PRONTOFORMS

ProntoForms Reports Q1 2021 Financial Results

Achieves 9% annual growth in recurring revenue over Q1 2020

OTTAWA, May 06, 2021 (GLOBE NEWSWIRE) -- ProntoForms Corporation (TSXV: PFM), the global leader in field-focused low-code application platforms for enterprise, announced today its first quarter (Q1) financial results for the period ended March 31, 2021.

"We are pleased to report that our Annual Recurring Revenue Base (ARR) increased by 4.7% to $17.9 million. In spite of COVID-19's continued impact on some of our customers' industries, our overall customer usage continues to be resilient—customers with more than $100,000 of ARR each represented 40% of that base, up from 37% a year ago—demonstrating that our platform is utilized for essential business processes," said Alvaro Pombo, Founder and Chief Executive Officer.

Mr. Pombo continued, "In Q1 we saw steady growth in bookings, continued enterprise expansion, increased customer term commitment, and further investment in both our key verticals and sales team. Our strengthened balance sheet and revenue base give us leverage to increase adoption and usage of our powerful mobile solution by frontline workers in our key verticals."

Terence Matthews, Chairman of ProntoForms said, "The addition of Scott Berg, former CEO of ServiceMax and current Managing Director at 10X CEO, strengthens our board and adds more enterprise field automation go-to-market knowledge."

Financial Highlights – 2021 First Quarter

- Recurring revenue in Q1 2021 increased by 9% to $4.31 million compared to $3.94 million in Q1 2020, and remained flat compared to $4.31 million in Q4 2020.
- Total revenue for Q1 2021 increased by 9% to $4.61 million compared to $4.24 million in Q1 2020, and decreased by 2% compared to $4.71 million in Q4 2020.
- Gross margin for Q1 2021 was 85% of total revenue compared to 85% in Q1 2020 and 85% in Q4 2020. Gross margin on recurring revenue was 91% for Q1 2021 compared to 92% in Q1 2020 and 91% in Q4 2020.
- Operating loss for Q1 2021 was $1.07 million, up from an operating loss of $0.24 million in Q1 2020 and up from an operating loss of $0.57 million in Q4 2020.
- Net loss for Q1 2021 was $1.10 million, up from a net loss of $0.17 million in Q1 2020 and up from a net loss of $0.92 million in Q4 2020.
- As at March 31, 2021, ProntoForms' cash and net working capital balances were $8.19 million and $4.43 million respectively, compared to $7.75 million and $5.10 million as at December 31, 2020.

Recent Operational Highlights

- Notable new and expansion progress from enterprise customers, including:
  - A global oil and gas enterprise expanded their ProntoForms deployment for a three-year agreement with 400 subscriptions. The deployment of ProntoForms improves their safety compliance workflows.
  - A global medical manufacturing organization expanded their deployment of ProntoForms to over 1,300 additional subscriptions on a three-year agreement. They integrate ProntoForms with a leading field service management system.
  - A global energy enterprise customer deployed ProntoForms to over 100 technicians to remove paper from the field and to reduce risks in data collection during propane inspections. Their technicians can now perform more efficient inspections and make informed decisions on-site.
  - A global medical brand that manufactures sophisticated healthcare equipment deployed ProntoForms in a staged roll-out to over 800 field technicians. The organization uses ProntoForms for multiple use cases, including administering preventative maintenance, mandating FDA compliance, and completing inspections.
- ProntoForms was featured in both the Magic Quadrant for LCAP and Gartner's Voice of the Customer report for LCAP.
- ProntoForms' Salesforce partnership was further strengthened by a new Salesforce AppExchange test drive functionality as well as the upcoming release of the AppExchange trial.

Q1 Conference Call Date:

Date: Thursday, May 6th, 2021
Time: 9:00 AM Eastern Time

Participant Dial-in Numbers:
Local Toronto – (+1) 416 764 8688
Toll Free – (+1) 888 390 0546
Conference ID: 53560936

Recording Playback Numbers:
Local Toronto– (+1) 416 764 8677
Toll Free – (+1) 888 390 0541
Passcode: 560936 #

Expiry Date: Thursday, May 13th, 2021 at 11:59pm EST

About ProntoForms Corporation
ProntoForms is the global leader in field-focused low-code application platforms for enterprise. The Company's solution is used to create apps and forms to collect and analyze field data with smartphones and tablets – either as a standalone solution or as a mobile front-end to enterprise systems of record.

The Company's 100,000+ subscribers harness the intuitive, secure, and scalable solution to increase productivity, improve quality of service, and mitigate risks. The Company is based in Ottawa, Canada, and trades on the TSXV under the symbol PFM. ProntoForms is the registered trademark of ProntoForms Inc., a wholly owned subsidiary of ProntoForms Corporation.

For additional information, please contact:

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Certain information in this press release may constitute forward-looking information. For example, statements about the Company's future growth or value, expected increase in adoption and usage of the Company's products, the revenues anticipated to be received by the Company from recent contracts referred to above and anticipated market trends 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's business and value may not grow as anticipated or at all, product adoption and usage may not increase as expected or could decrease, revenue anticipated from contracts may not be received due to many risks, including factors specific to the customer, and anticipated market trends may not occur or continue. Historical growth levels and results may not be indicative of future growth levels or results. 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. *There are a number of risk factors that could cause future results to differ materially from those described herein. Please see "Risk Factors Affecting Future Results" in the Company's annual management discussion and analysis dated March 10, 2021 found at www.sedar.com for a discussion of such factors.* Please also refer to the Company's management discussion and analysis for the quarter ended March 31, 2021 for a description of how the Company determines and uses ARR. ARR is a key performance indicator used by the Company and is not meant as an indication such amounts will necessarily be included in revenues in any given fiscal year.

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.

PRONTOFORMS CORPORATION
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three months ended March 31, 2021 and 2020
(in US dollars)

	March 31, 2021	March 31, 2020
Revenue:		
Recurring revenue	$ 4,306,308	$ 3,941,955
Professional and other services	307,155	300,759
	4,613,463	4,242,714
Cost of revenue (1):		
Recurring revenue	393,829	321,800
Professional and other services	281,935	297,971
	675,764	619,771
Gross margin	3,937,699	3,622,943
Expenses:		
Research and development (1)	1,811,424	1,181,367
Selling and marketing (1)	2,299,800	1,866,069
General and administrative (1)	893,451	813,461

	5,004,675	3,860,897
Loss from operations	(1,066,976)	(237,954)
Foreign exchange (loss) gain	(9,672)	166,917
Finance costs	(28,164)	(96,908)
Net loss and comprehensive loss	$ (1,104,812)	$ (167,945)
Net loss and comprehensive loss per common share basic and diluted	$ (0.01)	$ (0.00)
Weighted average number of common shares basic and diluted	124,499,218	117,427,901

[(1)] Amounts include share-based compensation expense as follows:

Cost of revenue	$ 865	$ 21,454
Research and development	50,077	27,591
Selling and marketing	26,246	40,888
General and administrative	85,349	58,266
Total share-based compensation expense	$ 162,537	$ 148,199

PRONTOFORMS CORPORATION

Condensed Interim Consolidated Statements of Financial Position

March 31, 2021 and December 31, 2020
(in US dollars)

	March 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 8,186,691	$ 7,747,542
Accounts receivable	2,544,870	3,333,139
Investment tax credits receivable	138,312	117,092
Unbilled receivables	278,687	235,518
Related party loan receivable	85,445	84,392
Prepaid expenses and other receivables	1,149,843	738,415
Contract acquisition costs	192,864	214,583
	12,576,712	12,470,681
Property, plant and equipment	386,514	407,522
Contract acquisition costs	62,120	28,950
Right-of-use asset	594,114	657,771
	$ 13,619,460	$ 13,564,924
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,399,485	$ 2,434,376
Deferred revenue	5,458,287	4,657,581
Lease obligation - current portion	286,920	274,312
	8,144,692	7,366,269

Long-term debt	3,267,345	3,219,484
Lease obligations	417,374	486,302
	11,829,411	11,072,055
Shareholders' equity:		
Share capital	29,049,030	28,342,861
Contributed surplus	864,907	864,907
Share-based payment reserve	3,202,771	3,506,948
Warrant reserve	-	-
Deficit	(31,511,094)	(30,406,282)
Accumulated other comprehensive income	184,435	184,435
	1,790,049	2,492,869
	$ 13,619,460	$ 13,564,924

PRONTOFORMS CORPORATION

Condensed Interim Consolidated Statements of Cash Flows

For the three months ended March 31, 2021 and 2020
(in US dollars)

	March 31, 2021	March 31, 2020
Cash provided by (used in):		
Operating activities:		
Net loss	$ (1,104,812)	$ (167,945)
Items not involving cash:		
Share-based compensation	162,537	148,199
Accretion on long-term debt	-	44,620
Accretion on lease obligations	9,953	12,456
Accretion of transaction costs	7,045	-
Change in fair value of derivative liability	-	583
Amortization of property, plant and equipment	40,761	40,300
Amortization of right-of-use asset	63,657	63,657
Unrealized foreign exchange (gains) losses	12,403	(211,682)
Other finance costs	21,119	51,705
Interest paid	(23,999)	(52,206)
Interest received	2,880	501
Lease interest paid	(9,953)	(12,456)
Changes in non-cash operating working capital items	1,066,816	744,919
	248,407	662,651
Financing activities		
Payment of lease obligations	(64,923)	(59,750)
Settlement of derivative liability	-	(16,617)
Proceeds from the exercise of options	239,455	6,200
	174,532	(70,167)
Investing activities		
Purchase of property, plant and equipment	(19,753)	(12,904)
	(19,753)	(12,904)
Effect of exchange rate changes on cash	35,963	(108,988)
Increase in cash	439,149	470,592
Cash and cash equivalents, beginning of period	7,747,542	5,700,003

Cash, end of period	$	8,186,691	$	6,170,595