PRONTOFORMS

ProntoForms Reports Annual and Q4 2021 Financial Results

Achieves 13% annual growth in recurring revenue and fourth quarter growth of 3% over Q3 2021

OTTAWA, March 10, 2022 -- ProntoForms Corporation (TSXV: PFM), the global leader in no-code app development platforms for field teams, announced today its annual and fourth quarter (Q4) financial results for the period ended December 31, 2021. All amounts are in US dollars unless otherwise stated.

“We are pleased to report that our Annual Recurring Revenue Base (ARR) increased by 15.6% in 2021 compared to 8.7% in 2020. The growth in the base has improved but we are committed to getting more growth through an enterprise expansion focus. Our base is now $19.8 million with 41% from customers with greater than $100,000 of ARR,” said Alvaro Pombo, Founder and Chief Executive Officer.

Mr. Pombo continued, “Our customers need to accelerate the speed of automation in the field and they see our product’s agility and breadth of use cases as a catalyst in this digital transformation. We have compelling new use case stories and a Wakefield Research customer impact report demonstrating value across many industries and multiple tech stacks. Our focus continues to be on enterprise expansion and we are off to a strong start having added enterprise sales resources and go to market infrastructure in early 2022.”

Terence Matthews, Chairman of ProntoForms, said, “The addition of Conrad Smits, former Head of Services & Solution Delivery at Royal Philips, strengthens our board with real customer experience and advocacy.”

Subsequent to year-end, ProntoForms Corporation added financial capacity by increasing its debt facility from CAD $6 million to CAD $10 million. The access to additional funds provides more flexibility to execute on its growth strategy in 2022 and beyond.

Financial Highlights – 2021 Year

- Recurring revenue for the year-ended December 31, 2021 increased by 13% to $18.32 million compared to $16.19 million for 2020.
- Total revenue for the year-ended December 31, 2021 increased by 10% to $19.35 million compared to $17.67 million for 2020.
- Gross margin for 2021 was $16.39 million or 85% of total revenue compared to $15.03 million or 85% in 2020. Gross margin on recurring revenue was 90% for 2021 compared to 92% for 2020.
- Loss from operations was $4.16 million, for the year-ended December 31, 2020 up from $0.96 million for 2020.
- Net loss for the year-ended December 31, 2021 was $4.46 million, up from a net loss of $1.49 million in 2020.
- As at December 31, 2021, the Company’s cash and net working capital balances were $6.08 million and $7.75 million respectively.

Financial Highlights - 2021 Fourth Quarter

- Recurring revenue in Q4 2021 increased by 11% to $4.80 million compared to $4.31 million in Q4 2020, and increased by 3% compared to $4.66 million in Q3 2021.
- Total revenue for Q4 2021 increased by 6% to $5.01 million compared to $4.71 million in Q4 2020, and increased by 2% compared to $4.89 million in Q3 2021.
- Gross margin for Q4 2021 was 84% of total revenue compared to 85% in Q4 2020 and 84% in Q3 2021. Gross margin on recurring revenue was 90% for Q4 2021 compared to 91% in Q4 2020 and 89% in Q3 2021.
- Operating loss for Q4 2021 was $1.03 million, up from an operating loss of $0.57 million in Q4 2020 and up from an operating loss of $1.00 million in Q3 2021.
- Net loss for Q4 2021 was $1.12 million, up from a net loss of $0.92 million in Q4 2020 and up from a net loss of $1.11 million in Q3 2021.

Recent Operational Highlights

- Notable new and expansion progress from enterprise customers, including:
  - An existing Fortune 500 medical device customer expanded their ProntoForms implementation by 3500 subscriptions for a total of over 9000 subscriptions globally to support asset installation and preventive maintenance service across multiple business units.
  - A Fortune 500 oil & gas company expanded their ProntoForms implementation by 100 field technicians for a total of 800 to support their asset compliance and leak inspection workflows.
  - A Fortune 500 oil & gas company expanded their ProntoForms implementation by 150 for a total of over 700 subscriptions to support upstream engineering.
  - A Fortune 500 heavy manufacturing organization expanded their ProntoForms implementation by 250 in North America and 130 in EMEA for a total of 7500+ and 2000+ subscriptions respectively.
  - A transportation and warehouse enterprise expanded their ProntoForms implementation by 100 subscriptions for a total of 650 subscriptions.

    - A medical device manufacturing enterprise organization, in partnership with a leading field service management solution, deployed ProntoForms to 300 technicians to support installation and maintenance.
- ProntoForms released its Customer Impact Report in collaboration with Wakefield Research, a top market research consultancy. It gathered key benefits that ProntoForms provides customers, including saving each technician 90 minutes per day on average and 83% of customers experiencing an increase in technician satisfaction.
- ProntoForms CEO and Founder, Alvaro Pombo, was the main stage presenter during the Chairperson's Opening Address and moderator at Field Service Medical.

Q4 Conference Call Date:

Date: Thursday, March 10th, 2022
Time: 9:00 AM Eastern Time

Participant Dial-in Numbers:
Local Toronto – (+1) 647-484-0478
Toll Free – (+1) 888-254-3590
Conference ID: 8795721

Recording Playback Numbers:
Local Toronto– (+1) 647-436-0148
Toll Free – (+1) 888-203-1112
Passcode: 8795721
Expiry Date: March 17th, 2022 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.

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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, 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, 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 year ended December 31, 2020 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
Consolidated statements of loss and comprehensive loss

Years ended December 31, 2021 and 2020
(in US dollars)

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020

Revenue:					
Recurring revenue	$	4,795,940	4,305,505	18,316,046	16,194,453
Professional and other services		210,783	405,080	1,037,701	1,471,627
		5,006,723	4,710,585	19,353,747	17,666,080
Cost of revenue(1):					
Recurring revenue		495,294	374,145	1,831,614	1,342,540
Professional and other services		282,913	325,060	1,136,130	1,289,593
		778,207	699,205	2,967,744	2,632,133
Gross margin		4,228,516	4,011,380	16,386,003	15,033,947
Expenses:					
Research and development(1)		1,709,265	1,582,595	7,063,717	5,406,112
Selling and marketing(1)		2,580,664	2,043,448	9,897,139	7,445,790
General and administrative(1)		970,370	959,488	3,586,404	3,138,922
		5,260,299	4,585,531	20,547,260	15,990,824
Loss from operations		(1,031,783)	(574,151)	(4,161,257)	(956,877)
Foreign exchange (loss) gain		(58,859)	(51,165)	(187,301)	49,916
Finance costs		(29,229)	(289,914)	(115,630)	(578,206)
Net loss and comprehensive loss	$	(1,119,871)	(915,230)	(4,464,188)	(1,485,167)
Net loss and comprehensive loss per common share basic and diluted	$	(0.01)	(0.01)	(0.04)	(0.01)
Weighted average number of common shares basic and diluted		127,757,048	122,222,924	125,869,247	118,676,861

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

Cost of revenue	$	17,680	2,626	40,249	$	44,145
Research and development		79,175	49,207	182,214		147,581
Selling and marketing		151,730	79,417	252,769		187,004
General and administrative		164,835	101,697	390,836		248,500
Total share-based compensation expense	$	413,420	232,947	866,068	$	627,230

PRONTOFORMS CORPORATION

Consolidated statements of financial position

as at December 31, 2021 and 2020
(in US dollars)

		December 31, 2021		December 31, 2020
Assets				
Current assets:				
Cash and cash equivalents	$	6,082,289	$	7,747,542
Accounts receivable		3,199,216		3,333,139
Investment tax credits receivable		117,599		117,092
Unbilled receivables		36,406		235,518
Related party loan receivable		84,757		84,392
Prepaid expenses and other receivables		907,228		738,415

Contract acquisition costs		273,062		214,583
		10,700,557		12,470,681
Property, plant and equipment		331,717		407,522
Contract acquisition costs		157,693		28,950
Right-of-use asset		403,143		657,771
	$	11,593,110	$	13,564,924
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	2,533,743	$	2,434,376
Deferred revenue - current portion		5,411,380		4,657,581
Lease obligation - current portion		303,650		274,312
		8,248,773		7,366,269
Long-term debt		3,261,825		3,219,484
Deferred revenue		33,068		-
Lease obligation		184,766		486,302
		11,728,432		11,072,055
Shareholders' equity:				
Share capital		31,141,138		28,342,861
Contributed surplus		864,907		864,907
Share-based payment reserve		2,544,668		3,506,948
Deficit		(34,870,470)		(30,406,282)
Accumulated other comprehensive income		184,435		184,435
		(135,322)		2,492,869
	$	11,593,110	$	13,564,924

PRONTOFORMS CORPORATION

Consolidated statements of cash flows

Years ended December 31, 2021 and 2020
(in US dollars)

		Three months ended December 31,			Year ended December 31,	
		2021	2020		2021	2020
Cash provided by (used in):						
Operating activities:						
Net loss	$	(1,119,871)	(915,230)	$	(4,464,188)	(1,485,167)
Items not involving cash:						
Share-based compensation		413,420	232,947		866,068	627,230
Accretion on long-term debt		-	17,303		-	158,830
Accretion on lease obligations		7,248	10,553		34,823	45,704
Accretion of early extinguishment of debt		-	192,347		-	192,347
Accretion of transaction costs		7,045	4,697		28,181	4,697
Change in fair value of derivative liability		-	476		-	3,270
Amortization of property, plant and equipment		39,359	40,005		160,987	159,385
Amortization of right-of-use asset		63,657	63,657		254,628	254,628
Unrealized foreign exchange losses (gains)		73,743	102,524		193,829	(42,217)

Loss from disposal of property, plant and equipment		621	615		621	615
Other finance costs		22,184	75,091		87,449	219,062
Interest paid		(25,371)	(77,834)		(99,809)	(229,608)
Interest received		3,187	2,743		12,360	10,546
Lease interest paid		(7,248)	(10,553)		(34,823)	(45,704)
Changes in non-cash operating working capital items		218,337	478,158		862,727	319,928
		(303,689)	217,499		(2,097,147)	193,546
Financing activities						
Payment of lease obligations		(73,748)	(61,746)		(278,666)	(238,672)
Settlement of derivative liability		-	(75,861)		-	(125,936)
Proceeds from issuance of long-term debt		-	3,127,458		-	3,127,458
Repayment of long-term debt		-	(3,003,600)		-	(3,003,600)
Transaction costs		-	(56,362)		-	(56,362)
Proceeds with exercise of warrants		-	1,480,575		-	1,480,575
Proceeds from the exercise of options		22,550	384,812		969,929	634,052
		(51,198)	1,795,276		691,263	1,817,515
Investing activities						
Purchase of property, plant and equipment		(20,096)	(27,097)		(85,803)	(86,280)
		(20,096)	(27,097)		(85,803)	(86,280)
Effect of exchange rate changes on cash		(54,797)	77,043		(173,566)	122,758
(Decrease) increase in cash and cash equivalents		(429,780)	2,062,721		(1,665,253)	2,047,539
Cash and cash equivalents, beginning of period		6,512,069	5,684,821		7,747,542	5,700,003
Cash and cash equivalents, end of period	$	6,082,289	7,747,542	$	6,082,289	7,747,542