633, an increase of 45% over 2013
- Q414 recurring revenue of $1,407,834, representing 11% sequential growth over Q3 2014
- AT&T Mobile Forms, based on ProntoForms platform, launched through AT&T

ProntoForms® Corporation(TSX VENTURE : PFM) **("ProntoForms" or "the Company"),**a mobile data solutions company today announced results for its fourth quarter and its fiscal year ended December 31, 2014. All amounts are stated in Canadian dollars unless otherwise noted.

Alvaro Pombo, Chief Executive Officer, ProntoForms, said, "The focus of our business continues to be the building of a recurring revenue base and I am pleased with our ongoing growth in this area. 2014 total and recurring revenue increased by approximately 45% over 2013 and the Company recorded an 11% sequential increase for the 2014 fourth quarter over previous 2014 third quarter. While recurring revenue does not provide the immediate revenue and profitability impact of perpetual licenses, we believe it provides more value through significant and predictable revenue and cash flows for future periods. We have made a decision to increase investment in sales to have a positive impact on recurring revenue growth in future periods."

Mr. Pombo added, "In 2014 AT&T introduced AT&T Mobile Forms, a new private labelled product based on our ProntoForms platform. In Q4 we started to see the results from adding a 'standard' offering through our largest partner in addition to our strong 'professional' offering. We have a solid framework for business growth and we are encouraged by the continuing flow of opportunities we see. We recently added Chip Salyards, VP of Global Sales, to enable the scaling of sales operations and we are continuing to invest to take advantage of the growing business opportunities."

Operating Results for the Year Ended December 31, 2014

	2014	**2013**
Revenue	$ 6,277,250	$ 4,363,027

Loss from operations	$ (1,188,120)	$ (859,882)
Net loss	$ (1,349,961)	$ (361,288)
Basic and diluted loss / share	$ (0.02)	$ (0.01)

Revenue for the year ended December 31, 2014 was $6,277,250 compared to $4,363,027 for the year ended December 31, 2013 representing an increase of 44%. Revenue details are as follows:

	Year ended December 31, 2014	**2013**	**Increase Over Previous Year**
Recurring revenue	4,953,633	3,418,819	45%
Professional and other services	1,323,617	944,208	40%
Total revenue	$ 6,277,250	$ 4,363,027	44%

Recurring revenue for the year ended December 31, 2014 was $4,953,633 compared to $3,418,819 in 2013 representing an increase of 45%.

In 2014, the Company launched a "standard" version of its product which sells for approximately half the price of the "professional" version. Revenue of $80,020 was realized on this new product in 2014 and was included in recurring revenue above.

Professional and other services revenue was $1,323,617 in 2014 compared to $944,208 in 2013 representing an increase of 40%.

The Company had a loss from operations of $1,188,120 in 2014 compared to a loss from operations in 2013 of $859,882. The Company had a non-GAAP loss from operations (see Non-GAAP Measures below) of $774,569 in 2014 compared to a non-GAP loss from operations in 2013 of $799,345.

The Company had a 2014 net loss of $1,349,961 compared to a net loss in 2013 of $361,288. In 2013, the Company had other income of $875,070 related to the sale of certain patents and a reduction in deferred revenue due to the reversal of the underlying obligation. Excluding the one- time other income items totaling $875,070, the Company would have presented a net loss of $1,236,358 for the year ended December 31, 2013 compared to a net loss of $1,349,961 for the year ended December 31, 2014.

The Non-GAAP loss (see Non-GAAP Measures below) for the year ended December 31, 2014 was $696,858 compared to Non-GAAP Net Income of $71,365 for 2013. The Non-GAAP loss excluding one-time items in 2013 identified above would have been $803,705.

Operating Results for the Three Months Ended December 31, 2014

		Three Months Ended	
	December 31, 2014	**September 30, 2013**	**December 31, 2013**
Total revenue	$ 1,621,826	$ 1,698,458	$ 1,365,851
Loss from operations	$ (672,185)	$ (339,369)	$ (64,392)
Net loss	$ (683,379)	$ (313,260)	$ (303,112)
Basic and diluted loss / share	$ (0.01)	$ -	$ -

Total revenue for the fourth quarter of 2014 of $1,621,826 represented a decrease of approximately 5% from the 2014 third quarter and 19% growth over the comparable fourth quarter of 2013. Professional and other services revenue can fluctuate from quarter to quarter and this caused a small decrease in total revenue in the 2014 fourth quarter. Revenue details are as follows:

	Three months ended			**Change from**	
	December 31, 2014	**September 30, 2014**	**December 31, 2013**	**Previous 2014 Q3**	**Comparable 2013 Q4**
Recurring revenue	1,407,834	1,270,790	1,005,754	11%	40%
Misc. services	213,992	427,668	360.097	-50%	-41%
Total revenue	$ 1,621,826	$ 1,698,458	$ 1,365,851	-5%	19%

Recurring revenue of $1,407,834 grew by 11% from the third quarter of 2014 and by 40% from the comparable fourth quarter of 2013.

Revenue of $71,524 was realized for the new "standard" product included in the 2014 fourth quarter recurring revenue above.

Other services revenue was $213,992 for the fourth quarter of 2014 compared to $427,668 in the third quarter of 2014 and $360,097 for the comparable fourth quarter in 2013. The 2014 fourth quarter other fees revenue included approximately $178,000 from large contracts with large customers including major operators and smartphone vendors while the Q32014 other fees revenue included $380,000 and the Q42013 other fees revenue included approximately $280,000 from this same group. Revenue from these larger contracts is subject to variability from quarter to quarter based on the availability of contracts from customers and availability of resources to perform the work due to competing internal product development and/or marketing objectives.

Loss from operations was $672,185 for the quarter ended December 31, 2014 up from $64,392 for the quarter ended December 31, 2013 representing an increase in operating loss of $607,392. Non-GAAP operating loss (see Non-GAAP Measures below) was $482,433 for the quarter ended December 31, 2014 compared to $48,429 for the same quarter in 2013.

The Company had a net loss of $683,379 for the quarter ended December 31, 2014 compared to a net loss of $303,112 for the quarter ended December 31, 2013. Non-GAAP loss (see Non-GAAP Measures below) for the quarter ended December 31, 2014 was $372,111 compared to $37,321 for the same quarter in 2013.

The increase in operating loss can be attributed to 1) a conscious approach to increase expenses to add more operational and sales productivity and 2) an increase in share-based compensation to $189,752 in the fourth quarter of 2014 compared to only $15,963 in the fourth quarter 2013.

As at December 31, 2014, the Company had cash and cash equivalents of $2,305,625 and net working capital of $2,894,872.

Non-GAAP Financial Measures

The Company uses "Non-GAAP Loss from Operations" as a non-GAAP financial measure but it is not a defined term under IFRS to assess performance. Non-GAAP Loss from Operations is calculated as follows:

	Year ended December 31,	
Non-GAAP Loss from Operations	**2014**	**2013**
GAAP Loss from Operations	(1,188,120)	(859,882)
Add back:		
Share based compensation	413,551	60,537
	(774,569)	(799,345)

	Three months ended December 31,	
Non-GAAP Loss from Operations	**2014**	**2013**
GAAP Loss from Operations	(672,185)	(64,392)
Add back:		
Share based compensation	189,752	15,963
	(482,433)	(48,429)

Management use this information to measure operating results in relation to available working capital and cash and believes that this measure provides useful supplemental information to investors and is computed on a consistent basis for each reporting period.

The Company uses "Non-GAAP Net Loss" as a non-GAAP financial measure within the MD&A but it is not a defined term under IFRS to assess performance. Non-GAAP Loss from Operations is calculated as follows:

	Year ended December 31,	
Non-GAAP Net Income (Loss)	**2014**	**2013**
GAAP Net Loss	(1,349,961)	(361,288)
Add back:		
Share based compensation	413,551	60,537
Accretion on long-term debt	85,069	68,877
Change in fair value of derivative	154,483	303,239

	(696,858)	71,365

Non-GAAP Net Loss	Three months ended December 31, 2014	2013
GAAP Net Loss	(683,379)	(303,112)
Add back:		
Share based compensation	189,752	15,963
Accretion on long-term debt	58,325	17,736
Change in fair value of derivative	63,191	232,092
	(372,111)	(37,321)

Management use this information to measure financial results in relation to available working capital and cash and believes that this measure provides useful supplemental information to investors and is computed on a consistent basis for each reporting period.

Option Grant

Options to purchase up to 855,000 common shares of the Company were approved for grant by the Board of Directors, including 800,000 to certain directors and officers. The options were approved for grant to be effective as of March 31, 2015 pursuant to the terms of the Company's stock option plan and are exercisable for a period of five years from the effective date at an exercise price to the closing price of the common shares on March 30, 2015. Stock option grants are subject to necessary regulatory approvals.

About ProntoForms® and ProntoForms Corporation

ProntoForms is a mobile workflow solution used by over 3,000 business customers to collect, receive and submit data in the field. Available for smartphones and tablets, the ProntoForms solution incorporates a mobile device App, a Web management portal to manage teams and data flow, and provides the ability to export or connect data to the back office or to popular cloud services. The scalable solution is deployed by any size business, in any industry, to speed up business processes, raise productivity and achieve operational excellence. ProntoForms is a Frost & Sullivan winner of the North American Customer Value Leadership Award for Mobile Forms.

ProntoForms Corporation has a powerful and proprietary patent portfolio, from which the ProntoForms mobile App and Web reporting portal have been developed. The company trades on the TSXV under the symbol PFM. ProntoForms is the registered trademark of ProntoForms Inc., a wholly-owned subsidiary of ProntoForms Corporation.

Certain information in this press release may constitute forward-looking information. For example, statements about the Company's future growth or value are forward-looking information.This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to the Company. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

There are a number of risk factors that could cause future results to differ materially from those described herein, including but not limited to the following: (i) there can be no assurance that the Company will earn any profits in the future or that profitability, if achieved, will be sustained; (ii) if the Company is not able to achieve profitability, it will require additional equity or debt financing, and there can be no assurances that the Company will be able to obtain additional financial resources on favourable commercial terms or at all; (iii) the Company's quarterly revenues and operating results may fluctuate, which may harm its results of operations; (iv) the loss of business from a major customer, operator or other reseller could reduce the Company's sales and harm its business and prospects; (v) a portion of the Company's sales are through operators and other resellers, and an adverse change in the Company's relationship with any of such operators or other resellers may result in decreased sales; (vi) the market for software as a service is at a relatively early stage of development, and if it does not develop or develops more slowly than expected, the Company's business will be harmed; (vii) the Company faces competition from other software solution providers, which may reduce its market share or limit the prices it can charge for its software solutions; (viii) a global economic downturn or market volatility may adversely affect our business and/or our ability to complete new financings; (ix) the business of the Company may be harmed if it does not continue to penetrate markets; (x) the success of the business depends on the Company's ability to develop new products and enhance its existing products; (xi) the Company's growth depends in part on the success of its strategic relationships with third parties; (xii) the financial condition of third parties may adversely affect the Company; (xiii) the US dollar may fluctuate significantly compared to the Canadian dollar, causing reduced revenue and cash flow as most of our revenues are received in US dollars while most of our expenses are payable in Canadian dollars; (xiv) subscription services which produce the majority of the Company's revenue are hosted by a third party service for the Company and any interruption in service could harm its results of operations; (xv) the Company may be liable to its customers or third parties if it is unable to collect data or it otherwise loses data; (xvi) the Company may be liable for the handling of personal information; (xvii) intellectual property claims against the Company may be time consuming, costly to defend, and disruptive to the business; (xviii) the Company uses open source software in connection with its products which exposes it to uncertainty and potential liability; (xix) economic uncertainty and downturns in the software market may lead to decreases in the Company's revenue and margins; (xx) any significant changes in the technological paradigm utilized for building or delivering applications in Smartphone devices could harm the Company's business and prospects; and (xxi) if the Company loses any of its key personnel, its operations and business may suffer. Please see "Risk Factors Affecting Future Results" in the Company's annual management discussion and analysis dated March 12, 2014 found at www.sedar.com for a more complete discussion of these and other risks. Readers are cautioned not to place undue reliance on forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Certain information in this press release may constitute forward-looking information. For example, statements about the Company's future growth or value are forward-looking information. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to the Company. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.