JETFORM CORPORATION

ANNUAL INFORMATION FORM
For the year ended April 30, 1998

July 27, 1998

JETFORM CORPORATION
ANNUAL INFORMATION FORM

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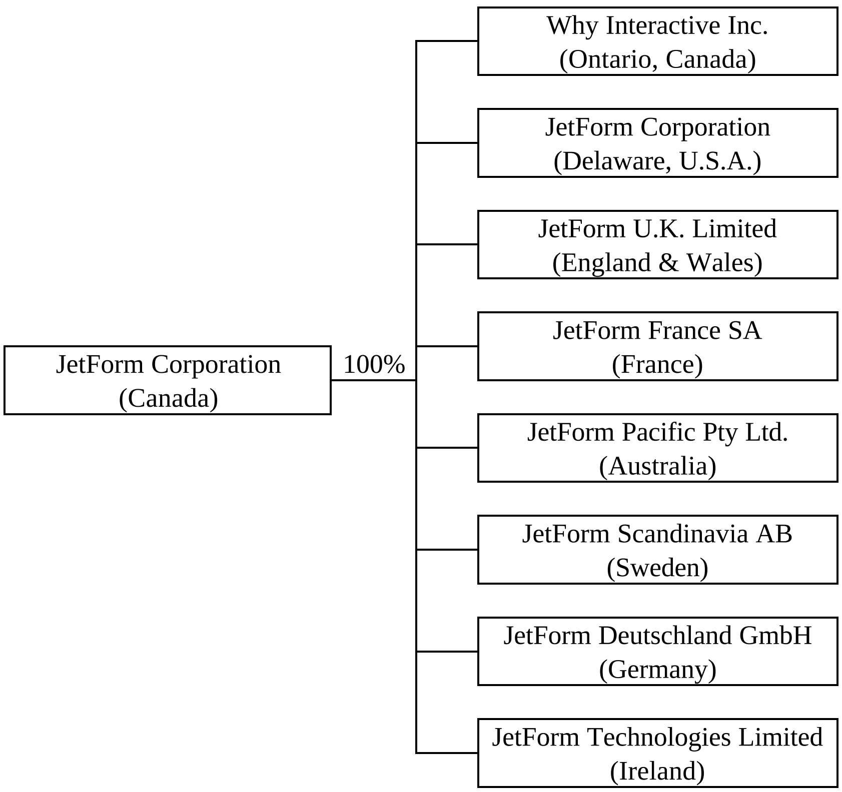
Note: In this Annual Information Form, all references to specific years are references to the fiscal year ended on April 30 of the year named. All references to "$" or "dollars" are references to Canadian dollars, unless otherwise specified.

ITEM 1: THE COMPANY

JetForm Corporation (referred to herein as "JetForm" and together with its subsidiaries is referred to herein as the "Company") was incorporated as Jorag Computer Systems Ltd., pursuant to the *Canada Business Corporations Act* on June 10, 1982. By articles of Amendment dated September 28, 1982, JetForm Changed its name to Indigo Software Ltd. By Articles of Amendment dated September 30, 1991, JetForm changed its name to JetForm Corporation.

The following chart sets forth certain information concerning the principal subsidiaries of the Company:



ITEM 2: GENERAL DEVELOPMENT OF THE BUSINESS

Reference is made to the paragraph entitles "Overview" under the section entitled "BUSINESS OF THE COMPANY" on pages 6-7 of the long form prospectus of JetForm dated June 19, 1998 (the "Prospectus") and the paragraph entitled "Overview" under the section entitled "MANAGEMENT'S DISCUSSIONS AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS" on page 19-20 of the Prospectus, each of which is incorporated herein by reference.

ITEM 3: NARRATIVE DESCRIPTION OF THE BUSINESS

Reference is made to the section entitled "BUSINESS OF THE COMPANY" on pages 6-17 of the Prospectus, which section is incorporated herein by reference.

ITEM 4: SELECTED CONSOLIDATED FINANCIAL INFORMATION

Financial statement data

	For the years ended April 30,				
	1998	**1997**	**1996**	**1995**	**1994**
	(in thousands, except per share data)				
Canadian GAAP					
Sales	$ 111,227	$ 76,679	$ 43,455	$ 26,009	$ 12,129
Income (loss) from continuing operations	$ (24,790)	$ (18,203)	$ 4,148	$ 2,755	$ (556)
Income (loss) from continuing operations per share (fully diluted)	$ (1.49)	$ (1.32)	$ 0.37	$ 0.24	$ (0.08)
US GAPP					
Income (loss) from continuing operations	$ 10,864	$(148,480)	$ 4,148	$ 2,755	$ (696)
Net income (loss) from continuing operation per share (fully diluted)	$ 0.62	$ (10.03)	$ 0.34	$ 0.24	$ (0.10)

Balance sheet data

	As at April 30,				
	1998	**1997**	**1996**	**1995**	**1994**
	(in thousands of US$)				
Cash and short-term investments	$ 91,604	$ 34,450	$ 20,198	$ 28,746	$ 12,275
Working capital	$ 70,370	$ 30,409	$ 29,716	$ 37,979	$ 14,189
Total assets	$ 264,106	$ 226,181	$ 88,879	$ 51,651	$ 22,550
Long-term debt	$ 73,404	$ 101,518	----	----	----
Shareholders' equity	$ 159,688	$ 99,282	$ 67,033	$ 46,689	$ 18,628

Quarterly results (unaudited)

Fiscal Quarter	Sales ($000s)	Net Income ($000s)	Basic earnings per share ($)	Fully diluted earning per share ($)
July 31/96	$ 14,939	$ 1,196	$ 0.10	$ 0.08
Oct 31/96	$ 18,510	$ 929	$ 0.07	$ 0.07
Jan 31/97	$ 22,337	$ (7,286)	$ (0.48)	$ (0.48)
Apr 30/97	$ 20,828	$ (10,070)	$ (0.67)	$ (0.67)
July 31/97	$ 23,575	$ (7,648)	$ (0.46)	$ (0.46)
Oct 31/97	$ 26,548	$ (7,053)	$ (0.42)	$ (0.42)
Jan 31/98	$ 28,579	$ (6,057)	$ (0.37)	$ (0.37)
Apr 30/98	$ 32,525	$ (665)	$ (0.04)	$ (0.04)

Dividends

Reference is made to the section entitled "DIVIDEND POLICY" on page 18 of the Prospectus, which section is incorporated herein by reference.

ITEM 5: MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The following discussion of the Company's results of operations and of its liquidity and capital resources should be read in conjunction with the information contained in the Consolidated Financial Statements and related Notes thereto. The following discussion provides a comparative analysis of material changes for the years ended April 30, 1998, 1997 and 1996, in the financial condition and results of operations of the Company and its wholly-owned subsidiaries: JetForm Corporation (a Delaware corporation), Why Interactive Inc.("Why Interactive"), JetForm Pacific Pty Limited ("JetForm Pacific"), JetForm Scandinavia AB ("JetForm Nordic"), JetForm France SA ("JetForm France"), JetForm UK Limited ("JetForm UK"), JetForm Deutschland GmbH ("JetForm Germany") and JetForm Technologies Limited ("JetForm Ireland").

Overview

The company is a worldwide leader in providing E-Forms based workflow solutions. The Company's business has grown rapidly, resulting in significant increases in revenue during each of the last three fiscal years. Total revenue has grown at a compound annual rate of 60% to $111.2 million for the year ended April 30, 1998, from $43.5 million for the year ended April 30, 1996. Historically, the Company has derived the majority of its total revenue from product revenue, which consists principally of software licenses. Product revenue, representing 67% of total revenue for the year ended April 30, 1998, increased at a compound annual rate of 54% to $74.8 million for the year ended April 30, 1998 from $31.6 million for the year ended April 30, 1996. The increase in product revenue has been driven by directly licensing software to new customers located primarily in North America and Europe and by the Company's success in signing large irrevocable commitments to purchase product ("Irrevocable Commitment Licenses") with major international organizations. North America (defined as the United States and Canada) and Europe have historically represented the Company's largest geographic markets, accounting for 73% and 23%, respectively, of product revenue for the year ended April 30, 1998.

Product revenue derived from North America and Europe have both grown rapidly, increasing at compound annual rates of 75% and 23%, respectively, from April 30, 1996 to April 30, 1998. While the Company expects North American product revenue to continue to grow rapidly, the Company also expects North American product revenue to represent a declining share of the Company's total product revenue as international sales and marketing efforts continue to be expanded.

Management has adopted a distribution strategy that increasingly leverages the Company's relationships with third parties including (i) resellers, VARs, system integrators and international distributors and (ii) strategic partners and original equipment manufacturers ("OEMs").

Service revenue, which primarily consists of custom software development, forms development, training, maintenance and support, E-Forms consulting services and multimedia consulting services, represented 33% of total revenue for the year ended April 30, 1998. Service revenue increased at a compound annual rate of 75% to $36.4 million for the year ended April 30, 1998 from $11.9 million for the year ended April 30, 1996. The increase in service revenue has been a result of growth in maintenance and support revenue and increased focus on bundling the Company's services with product sales.

Costs and expenses are comprised of cost of product, cost of service, sales and marketing, general and administrative, research and development, depreciation and amortization and other expenses. Cost of product consists of third party commissions, the cost of disks, manuals, packaging, freight, royalty payments to vendors whose software is bundled with certain products and amortization of deferred product development costs. Cost of service includes all costs of providing technical support, training, consulting, custom forms development and application development services. Sales and marketing expenses are principally related to salaries and commissions paid to sales and marketing personnel. Research and development expenses include personnel and occupancy costs as well as the costs of software development, testing, product management, quality assurance and documentation. Depreciation and amortization includes depreciation and amortization of fixed assets and amortization of intangible assets related to the acquisition from Delrina Corporation (“Delrina”) of its E-Forms Technology (the “Delrina Assets”), goodwill and distribution rights relating to the acquisitions of JetForm UK, Proactive Systems S.A. (“Proactive France”), JetForm Germany, Eclipse Corporation (“Eclipse”), Why Interactive, JetForm Pacific, JetForm Nordic and JetForm France, and other intangible assets. The Company amortizes goodwill and distribution rights over their expected useful lives. In general, the Company expects goodwill from acquisitions of technology to have a useful life of not more than seven years and distribution rights to have a useful life of not more than 15 years.

Results of Operations

The Company's revenues and operating results have varied substantially from period to period. With the exception of its consulting services operation, the Company has historically operated with little backlog of orders because its software products are generally shipped as orders are received. The Company recognizes product revenue when orders are shipped or, for Irrevocable Commitment Licenses (see “Liquidity and Capital Resources - Accounts Receivable and Term Accounts Receivable”), when the Company has fulfilled its material obligations in connection therewith and collection is probable. As a result, product revenue in any period is substantially dependent on orders booked and shipped in that period and on the receipt of Irrevocable Commitment Licenses. Product revenue is difficult to forecast due to the fact that the Company's sales cycle, from initial trial to multiple copy licenses, varies substantially from customer to customer. As a result, variations in the timing of product sales can cause significant variations in operating results from period to period.

The following table sets forth, on a comparative basis for the periods indicated, the components of the Company's product margin, service margin and product and service margin:

	Year ended April 30,					
	1998		1997		1996	
	(in thousands of Canadian dollars)					
Product revenue ...	$74,781	100%	$54,935	100%	$31,600	100%
Cost of product.....	7,539	10%	4,677	9%	2,491	8%
Product margin	$67,242	90%	$50,258	91%	$29,109	92%
Service revenue....	$36,446	100%	$21,679	100%	$11,855	100%
Cost of service......	15,259	42%	10,805	50%	6,125	52%
Service margin.....	$21,187	58%	$10,874	50%	$5,730	48%
Total revenue	$111,227	100%	$76,614	100%	$43,455	100%
Costs of product and service	22,798	20%	15,482	20%	8,616	20%
Product and service margin	$88,429	80%	$61,132	80%	$34,839	80%

The following table presents, for the periods indicated, consolidated statement of operations data expressed as a percentage of total revenues:

	Year ended April 30,		
	1998	1997	1996
REVENUES			
Product	67%	72%	73%
Service..	33%	28%	27%
	100%	100%	100%
COSTS AND EXPENSES			
Cost of product	7%	6%	6%
Cost of service	14%	14%	14%
Sales and marketing...........................	36%	38%	38%
General and administrative	9%	11%	13%
Research and development.................	10%	10%	9%
Depreciation and amortization of fixed assets…..	4%	4%	4%
Amortization of other assets...............	38%	38%	5%
	118%	121%	88%
OPERATING INCOME (LOSS)...........	-18%	-21%	12%
Interest and other income (expense)......	-3%	-3%	3%
INCOME (LOSS) BEFORE TAXES.....	-21%	-24%	15%
Provision for income taxes	-2%	--	-6%
NET INCOME (LOSS)........................	-22%	-24%	10%

The following table provides details of product revenue by geographic segment and, within Canada and the United States of America, by distribution channel.

	Year ended April 30,			Period to Period Increase	
	1998	**1997**	**1996**	**1997 to 1998**	**1996 to 1997**
	(in thousands of Canadian dollars)				
Product revenue by region					
United States and Canada	$54,226	$ 38,818	$ 17,847	40%	118%
Europe	16,832	13,745	11,205	22%	23%
Rest of World	3,723	2,372	2,548	57%	-7%
	$74,781	$ 54,935	$ 31,600	36%	74%
Product revenue by channel in the United States and Canada					
Reseller and OEM	$36,614	$ 19,358	$ 12,704	89%	52%
End User	17,612	19,460	5,143	-9%	278%
	$54,226	$ 38,818	$17,847	40%	118%

Year Ended April 30, 1998, Compared to the Year Ended April 30, 1997

Revenues

Total Revenues. Total revenues increased 45% to $111.2 million for the year ended April 30, 1998 from $76.6 million for the year ended April 30, 1997. Total revenues consisted of 67% product revenue and 33% service revenue for the year ended April 30, 1998.

Product Revenue. Product revenue increased 36% to $74.8 million for the year ended April 30, 1998 from $54.9 million for the year ended April 30, 1997. Product revenue derived from North America, Europe and Rest of World represented 72%, 23%, and 5%, respectively, of product revenue for the year ended April 30, 1998, as compared to 71%, 25% and 4%, respectively, of product revenue for the year ended April 30, 1997.

Product revenue derived from North America increased 40% to $54.2 million for the year ended April 30, 1998 from $38.8 million for the year ended April 30, 1997. Reseller and OEM sales, which represented 68% of North American product revenue, increased 89% to $36.6 million for the year ended April 30, 1998 from $19.4 million for the year ended April 30, 1997, primarily as a result of a general increase in large orders from OEMs and VARs including a significant increase in U.S. government sales by resellers and minimum commitments for resale by Moore Corporation Limited ("Moore") (See "Liquidity and Capital Resources - Relationship with Moore / Repurchase of the Moore Options"). Product revenue from end users, which represented 32% of North American product revenue, decreased 9% to $17.6 million for the year ended April 30, 1998 from $19.5 million for the year ended April 30, 1997, primarily as a result of the Company's decision to redirect certain U.S. government sales to resellers which would have been made by direct sales in previous years.

Product revenue derived from Europe increased 22% to $16.8 million for the year ended April 30, 1998 from $13.7 million for the year ended April 30, 1997, primarily due to increased license revenue from Germany and

Scandinavia.

Product revenue derived from Rest of World increased 57% to $3.7 million for the year ended April 30, 1998 from $2.4 million for the year ended April 30, 1997, primarily due to increased license revenue from China and Japan.

Service Revenue. Service revenue increased 68% to $36.4 million for the year ended April 30, 1998 from $21.7 million for the year ended April 30, 1997, primarily as a result of increased maintenance and support revenue in North America and Europe.

Costs and Expenses

Total Costs and Expenses. Total costs and expenses were $130.8 million for the year ended April 30, 1998, an increase of 41% from $92.6 million for the year ended April 30, 1997.

Cost of Product. Cost of product increased 61% to $7.5 million for the year ended April 30, 1998 from $4.7 million for the year ended April 30, 1997, primarily as a result of increased product revenue and amortization of deferred development costs. The product margin decreased to 90% for the year ended April 30, 1998 from 91% for the year ended April 30, 1997 primarily due to increased amortization of deferred product development costs. For the year ended April 30, 1998, total deferred costs charged to cost of product increased to $2.2 million from $544,000 for the year ended April 30, 1997.

Cost of Service. Cost of service increased 41% to $15.3 million for the year ended April 30, 1998 from $10.8 million for the year ended April 30, 1997, primarily as a result of an increase in the number of employees due to the expansion in the Company’s service revenues. The service margin increased to 58% for the year ended April 30, 1998 from 50% for the year ended April 30, 1997 primarily as a result of increased maintenance and support revenue.

Costs of Product and Service. Costs of product and service increased 47% to $22.8 million for the year ended April 30, 1998 from $15.5 million for the year ended April 30, 1997. Product and service margin remained constant at 80% for both the year ended April 30, 1998 and 1997.

Sales and Marketing. Sales and marketing expenses increased 38% to $40.2 million for the year ended April 30, 1998 from $29.1 million for the year ended April 30, 1997, primarily as of the expansion of the Company’s world wide sales and marketing staff. The Company expects to continue expanding its world wide direct and indirect sales force and marketing staff and increase spending on marketing programs. The redirection of certain US government sales to resellers did not have an material impact on the Company’s sales effort or sales and marketing costs.

General and Administrative. General and administrative expenses increased 14% to $9.8 million for the year ended April 30, 1998 from $8.6 million for the year ended April 30, 1997, primarily due to the expansion of the Company's European operations and increased spending on management information systems. As a percentage of total revenues, general and administrative expenses decreased to 9% from 11% for the years ended April 30, 1998 and 1997, respectively.

Research and Development. Research and development expenses increased 43% to $10.6 million for the year ended April 30, 1998 from $7.4 million for the year ended April 30, 1997 primarily due to an increase in the number of employees and related costs. During the years ended April 30, 1998 and 1997, the Company capitalized approximately $2.8 million and $2.6 million respectively, of software development costs. Research and development expenditures including capitalized software development costs and before investment tax credits were 18% and 20% of product revenue for the years ended April 30, 1998 and 1997, respectively.

Depreciation and Amortization of Fixed Assets; Amortization of Other Assets. Depreciation and amortization of fixed assets increased 66% to $4.9 million for the year ended April 30, 1998 from $3.0 million for the year ended April 30, 1997, primarily as a result of increased purchases of computer equipment and leasehold improvements. Amortization of other assets increased 46% to $42.4 million for the year ended April 30, 1998 from $29.0 million for the year ended April 30, 1997, primarily due to the amortization of the technology acquired as part of the Delrina Assets in September 1996. The total amount of technology acquired was $116.1 million and is being amortized over three years. (See "Liquidity and Capital Resources - Delrina Obligation").

Operating Loss. Operating loss was $19.5 million for the year ended April 30, 1998, compared to a loss of $16.0 million for the year ended April 30, 1997 primarily due to the amortization over the full year, in fiscal year 1998, of the technology acquired as part of the Delrina Assets in September 1996.

Interest and Other Income. Net interest expense decreased to $3.6 million for the year ended April 30, 1998, compared to net interest expense of $3.7 million for the year ended April 30, 1997.

On February 12, 1998, the Company and Delrina re-negotiated certain terms of the asset purchase agreement whereby the Company agreed to accelerate payment of its obligation in consideration for a reduction in the effective interest rate which will result in a reduction in future imputed interest charges.

Provision for Income Taxes. The Company recorded a provision for income taxes of $1.7 million for the year ended April 30, 1998, compared to a provision for income taxes of $193,000 for the year ended April 30, 1997. As at April 30, 1998, the Company had a net deferred tax asset of $23.6 million comprised primarily of deductible temporary differences related to the Delrina Assets. The Company believes sufficient uncertainty exists regarding the realizability of this net deferred tax asset such that a valuation allowance of $22.7 million has been applied.

Year Ended April 30, 1997 Compared to the Year Ended April 30, 1996

Revenues

Total Revenues. Total revenues increased 76% to $76.6 million for the year ended April 30, 1997 from $43.5 million for the year ended April 30, 1996. Total revenues consisted of 72% product revenue and 28% service revenue for the year ended April 30, 1997.

Product Revenue. Product revenue increased 74% to $54.9 million for the year ended April 30, 1997, from $31.6 million for the year ended April 30, 1996. Product revenue derived from North America, Europe and Rest of World represented 71%, 25%, and 4%, respectively, of product revenue for the year ended April 30, 1997, as compared to 56%, 35% and 9%, respectively, of product revenue for the year ended April 30, 1996.

Product revenue derived from North America increased 118% to $38.8 million for the year ended April 30, 1997 from $17.8 million for the year ended April 30, 1996. Reseller and OEM sales, which represented 50% of North American product revenue, increased 52% to $19.4 million for the year ended April 30, 1997 from $12.7 million for the year ended April 30, 1996, primarily as a result of increased revenues from distributors, VARs and system integrators. Product revenue from Moore decreased 14% to $4.9 million for the year ended April 30, 1997 from $5.7 million for the year ended April 30, 1996.

Product revenue from end users, which represented 50% of North American product revenue, increased 278% to $19.5 million for the year ended April 30, 1997 from $5.1 million for the year ended April 30, 1996, primarily as a result of increased revenues from the U.S. government and financial institutions.

Product revenue derived from Europe increased 23% to $13.7 million for the year ended April 30, 1997 from $11.2 million for the year ended April 30, 1996. The Company continued to strengthen its market position in Europe by expanding its distribution network and acquiring JetForm UK in March 1996, Proactive France in May 1996 and JetForm Germany in June 1996.

Product revenue derived from Rest of World decreased 7% to $2.4 million for the year ended April 30, 1997, from $2.5 million for the year ended April 30, 1996. During the year ended April 30, 1996, product revenue included a license agreement with a major Australian bank for more than $1.2 million.

Service Revenue. Service revenue increased 83% to $21.7 million for the year ended April 30, 1997, from $11.9 million for the year ended April 30, 1996, primarily as a result of increased maintenance and support revenue in North America and Europe.

Costs and Expenses

Total Costs and Expenses. Total costs and expenses increased 142% to 92.6 million for the year ended April 30, 1997 from $38.3 million for the year ended April 30, 1996.

Cost of Product. Cost of product increased 88% to $4.7 million for the year ended April 30, 1997, from $2.5 million for the year ended April 30, 1996, primarily as a result of the increase in product revenue. The product margin decreased to 91% for the year ended April 30, 1997, from 92% for the year ended April 30, 1996.

Cost of Service. Cost of service increased 76% to $10.8 million for the year ended April 30, 1997, from $6.1 million for the year ended April 30, 1996, primarily as a result of the expansion in the Company's services revenues. The service margin increased to 50% for the year ended April 30, 1997 from 48% for the year ended April 30, 1996.

Costs of Product and Service. Costs of product and service increased 80% to $15.5 million for the year ended April 30, 1997 from $8.6 million for the year ended April 30, 1996. Product and service margin remained constant at 80% for both the year ended April 30, 1997 and 1996.

Sales and Marketing. Sales and marketing expenses increased 75% to $29.1 million for the year ended April 30, 1997 from $16.7 million for the year ended April 30, 1996, primarily as a result of increased sales and marketing staff and expansion of the Company's European operations.

General and Administrative. General and administrative expenses increased 56% to $8.6 million for the year ended April 30, 1997 from $5.5 million for the year ended April 30, 1996, primarily due to the expansion of the Company's European operations and increased spending on management information systems and other support functions. As a percentage of total revenues, general and administrative expenses decreased to 11% from 13% for the years ended April 30, 1997 and 1996, respectively.

Research and Development. Research and development expenses increased 90% to $7.4 million for the year ended April 30, 1997 from $3.9 million for the year ended April 30, 1996. During the years ended April 30, 1997 and 1996, the Company capitalized approximately $2.6 million and $2.1 million respectively, of software development costs. Research and development expenditures including capitalized software development costs and before investment tax credits, were 20% and 22% of product revenue for the year ended April 30, 1997 and 1996, respectively.

Depreciation and Amortization of Fixed Assets; Amortization of Other Assets. Depreciation and amortization of fixed assets increased 93% to $3.0 million for the year ended April 30, 1997 from $1.5 million for the year ended April 30, 1996, primarily as a result of increased purchases of computer equipment and leasehold improvements. Amortization of other assets increased 1,307% to $29.0 million for the year ended April 30, 1997, from $2.1 million for the year ended April 30, 1996, primarily due to the acquisitions of the Delrina Assets, JetForm UK, Proactive France, JetForm Germany and Eclipse Corporation (“Eclipse”).

Operating Income (Loss). Operating income decreased to a loss of $16.0 million for the year ended April 30, 1997 from income of $5.1 million for the year ended April 30, 1996, primarily due to amortization of the Delrina Assets.

Interest and Other Income. Net interest expense increased to $3.7 million for the year ended April 30, 1997, compared to net interest income of $1.4 million for the year ended April 30, 1996, primarily due to approximately $4.0 million of imputed interest on the Delrina obligation and to lower average cash balances available for investment (see "Liquidity and Capital Resources"). During the year ended April 30, 1997 the Company also recorded a $1.4 million foreign exchange gain.

Provision for Income Taxes. The Company recorded a provision for income taxes of $193,000 for the year ended April 30, 1997, compared to a provision for income taxes of $2.4 million for the year ended April 30, 1996, primarily as a result of the utilization of previously unrecognized deferred tax assets. The assets acquired from Delrina are treated as capital assets for Canadian income tax purposes and amortization thereof can be used to reduce taxable income earned in Canada. As at April 30, 1997, the Company had a net deferred tax asset of approximately $8.3 million comprised primarily of deductible temporary differences related to the Delrina Assets. The Company believes sufficient uncertainty exists regarding the realizability of this net deferred tax asset such that a valuation allowance of $8.3 million has been applied.

Liquidity and Capital Resources

As at April 30, 1998 and April 30, 1997, the Company had $91.6 million and $34.5 million of cash and cash equivalents respectively. During the year ended April 30, 1998, the Company's cash and cash equivalents increased by $57.2 million, primarily due to the net proceeds of $63.7 million from the issuance of special warrants in April 1998 (see "Liquidity and Capital Resources - Special Warrants").

Operations

The Company increased its investment in the non-cash operating components of working capital during the year ended April 30, 1998, by approximately $6.9 million, primarily due to increases in accounts receivable and work in progress.

The Company purchased approximately $8.4 million of fixed assets in the year ended April 30, 1998. The purchases of fixed assets included computer hardware and software, office equipment, furniture, and leasehold improvements. During the year ended April 30, 1998, the Company increased its investment in other assets by $8.7 million related primarily to capitalized development costs, prepaid royalties, a non-current note receivable from a third party and purchases of other assets.

During the year ended April 30, 1998, the Company generated cash of approximately $5.9 million relating to the exercise of stock options and warrants by employees and others.

Special Warrants

During the year ended April 30, 1998, the Company issued 2.2 million special warrants ("Special Warrants") to Canadian investors at a price of US$21.25 per Special Warrant. The net proceeds from the offering after deducting underwriting discounts, fees and expenses were $63.7 million. On June 19, 1998, the Company filed a final prospectus with Canadian securities regulators to qualify for distribution the 2.2 million Common Shares issuable upon exercise of the Special Warrants. The Special Warrants will be deemed to have been exercised by the holders thereof on June 26, 1998, without payment of additional consideration on the basis of one Common Share for each Special Warrant so held.

Accounts Receivable and Term Accounts Receivable

Total accounts receivable and term accounts receivable increased $8.6 million to $44.5 million at April 30, 1998 from $36.0 million at April 30, 1997, as a result of the increase in the Company’s revenue. Accounts receivable increased to $31.3 million at April 30, 1998 from $24.3 million at April 30, 1997. Term accounts receivable, which are accounts receivable with payment dates exceeding the Company's customary trade terms, increased by $1.5 million to $13.2 million for the year ended April 30, 1998 from $11.7 million on April 30, 1997. Term accounts receivable primarily arise from the recording of revenue from Irrevocable Commitment Licenses.

Under an Irrevocable Commitment License, a customer commits to pay a minimum amount over a specified period of time in return for the right to use or resell up to a specific number of copies of a delivered product. The amount of revenue recorded is the amount of the minimum commitment over the term of the license, less deemed interest for that part of the license term that is beyond the Company’s customary trade terms.

Payments under Irrevocable Commitment Licenses are generally received from the customer on the earlier of (i) installation of the Company’s products by the customer or delivery to its customers or end users and (ii) specified minimum payment dates in the license agreement. Amounts by which revenues recorded exceed payments received are recorded as accounts receivable. Payments that are expected beyond the Company’s customary trade terms are recorded as term accounts receivable. Payments that are expected to be received more than one year from the balance sheet date, are recorded as non-current term accounts receivable. Total license fees over the term of the Irrevocable Commitment License may be greater than the minimum commitment initially recorded as revenue. Revenues from installations or sales of the Company’s products in excess of the minimum commitment are recorded by the Company as and when they are reported by the customer.

Relationship with Moore / Repurchase of the Moore Options

The Company concluded an investment agreement with Moore in August 1994 under which Moore acquired 2,263,782 convertible preference shares (the "Preference Shares") representing approximately 18.5% of the Company's share capital then outstanding for net proceeds of approximately $24.8 million. Moore also acquired an option to purchase 178,750 Common Shares of the Company for a price of US$8.25 per share (the "Special Options") and a conditional option to acquire 7,726,375 Common Shares of the Company no later than December 30, 1999 at prices ranging from US$15.00 per share to US$20.00 per share, subject to certain anti-dilution provisions (the "Moore Options"). In accordance with these anti-dilution rights, during the year ended April 30, 1996, Moore also acquired an option to acquire 116,216 Common Shares of the Company at US$16.50 per share.

In June 1996, the Company negotiated the repurchase of the Moore Options in order to eliminate the perceived dilutive effect of the Moore Options on the price of the Company's Common Shares. As a result, on June 27, 1996, the Company entered into an agreement with Moore under which a subsidiary of the Company repurchased the Moore Options for consideration of US$34.0 million ($46.3 million), paid for through the issuance by the Company to Moore of 1,813,334 Common Shares and incurred additional expenses associated with the transaction of $749,000. The consideration paid for the options was determined by arm's length negotiation between the parties. Subsequently, Moore sold to various third parties 1,813,334 of its Preference Shares which were converted into an equal number of Common Shares and Moore exercised the Special Options to acquire 178,750 Common Shares at US$8.25 per share. As a result of the foregoing, at April 30, 1998, Moore held 1,992,084 Common Shares, 450,448 Preference Shares, and options to purchase 116,216 Common Shares.

The Company and Moore also entered into a long-term strategic alliance in August 1994, under which sales of the Company's products and services in certain vertical markets would be focused through Moore. Moore also committed to make certain minimum purchases from the Company of E-Forms products for resale. The Company and Moore amended the terms of the strategic alliance as of June 27, 1996, April 30, 1997, and April 30, 1998. Pursuant to the amended strategic alliance, effective January 1, 2000, Moore will relinquish exclusive marketing rights in all vertical markets and non-exclusive marketing and distribution rights to all markets worldwide. The amended strategic alliance continues to provide for the promotion by Moore and the Company of each other's forms automation solutions. Under the amended strategic alliance, Moore is committed to make purchases of the Company's products for resale of US$1.0 million in each of calendar years 1998 through 2003. During the year ended April 30, 1998, the Company recorded product revenue of approximately $3.7 million accrued against these Irrevocable Commitment Licences. Product revenue for the year ended April 30, 1997, includes approximately $2.0 million accrued against Moore's 1997 and 1998 calendar year commitments.

Delrina Obligation

On September 10, 1996, the Company acquired the Delrina Assets from Delrina, a subsidiary of Symantec Corporation of Cupertino, California. Under the asset purchase agreement (the "Delrina Asset Purchase Agreement"), the Company will make quarterly payments to Delrina, from September 27, 1996 to June 27, 2000. During the year ended April 30, 1998, the Company made cash payments totalling US$13.3 million ($18.8 million) and issued 715,654 Common shares having a stated value of US$10.9 million ($15.5 million) in satisfaction of its fourth, fifth, sixth, and seventh quarterly payments of the Delrina obligation.

On February 12, 1998, the Company and Delrina re-negotiated certain terms of the asset purchase agreement whereby the Company agreed to accelerate payment of its obligation in consideration for a reduction in the effective interest rate which will result in a reduction in future imputed interest charges. In addition, the amended agreement provides that the Company may issue its Common Shares to Delrina in satisfaction of a portion of its payment obligations provided that the total market value of the Company's Common Shares held by Delrina immediately following such issuance does not exceed US$21.0 million for payments due up to and including the payment due on December 27, 1998 and US$14.0 million thereafter, and the Company continues to meet certain registration requirements in respect of such issued Common Shares. The Company believes that Delrina held no Common Shares of the Company as at April 30, 1998. As at April 30, 1998, the next four scheduled, quarterly payments totaled US$32.9 million of which a minimum of US$4.8 million must be paid in cash.

Financial Instruments and Credit Facility

The Company has a committed $20.0 million revolving line of credit with the Royal Bank of Canada. The Company has granted as collateral for the $20.0 million line of credit, a general security interest over the Company's assets, including a pledge of the shares of certain subsidiaries. Maximum borrowings under the facility are based on eligible accounts receivable and term accounts receivable and bear interest at the prime rate of the bank from time to time. As at the date hereof, the Company has no borrowings against this line of credit.

The Company has entered into a receivables purchase agreement with Royal Bank Export Finance Co. Ltd., a subsidiary of the Royal Bank of Canada (the "Bank Subsidiary"). Under the agreement the Company has the option to sell certain accounts receivable and term accounts receivable on a recourse basis. The Bank Subsidiary has recourse in the event of a trade dispute as defined in the receivables purchase agreement and upon the occurrence of other specified events. A trade dispute includes, among other events, the Company's failure to comply with the terms of the license agreement with the Company's customer. If the Company is found to be at fault in the trade dispute, or certain other events, the Company would be required to repurchase the receivable for the amount owing at that time including accrued interest. Accounts receivable and term accounts receivable are purchased by the Bank Subsidiary at their face value less an administration fee of 0.25%. The Company also pays the Bank Subsidiary a monthly discount fee based on the aggregate of all scheduled remaining payments. For most of the Company's accounts, the discount rate used is the Bank Subsidiary's Canadian prime rate or U.S. base rate plus 0.375%. As at April 30, 1998, the outstanding balance of accounts receivable sold under this agreement was approximately $13.7 million. The maximum amount of accounts receivable and term accounts receivable the Company can sell under this agreement is US$20.0 million or the Canadian dollar equivalent thereof. The Company believes that none of the receivables sold are at risk of recourse.

The Company believes that a combination of: (i) the Company's present cash position; (ii) cash generated from operations; and (iii) cash generated by the exercise of options and warrants by employees and others will be sufficient to meet its currently foreseen levels of activity.

The Year 2000

The Company recognizes the need to ensure its operations will not be adversely impacted by software failures caused by the advent of the Year 2000. The Company expects to implement successfully the systems and programming changes necessary to address year 2000 issues with respect to its internal systems and does not believe that the cost of such actions will have a material adverse effect on its financial condition or results of operations. However, there can be no assurance that the systems of other companies on which the Company relies will not be adversely impacted by software failures caused by the advent of the Year 2000.

ITEM 6: MARKET FOR SECURITIES

The Company's Common Shares are listed and posted for trading on the Toronto Stock Exchange under the symbol JFM, on the NASDAQ National Stock Market under the symbol FORMF and on the Pacific Stock Exchange under the symbol JTF.

ITEM 7: DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth certain information concerning the executive officers and directors of the Company:

Name	Age	Title
Abraham E. Ostrovsky.....	55	Chairman and Director
John B. Kelly..................	58	President and Chief Executive Officer and Director
John Gleed......................	52	Senior Vice President and Chief Technology Officer and Director
Philip W. Weaver	41	Executive Vice President and Chief Operating Officer
Ian Fraser………………..	54	Senior Vice President - Sales
Thomas E. Hicks	45	Senior Vice President and Chief Information Officer and Director
Kenneth J. Killin	40	Vice President, Finance and Administration and Chief Financial Officer
Wayne F. Hall.................	47	Vice President — Advanced Products
Deborah L. Weinstein…...	38	Secretary
Robert F. Allum..............	52	Director
Eric R. Goodwin.............	56	Director
Stephen A. Holinski.........	51	Director
Graham C. Macmillan.....	45	Director
Dennis B. Maloney..........	51	Director
John B. Millard…………..	59	Director
Donald J. Payne..............	65	Director
Stanley A. Young	71	Director

Mr. Ostrovsky joined the Company in August 1991 as Executive Vice President and Chief Operating Officer. He served as President and Chief Executive Officer from November 1991 to March 1994, and as the Company's Chairman and Chief Executive Officer from March 1994 to August 1995, when he resigned as the Company's Chief Executive Officer. He has served as a director of the Company since 1991. Mr. Ostrovsky has been Chairman of the Board of Directors and Chief Executive Officer of Compressant Corporation from March 1996 to December 1997. Mr. Ostrovsky is a director of SEEC, Inc., Indigo N.V. and Net Manage.

Mr. Kelly joined the Company in March 1994 as President and Chief Operating Officer, and was appointed Chief Executive Officer on August 24, 1995. Mr. Kelly has served as a director of the Company since 1988. Prior to joining the Company he was President and Chief Executive Officer of Why Interactive Inc. (formerly DVS Communications Inc.), a multi-media based integrated learning systems company between 1985 and March 1994. Why Interactive Inc. was acquired by the Company on March 31, 1994.

Mr. Gleed is a founder of the Company and was its President from June 1982 until June 1990, when he was appointed to his current position of Senior Vice President and Chief Technology Officer. Mr. Gleed has served as a director since 1982 and served as Chairman of the Board from June 1990 to March 1994.

Mr. Weaver joined the Company in March 1994 as Senior Vice President - Services, was appointed Senior Vice President - Sales, Marketing and Services in February 1995, was appointed Executive Vice President - Sales, Marketing and Services in September 1996, and Executive Vice President and Chief Operating Officer in September 1997. Prior to joining the Company, Mr. Weaver was employed by SHL Systemhouse Inc., where he served as Vice President, Business Development from 1993 to March 1994 and as Director of Business Development from 1990 to 1993.

Mr. Fraser joined the company in January 1997 as Vice President U.S. Sales and was appointed Senior Vice President - Sales in September 1997. Prior to joining the Company, Mr. Fraser was employed by Novell Inc. He joined Novell Inc. in 1992 and was most recently based in London, England, as Novell Inc.'s Vice President of Sales for Europe, Middle East and Africa. Prior to joining Novell Inc., Mr. Fraser was employed by Merisel Canada Inc., in various senior sales and marketing roles.

Mr. Hicks is a founder of the Company and served as a senior project manager from the Company's inception until September 1991, when he was appointed Vice President, Systems Engineering. In March 1994, he was appointed Vice President, Strategic Programs and became Senior Vice President and Chief Information Officer in January 1997. Mr. Hicks has served as a director of the Company since 1982.

Mr. Killin joined the Company in October 1994 as Vice President, Finance and Administration, and Chief Financial Officer. Prior to joining the Company, Mr. Killin was employed by Crowntek Business Centres Inc., a microcomputer reseller and distributor, from 1988 to 1994 in various financial and operational executive positions.

Mr. Hall is a founder of the Company and has held various senior positions in the area of product research and development since April 1983. He was appointed to his current position in January 1993.

Ms. Weinstein has served as secretary of the Company since September 1993. Ms. Weinstein is a founding partner of LaBarge Weinstein, Canadian legal counsel to the Company. From February 1991 to January 1997, Ms. Weinstein was a partner with the law firm of Blake, Cassels & Graydon. Ms. Weinstein currently acts as a director of MOSAID Technologies Incorporated and AIT Advanced Information Technologies Corporation.

Mr. Allum has served as a director of the Company since 1983. He is a founder of the Company and was Chairman of the Board from 1983 until June 1990, when he was appointed to the position of Executive Vice President — Consulting Services, which he held until March 1994. From March 1994 until April 1996, Mr. Allum was the Company’s Vice President Special Projects. In April 1996, Mr. Allum resigned as an officer of the

Company to take his current position as President of Tierra Communications Inc.

Mr. Goodwin has served as a director of the Company since September 1996. He is a founder of Fulcrum Technologies Inc., a provider of text retrieval software, and was its President and Chief Executive Officer from 1990 until January 1997, when he became its Chairman and Chief Executive Officer. He is currently a consultant to Fulcrum Technologies Inc.

Mr. Holinski has served as a director of the Company since 1995. He has been the Senior Vice President and Chief Financial Officer of Moore since May 1994. Prior to joining Moore, Mr. Holinski was Treasurer of Northern Telecom Ltd. from March 1994 until May 1994, and Vice President Product Finance from September 1993 until March 1994. Mr. Holinski was Vice President Finance with Northern Telecom Europe from January 1991 until September 1993.

Mr. Macmillan has served as a director of the Company since 1994. Mr. Macmillan was a Director of Investment Banking at Richardson Greensheilds of Canada Ltd. ("Richardson Greensheilds") from 1989 to November 1996. Mr. Macmillan became a Vice President and Director of RBC Dominion Securities Inc. following the completion of the acquisition of Richardson Greensheilds by RBC Dominion Securities Inc. in November 1996.

Mr. Maloney has served as a director of the Company since 1994 and is currently President and Chief Executive Officer of Insurdata Inc. ("Insurdata"), a leading supplier of technology solutions to the health care industry. Prior to joining Insurdata in January 1997, Mr. Maloney spent 20 years with SHL Systemhouse Inc., most recently as President of the Global Outsourcing Division. Mr. Maloney began his career with IBM

Dr. Millard has served as a director of the Company since June 1998. Mr. Millard is a director of, and the President and Chief Executive officer of Mitel Corporation, a designer, manufacturer and marketer of semi-conductors, sub-systems and systems for the communications industries. Prior to joining to Mitel, Dr. Millard was Senior Vice President of NEC America from 1990 to 1993.

Mr. Payne has served as a director of the Company since 1995. He became the Chief Operating Officer of Bitwise Designs Inc. in 1996. Mr. Payne was President of the Air Courier Division, Federal Armored Express, Inc. from 1993 to 1996. From 1990 to 1993, he was President and Chief Executive Officer of Enable Software, Inc. In June 1996, Mr. Payne was elected to the Board of Directors of Flo Management Technologies, a developer of medical software.

Mr. Young has served as a director of the Company since 1990. Mr. Young has been active as a consultant and venture capital investor for the past five years and is Chairman, President and Chief Executive Officer of Young Management Group, Inc., a management consulting firm since March 1994.. Mr. Young is a director of SEEC, Inc.

Committees of the Board of Directors

There are two standing committees of the Board of Directors: the Audit Committee and the Compensation Committee. The Board of Directors does not have a Nominating Committee.

The Audit Committee oversees the Company's financial reporting process and internal controls, and consults with management, internal accountants, and the Company's independent auditors on matters related to the annual audit of the Company and the internal controls, published financial statements, accounting principles and auditing procedures being applied. The Committee also reviews management's evaluation of the auditors' independence and submits to the Board of Directors its recommendations for the appointment of auditors. The members of the Audit Committee are Messrs. Holinski, Allum and Young.

The Compensation Committee has administered the Company's 1990 Employee Stock Option Plan and 1993

Employee Stock Option Plan and currently administers the 1995 Stock Option Plan and the 1997 Employee Stock Purchase Plan. The Committee also consults generally with, and makes recommendations to, the Board of Directors on matters concerning executive compensation, including individual salary rates, supplemental compensation and special awards. The members of the Compensation Committee are Messrs. Allum, Macmillan and Payne.

Board and Board Committee Meetings

During the fiscal year ended April 30, 1998, the Board of Directors held five meetings, the Audit Committee held four meetings and the Compensation Committee held four meetings. All Directors attended at least 75% of the aggregate of all meetings of the Board and all committees on which they served.

ITEM 8: ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders and material transactions, where applicable, is contained in the Company's Management Proxy Circular, July 20, 1998. Additional financial information is provided in the Company's comparative consolidated financial statements. A copy of this annual information form and each such document, including any interim financial statements released by the Company, may be obtained upon request from the Secretary of the Company.

At any tine while the securities of the Company are in the course of distribution, the Secretary of the company will provide any person, upon request, with a copy of: (i) this annual information form; (ii) the Company's most recent annual report containing the audited consolidated financial statements of the Company for the most recently completed fiscal year together with the accompanying report of the auditor; (iii) any interim financial statements of the Company subsequent to the financial statements for the most recently completed fiscal year; (iv) the management proxy circular the most recent annual meeting of shareholders involving the election of directors; and (v) any other document incorporated by reference into the preliminary short form prospectus or the (final) short form prospectus filed in conjunction with such distribution of securities.