Condensed Interim Consolidated Financial Statements of

PRONTOFORMS CORPORATION

For the Three Months Ended March 31, 2015 and 2014

(in Canadian dollars)
(Unaudited)

“Notice to Reader”

The accompanying condensed unaudited interim consolidated financial statements of ProntoForms Corporation for the three months ended March 31, 2015 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These statements have not been reviewed by the Company’s external auditors.

Dated: April 29, 2015

*”David Croucher”*__________
David Croucher
Chief Financial Officer

*”Alvaro Pombo”*_________
Alvaro Pombo
Chief Executive Officer

PRONTOFORMS CORPORATION
Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2015 and 2014

PRONTOFORMS CORPORATION

Condensed Interim Consolidated Statements of Comprehensive Loss

Three months ended March 31, 2015 and 2014

(Unaudited in Canadian dollars)

	2015	2014
Revenue		
Recurring revenue	**$ 1,642,424**	$ 1,089,335
Professional and other services	**225,355**	271,395
	1,867,779	1,360,730
Expenses		
Subscription hosting costs	**40,561**	29,736
Research and development (Note 4)	**914,292**	481,447
Selling and marketing	**1,067,076**	683,930
General and administrative	**570,742**	289,673
	2,592,671	1,484,786
Loss from operations	**(724,892)**	(124,056)
Foreign exchange gain	**172,274**	27,173
Interest expense (Note 5)	**(44,070)**	(41,312)
Change in fair value of derivative liability (Note 5)	**(39,661)**	(38,450)
NET LOSS AND TOTAL COMPREHENSIVE LOSS	**$ (636,349)**	$ (176,645)
Net loss per common share		
basic and diluted (Note 7)	**$ (0.01)**	$ -
Weighted average number of common shares		
basic and diluted (Note 7)	**77,039,846**	66,958,040
Share-based compensation included in accounts:		
Research and development	**31,900**	4,596
Selling and marketing	**39,875**	2,758
General and administrative	**87,725**	11,031
	159,500	18,385

PRONTOFORMS CORPORATION

Condensed Interim Consolidated Statements of Financial Position

as at March 31, 2015 and December 31, 2014

(Unaudited in Canadian dollars)

	March 31, 2015	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	**$ 2,351,283**	$ 2,305,625
Accounts receivable	**1,368,356**	1,349,479
Investment tax credits receivable (Note 4)	**90,000**	200,986
Unbilled receivables	**81,146**	114,516
Prepaid expenses and other receivables	**267,318**	269,771
	4,158,103	4,240,377
Related party loan receivable (Note 9)	**94,385**	94,385
Property, plant and equipment	**251,935**	251,128
Licensed computer software	**8,922**	2,713
	$ 4,513,345	$ 4,588,603
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 1,371,897**	$ 1,109,900
Deferred revenue	**312,563**	235,605
	1,684,460	1,345,505
Long-term debt (Note 5)	**690,584**	667,609
Derivative liability (Note 5)	**956,207**	916,546
	3,331,251	2,929,660
Shareholders' Equity		
Share capital (Note 6)	**20,757,654**	20,757,654
Share-based payment reserve	**2,660,915**	2,501,415
Deficit	**(22,236,475)**	(21,600,126)
	1,182,094	1,658,943
	$ 4,513,345	$ 4,588,603

See accompanying notes to the condensed interim consolidated financial statements

PRONTOFORMS CORPORATION

Condensed Interim Consolidated Statements of Cash Flows

Three months ended March 31, 2015 and 2014

(Unaudited in Canadian dollars)

	2015	2014
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss	**$ (636,349)**	$ (176,645)
Items not affecting cash		
Share-based compensation	**159,500**	18,385
Accretion on long-term debt	**22,975**	20,061
Change in fair value of derivative liability	**39,661**	38,450
Amortization of property, plant and equipment	**18,650**	6,883
Amortization of licensed computer software	**944**	1,462
	(394,619)	(91,404)
Changes in non-cash operating working capital items (Note 11)	**466,887**	(100,399)
	72,268	(191,803)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from private placement units (Note 6)	**-**	1,000,000
Payment of costs related to issuance of units (Note 6)	**-**	(86,336)
	-	913,664
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(19,457)**	(6,246)
Purchase of licensed computer software	**(7,153)**	(700)
	(26,610)	(6,946)
NET CASH INFLOW	**45,658**	714,915
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**2,305,625**	896,234
CASH AND CASH EQUIVALENTS, END OF PERIOD	**$ 2,351,283**	$ 1,611,149

See accompanying notes to the condensed interim consolidated financial statements

PRONTOFORMS CORPORATION

Condensed Consolidated Statements of Shareholders' Equity (Deficiency)

Three months ended March 31, 2015 and 2014
(Unaudited in Canadian dollars)

	Share capital		Share-based Payment		Shareholders' Equity /
	Number	Amount	Reserve	Deficit	(Deficiency)
Balance at December 31, 2013	67,053,573	$ 17,216,762	$ 2,552,461	$ (20,250,165)	$ (480,942)
Share-based compensation	-	-	18,385	-	18,385
Net loss	-	-	-	(176,645)	(176,645)
Issuance of private placement of units (Note 6	3,333,333	742,600	257,400	-	1,000,000
Costs related to issuance of units	-	(86,336)	-	-	(86,336)
	3,333,333	656,264	275,785	(176,645)	755,404
Balance at March 31, 2014	**70,386,906**	**$ 17,873,026**	**$ 2,828,246**	**$ (20,426,810)**	**$ 274,462**
Balance at December 31, 2014	79,458,334	$ 20,757,654	$ 2,501,415	$ (21,600,126)	$ 1,658,943
Share-based compensation	-	-	159,500	-	159,500
Net loss	-	-	-	(636,349)	(636,349)
	-	-	159,500	(636,349)	(476,849)
Balance at March 31, 2015	**79,458,334**	**$ 20,757,654**	**$ 2,660,915**	**$ (22,236,475)**	**$ 1,182,094**

See accompanying notes to the condensed interim consolidated financial statements

1. DESCRIPTION OF BUSINESS

ProntoForms Corporation ("ProntoForms" or the “Company") researches, develops, and markets mobile business solutions which help customers quickly and flexibly automate field sales, field service and field data collection business processes. The Company is publicly traded on the Toronto Stock Exchange (“TSX”) Venture Exchange (“TSXV”) under the symbol “PFM” and has its registered address at 920-515 Legget Drive, Ottawa, Ontario.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The unaudited consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”) using the accounting policies disclosed below.

The policies applied in these condensed consolidated interim financial statements are based on International Financial Reporting Standards (“IFRS”) issued and outstanding as at March 31, 2015. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending December 31, 2015 could result in a restatement of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements should be read in conjunction with the Company’s 2014 annual consolidated financial statements. The policies set out below were consistently applied to all the periods presented.

The Board of Directors approved the condensed consolidated interim financial statements on April 29, 2015.

(b) Basis of presentation

These consolidated statements have been prepared on a historical cost basis. Historical cost is generally based upon the fair value of the consideration given in exchange for assets. The consolidated statements of comprehensive loss are presented using the functional classification for expenses. Certain derivative liabilities are measured at fair value after initial recognition.

There is no significant effect from seasonality on the results. Estimates have been applied in a manner consistent with that in prior periods and there are no known trends, commitments, events or uncertainties that have caused significant change to those estimates from prior periods.

2. BASIS OF PRESENTATION (Continued)

(c) Basis of consolidation

The condensed interim consolidated financial statements include the accounts of ProntoForms Corporation and its wholly-owned subsidiaries ProntoForms Inc., (a Canadian company), TrueContext Limited (U.K. company), and TrueContext Incorporated (U.S. company). Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries align with the policies adopted by the Company. All intercompany transactions have been eliminated.

(d) Going concern

The preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) contemplates the continuation of the Company as a going concern. As at March 31, 2015, the Company had not yet achieved ongoing profitable operations and has accumulated losses to date. The Company believes that certain sales-related efforts and/or financing initiatives will provide sufficient cash flow for it to continue as a going concern in its present form. However, there can be no assurance that the Company will achieve such results. In the absence of raising additional debt or equity financing or attaining sufficient revenues to achieve and sustain profitability there is substantial doubt regarding the Company's ability to continue as a going concern. The financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts, or the amounts and classification of liabilities that might be necessary should the Company be unable to continue its operations.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in preparing these condensed consolidated interim financial statements are unchanged from those disclosed in the Company’s 2014 annual consolidated financial statements, and have been applied consistently to all periods presented in these condensed consolidated interim financial statements. The application of future and/or new accounting standards are described below.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Changes to standards and interpretation

i) New and revised IFRS in issue but not yet effective

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9, Financial Instruments ("IFRS 9"), was issued by the International Accounting Standards Board ("IASB") on October 28, 2010, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held-for-trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Management is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers (“IFRS 15”)

IFRS 15 was issued by the IASB on May 28, 2014 and will replace IAS 18, *Revenue*, IAS 11, *Construction Contracts*, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2017. The Company is currently evaluating the impact of IFRS 15 on its consolidated financial statements.

4. INVESTMENT TAX CREDITS AND OTHER GOVERNMENT ASSISTANCE

During the three months ended March 31, 2015, the Company recorded refundable investment tax credits of $30,000 (2013 - $42,371) as a reduction of research and development expenses. The Company claims research and development deductions and related investment tax credits for income tax purposes based on management's interpretation of the applicable legislation in the Income Tax Act of Canada. These claims are subject to audit by the Canada Revenue Agency.

5. LONG-TERM DEBT AND DERIVATIVE LIABILITY

	March 31, 2015	December 31, 2014
Business Development Bank of Canada loan, interest at 8.5% per annum, compounded annually	**$ 1,000,000**	$ 1,000,000
Debt issue costs	**(30,528)**	(30,528)
Accrued interest	**3,542**	3,542
Derivative liability	**(458,824)**	(458,824)
Accretion of discount	**176,394**	153,419
	$ 690,584	$ 667,609

On November 27, 2012, the Company entered into an agreement with the Business Development Bank of Canada ("BDC") for long-term debt financing ("the Loan") of $1,000,000. The Loan bears interest at 8.5% per annum, compounded annually. In addition, there are the following additional required payments: bonus interest payable for a) between .25% and 5.25% of revenue generated for 2015 and 2016 plus b) between .5% and 1.0% of the valuation of the Company, up to a maximum of $500,000, in the event of the sale of the Company. The Loan is subject to compliance with certain covenants, is secured against all of the assets of the Company, and matures on November 15, 2017. As at March 31, 2015, the Company is in compliance with the covenants.

5. LONG-TERM DEBT AND DERIVATIVE LIABILITY (Continued)

The additional bonus interest payments represent embedded derivatives that need to be separately measured. The debt was bifurcated between the debt and the derivatives. The debt component will be accreted up to its fair value over the term of the loan and the derivative is revalued each reporting period. The fair value of the bonus interest payments on the loan, were valued at fair value at inception, and subsequently at the end of each reporting period. The bonus interest on revenues was based on the present value of management's best estimate of future revenues, using an appropriate discount rate.

The bonus interest on sale was based on management's estimate of the future value of the Company based on a probability weighted revenue multiplier. The fair value recorded at the time the proceeds were obtained totaled $458,824. Any changes in fair value are recovered through the statement of comprehensive loss.

The following table sets out the changes in derivative liability during the three months ended March 31, 2015 and 2014.

Derivative Liability	**2015**	**2014**
Derivative portion of loan proceeds at inception	**$ 458,824**	$ 458,824
Fair value adjustment	**497,383**	457,722
Balance, Ending	**$ 956,207**	$ 916,546

The change in fair value of the derivative for the three months ended March 31, 2015 was $39,661 (2014 - $38,450).

6. SHARE CAPITAL

There were no changes in share capital for the three months ended March 31, 2015.

In the three months ended March 31, 2014, the Company completed a non-brokered private placement resulting in gross proceeds of $1,000,000. The private placement involved the sale of 3,333,333 units at $0.30 per unit. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder thereof to acquire one common share of the Company at an additional purchase price of $0.45 per share at any time up to eighteen months from the closing date.

6. SHARE CAPITAL (continued)

The value of the 1,666,667 warrants was estimated using the following variables: stock price of $0.31, expected life of eighteen months, NIL dividends, 90% volatility and risk free interest rate of 1.52%. The $212,700 value of the warrants was recorded as a reduction against share capital and an increase to share-based payment reserve.

The proceeds were subject to a finder's fee of 7% of the gross proceeds plus warrants equal to 7% of the total number of units sold (233,333 warrants). Each finder's warrant is exercisable at $0.45 to acquire one unit for a period of eighteen months from the closing date. The value of these compensation warrants was estimated using the following variables: stock price of $0.31; expected life of eighteen months; NIL dividends; 90% volatility; and risk free interest rate of 1.52%. The $44,700 value of the warrants was recorded as a reduction against share capital and an increase to share-based payment reserve.

7. EARNINGS PER SHARE

Net income (loss) per share common share represents net income (loss) attributable to common shareholders divided by the weighted average number of common shares outstanding during the period. The common shares pledged as security for loans receivable are excluded from the calculation of weighted average number of common shares outstanding.

Diluted income (loss) per common share is calculated by dividing the applicable net income (loss) by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued during the period.

For all the periods presented, diluted loss per share equals basic loss per share due to the anti-dilutive effect of options and warrants. The outstanding number and type of securities that could potentially dilute basic net loss per share in the future but that were not included in the computation of diluted net loss per share because to do so would have reduced the loss per share (anti-dilutive) for the periods presented are as follows:

	March 31, 2015	March 31, 2014
Options	**7,203,000**	6,305,484
Warrants	**1,666,667**	8,611,115
Finders' warrants	**350,000**	-
	9,219,667	14,916,596

8. SEGMENTED INFORMATION

The Company operates in one operating segment being mobile computer software solutions. This segment engages in business activities from which it earns license, support and professional services revenues, and incurs expenses.

Revenues from external customers are attributed to geographic areas based on the location of the contracting customers. The following table sets forth external revenue by geographic areas:

	Three Months Ended	
	March 31, 2015	March 31, 2014
COUNTRY		
United States	**$ 1,383,790**	$ 1,046,950
Canada	**214,656**	83,123
United Kingdom	**79,622**	150,062
South America	**71,394**	39,834
Other	**118,317**	40,761
	$ 1,867,779	$ 1,360,730

For the three months ended March 31, 2015, the Company had one customer that individually accounted for 36% (2013 – 50%) respectively of revenue and 52% (2014 - 52%) of accounts receivable at March 31, 2015. All property, plant and equipment and licensed computer software are located in Canada.

9. RELATED PARTY TRANSACTIONS

The Company leases office premises from a company controlled by the Chairman of the Board with the following minimum annual lease payments:

2015 (April through December)	160,000
2016	226,000
2017	238,000
2018	247,000
2019 (January through August)	144,000

For the three months ended March 31, 2015, the expense incurred under this lease was $62,390 (2014 - $40,946). The Company had $NIL (December 31, 2014 - $NIL) owing related to rent associated with these leased premises at March 31, 2015.

9. RELATED PARTY TRANSACTIONS (continued)

On July 23, 2009, the Company provided a loan to the Chief Executive Officer in connection with his purchase of 791,504 common shares (“2009 CEO Share Purchase Loan”). The original maturity date of July 23, 2014 was extended to July 23, 2016. The principal of $148,408 is repayable at any time on or before the maturity date of July 23, 2016 and is non- interest bearing since the amendment.

On September 5, 2014, the Company provided loans totalling $338,433 to the CEO including $244,048 to purchase 1,626,984 common shares upon the exercise of stock options (“2014 CEO Share Purchase Loan”) and $94,385 for related income tax remittances (“Related Party Loan Receivable”). These loans are non-interest bearing and principal is repayable at any time on or before the maturity date of September 5, 2016.

The 2,418,488 common shares acquired under the 2009 and 2014 CEO Share Purchase Loans are pledged as security against the share purchase loans and are held as security by the Company until such time as the individual loans are repaid. The share purchase loans are immediately due and payable to the Company upon the sale of the common shares or upon the termination of employment, subject to certain conditions being met. The market value of the underlying common shares for the 2009 and 2014 CEO Share Purchase Loans as at March 31, 2015 was $701,362.

These transactions are measured at the exchange amount being the amounts agreed to by the parties.

10. FINANCIAL INSTRUMENTS

The carrying values of cash and cash equivalents, accounts receivable, unbilled receivables and accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity. Long-term debt has a fair value of approximately $818,000 (carrying value of $690,584) which is based on the present value of future interest and principal payments, using a discount rate of 18%.

a) Fair value hierarchy

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

10. FINANCIAL INSTRUMENTS (continued)

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. Cash and cash equivalents and the fair value of underlying common shares described in Note 9 are classified as a Level 1 financial instrument and the derivative liability is classified as a Level 3 financial instrument (see Note 5 for further details related to the derivative liability). The fair value of the long-term debt is also classified as a Level 3 disclosure. During the period, there were no transfers of amounts between Level 1, Level 2 and Level 3.

11. CHANGES IN NON-CASH WORKING CAPITAL ITEMS

	2015	**2014**
Accounts receivable	**(18,877)**	(101,098)
Investment tax credits receivable	**110,986**	(30,000)
Other government funding receivable	**-**	10,717
Unbilled receivables	**33,370**	(12,671)
Prepaid expenses	**2,453**	23,530
Accounts payable and accrued liabilities	**261,997**	140,441
Deferred revenue	**76,958**	(131,318)
	466,887	(100,399)