

ProntoForms Reports Annual and Fourth Quarter 2017 Financial Results

Achieves 10 per cent Annual Growth in Recurring Revenue and Fourth Quarter Growth of 7 per cent over Q3 2017

OTTAWA, Ont. – March 19, 2018 – ProntoForms Corporation (TSXV: PFM), the global leader in smart mobile forms for enterprise, today announced its annual and fourth quarter (Q4) financial results for the periods ended December 31, 2017.

"We finished 2017 on a high note with 7% sequential growth in Q4 recurring revenue and the addition of Fortune 50 customer contracts totalling over \$1 Million in committed value," said Alvaro Pombo, CEO of ProntoForms. "In 2017 we proved that our platform is built for the enterprise, with the scalability, security and cloud integrations that major global enterprises require. The changes we have made to our direct sales teams are allowing us to sign new enterprise customers and to achieve significant expansion from existing customers. In addition, our growing roster of channel partners is bringing us to opportunities where enterprise grade cloud-based mobile workflows are needed.

Mr. Pombo continued, "Our Rapid Mobile Application Development (RMAD) solution has been deployed successfully for a range of business processes in enterprise, including safety automation; enterprise asset management; and field service management, either as a standalone solution or as a mobile extension of existing solutions. The no-code platform, increasingly recognized by leading industry analysts, allows easy adoption by non-technical line-of-business owners in enterprise, scales with IT requirements, and co-exists very well with solutions provided by our expanding partner ecosystem."

Financial Highlights – 2017 Year

- Recurring revenue for the year ended December 31, 2017 increased by 10% to \$11,663,056, compared to \$10,621,011 for twelve months ended December 31, 2016
- Recurring revenue consisted of non-operator channel recurring revenue of \$7,612,321 (32% growth over 2016) and operator channel recurring revenue of \$4,050,735 (16% decrease over 2016)
- Total revenue for year ended December 31, 2017 increased by 8% to \$12,772,908 compared to \$11,787,891 for the year ended December 31, 2016
- Gross margin for 2017 was \$10,420,181 or 82% of total revenue compared to \$9,659,281 or 82% in 2016. Gross margin on recurring revenue was 90% for 2017 compared to 89% for 2016
- Loss from operations was \$4,203,456 for twelve months ended December 31, 2017, up from \$3,359,757 for the comparable twelve months in 2016. Net loss and comprehensive loss for the year ended December 31, 2017 was \$5,001,194, up from a net loss of \$3,721,942, in 2016
- As at December 31, 2017, the Company's cash and net working capital balances were \$6,366,189 and \$5,568,335 respectively

Financial Highlights – 2017 Fourth Quarter

- Recurring revenue in Q4 2017 increased by 8% to \$3,020,793, compared to \$2,801,858 in Q4 2016, and increased by 7% compared to \$2,813,541 in Q3 2017
- Recurring revenue consisted of non-operator channel recurring revenue of \$2,094,340 (24% growth vs. Q4 2016 and 13% growth vs. Q3 2017) and operator channel recurring revenue of \$926,453 (17% decrease vs. Q4 2016 and 3% decrease vs Q3 2017)
- Total revenue for Q4 2017 increased by 11% to \$3,366,832, compared to \$3,023,213 in Q4 2016, and increased by 10% compared to \$3,053,265, in Q3 2017
- Gross margin for Q4 2017 was 80% of total revenue compared to 83% in Q4 2016 and 81% in Q3 2017. Gross margin on recurring revenue was 89% for Q4 2017 compared to 89% for Q4 2016 and 90% in Q3 2017
- Operating loss for Q4 2017 was \$1,211,097, up from a loss of \$913,754 in Q4 2016, and \$1,028,127 in Q3 2017. The increase in operating loss in the fourth quarter is attributed to an increase in expenses for product and infrastructure initiatives intended to aid in pursuing more enterprise opportunities in 2018
- Net loss and comprehensive loss for Q4 2017 was \$1,344,278, up from a net loss of \$1,010,661 in Q4 2016, and \$1,300,629 in Q3 2017

Recent Operational Highlights

- Entered \$350,000 3-year contract and \$670,000 2-year contract with two Fortune 50 Companies – demonstrating expanding use by key enterprise customers
- Recognized in Gartner's "2017 Market Guide for Rapid Mobile App Development Tools" (RMAD)
- Received FinancesOnline's "Supreme Software 2017 Award" For Forms Automation – FinancesOnline is a B2B & SaaS solution review platform
- Featured in the Keynote presentation at BoxWorks17 – Box executive showcased the power of an integrated ProntoForms/Box/PG&E solution
- ProntoForms CEO Alvaro Pombo led business innovation session in Mexico City – at the newly launched AT&T Business center
- Won 2017 Employees' Choice Awards – our second consecutive win in this category (issued by Ottawa Business Journal & the Ottawa Chamber of Commerce)

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.