

ProntoForms Reports Annual and Fourth Quarter 2016 Results

Achieves 31% Annual Growth in Recurring Revenue

OTTAWA, Canada - Marh 9, 2017 - ProntoForms Corporation (TSXV: PFM), the leading provider of mobile data collection and analytics platforms for business, today announced its annual and fourth quarter (Q4) financial results for periods ended December 31, 2016.

“Our 31% growth in recurring revenue in 2016 was driven by our direct channel, which grew at 64% and now accounts for 54% of recurring revenue,” said Alvaro Pombo, CEO of ProntoForms. “Our strategy is to maintain the rapid growth of our direct channel using additional resources, and leverage the increasing lead flow provided by strategic partners. Sales to the operator channel were steady at 6% growth.”

“We’re solidifying our technology leadership through investments in automated workflows, analytics, and cloud-to-cloud integration support,” Mr. Pombo continued. “These evolving capabilities not only increase the value of our solution to our growing customer base, they also provide a compelling case for partnerships with leading application providers.”

Financial Highlights - 2016 Year:

- Recurring revenue for the year ended December 31, 2016 increased by 31% to \$10,621,011, compared to \$8,101,311 for twelve months ended December 31, 2015.
- Recurring revenue consisted of non-operator channel recurring revenue of \$5,785,939 (64% growth) and operator channel recurring revenue of \$4,835,072 (6% growth).
- Total revenue for year ended December 31, 2016 increased by 28% to \$11,787,891, compared to \$9,192,287 for the year ended December 31, 2015.
- Gross margin for 2016 was \$9,659,281 or 82% of total revenue compared to \$7,302,055 or 79% in 2015. Gross margin on recurring revenue was 89% for 2016 compared to 90% for 2015.
- Loss from operations was \$3,359,757 for twelve months ended December 31, 2016, up from \$2,686,506 for the comparable twelve months in 2015. The increase in operating loss is attributed to our continued commitment to growth, sales productivity, and product development.
- Net loss and comprehensive loss for the year ended December 31, 2016 was \$3,721,942, up from a net loss of \$2,609,354, in 2015.
- As at December 31, 2016, the Company’s cash balance and net working capital balances were \$3,861,057 and \$1,836,864 respectively.

Financial Highlights - 2016 Fourth Quarter:

- Recurring revenue in Q4 2016 increased by 16% to \$2,801,858, compared to \$2,425,310 in Q4 2015, and increased by 4% compared to \$2,693,546 in Q3 2016. Recurring revenue consisted of non-operator channel recurring revenue of \$1,683,520 (53% growth vs. Q4 2015 and 12% growth vs. Q3 2016) and operator channel recurring revenue of \$1,118,338 (16% decrease vs. Q4 2015 and 6% decrease vs Q3 2016).
- Total revenue for Q4 2016 increased by 10% to \$3,023,213 compared to \$2,758,979 in Q4 2015, and remained flat compared to \$3,028,860 in Q3 2016.
- Gross margin for Q4 2016 was 83% of total revenue compared to 79% in Q4 2015 and 82% in Q3 2016. Gross margin on recurring revenue was 89% for Q4 2016 compared to 90% for Q4 2015 and 90% in Q3 2016.
- Operating loss for Q4 2016 was \$913,754 up from a loss of \$758,971 in Q4 2015, and up from a loss of \$719,717 in Q3 2016. The increase in operating loss from the prior year is attributed to a conscious approach to invest more in operational and sales productivity and product development.
- Net loss and comprehensive loss for Q4 2016 was \$1,010,661, up from a net loss of \$702,975 in Q4 2015, and up from a net loss of \$718,904 in Q3 2016.

Operational Highlights

- Expanded co-marketing partnership with Apple
- Launched new integrated solutions partners and resellers, including ServiceMax, Fleet Complete and Telus in Canada
- Completed ProntoForms Developer Toolkit
- Major customer announcements, including:
 - American Automobile Association (AAA)
 - Gateway Mechanical featured in a joint ProntoForms & Google case study
 - ProntoForms & Haliburton case study, published in Field Technologies magazine

About ProntoForms Corporation

ProntoForms is a mobile workflow platform used by more than 3,500 businesses to collect and analyze field data with smartphones and tablets. Our product delivers an intuitive, secure and scalable solution for mobilizing business processes, with a low total cost of ownership. Our customers harness the solution to increase productivity and reduce cost, improve quality of service and mitigate risks.

ProntoForms is the winner of the 2015 Frost & Sullivan Competitive Strategy Innovation and Leadership Award for the Mobile Forms Industry.

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 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.