PRONTOFORMS

ProntoForms Reports Annual and Q4 2022 Financial Results

Achieves 11% Annual Growth in Recurring Revenue

OTTAWA, March 09, 2023 -- ProntoForms Corporation (TSXV: PFM), the global leader in field intelligence, announced today its annual and fourth quarter (Q4) financial results for the period ended December 31, 2022. All amounts are in US dollars unless otherwise stated.

"In 2022, we grew our recurring revenue by 11% as we continued to develop our enterprise go-to-market teams and by the 4th quarter made solid progress in closing the gap to EBITDA breakeven," said Alvaro Pombo, Founder and co-CEO of ProntoForms. "We have achieved notable successes in expanding our footprint in major enterprise customers based on the strong return on investment that our platform continues to deliver. In the last quarter, we announced a major expansion at a global oil company valued at $2.5 million over 5 years."

"We are rapidly moving to capitalize on the strong satisfaction and ROI that our customers generate through the deployment of our platform. Our sales and marketing efforts are focused on market segments where we have established strong referenceable customer success and are working to create a mature enterprise sales organization to deliver consistently higher growth," said Philip Deck, ProntoForms' newly appointed co-CEO. "ProntoForms has made significant progress in establishing ourselves as a mature enterprise competitor and I am excited to lead the completion of the transition."

Financial Highlights – 2022 Year (*All results in USD*)

- Recurring revenue for the year-ended December 31, 2022 increased by 11% to $20.37 million compared to $18.32 million for 2021.
- Total revenue for the year-ended December 31, 2022 increased by 10% to $21.33 million compared to $19.35 million for 2021.
- Gross margin for 2022 was $18.18 million or 85% of total revenue compared to $16.39 million or 85% in 2021. Gross margin on recurring revenue was 90% for 2022 compared to 90% for 2021.
- Loss from operations was $4.33 million, for the year-ended December 31, 2022 up from $4.16 million for 2021.
- Net loss for the year-ended December 31, 2022 was $4.45 million compared to a net loss of $4.46 million in 2021.
- As at December 31, 2022, the Company's cash and net working capital balances were $6.11 million and $2.68 million respectively.

Financial Highlights - 2022 Fourth Quarter

- Recurring revenue in Q4 2022 increased by 10% to $5.29 million compared to $4.80 million in Q4 2021 and increased by 1% compared to $5.23 million in Q3 2022.
- Total revenue for Q4 2022 increased by 12% to $5.61 million compared to $5.01 million in Q4 2021 and increased by 3% compared to $5.46 million in Q3 2022.
- Gross margin for Q4 2022 was 87% of total revenue compared to 84% in Q4 2021 and 85% in Q3 2022. Gross margin on recurring revenue was 91% for Q4 2022 compared to 90% in Q4 2021 and 90% in Q3 2022.
- Operating loss for Q4 2022 was $0.45 million, down from an operating loss of $1.03 million in Q4 2021 and down from an operating loss of $1.07 million in Q3 2022.
- Net loss for Q4 2022 was $0.55 million, down from a net loss of $1.12 million in Q4 2021 and down from a net loss of $1.11 million in Q3 2022.

Recent Operational Highlights

Notable new and expansion progress from enterprise customers, including:

- **Energy Sector**
  - A global top 20 oil & gas enterprise expanded their deployment of ProntoForms with a five-year $2.5M agreement to support their asset compliance, EHS, work standardization, and leak inspection workflows.
  - A Global 500 oil & gas company expanded their deployment of ProntoForms to support inspections.
  - An energy company expanded their ProntoForms deployment for existing solutions in both the sales and service business groups.
- **Utilities**
  - A utility enterprise expanded their deployment of ProntoForms for digital pre-work briefings for risk identification, safety audits, incident reporting, and equipment tracking. The solution is additionally being used for daily jobsite reporting and timesheets.
- **Medical Device Manufacturing**
  - A Fortune 500 global medial manufacturer deployed ProntoForms to support their end customer workflows.

Other Highlights

- Co-CEO Alvaro Pombo was the keynote speaker at Field Service Europe. This was the first time ProntoForms attended

the European event to support a continued and growing presence in the European market.
- ProntoForms launched a new partnership with ServiceNow to provide customers with the best possible field service experience. The new partnership encompasses updates to the product, including data sources, data destinations, and an app-to-app ServiceNow integration.
- ProntoForms was named the Enterprise Grid Leader for mobile forms automation in G2's Winter 2022 Grid for the fourth year in a row.

Q4 Conference Call Date:

Date: Thursday, March 9th, 2023
Time: 9:00 AM Eastern Time

Participant Dial-in Numbers:
Local Toronto – (+1) 647-484-0478
Toll Free – (+1) 888-256-1007

Conference ID: 5738218

Recording Playback Numbers:
Local Toronto– (+1) 647-436-0148
Toll Free – (+1) 888-203-1112
Passcode: 5738218
Expiry Date: March 16th, 2023, at 11:59pm EST

About ProntoForms Corporation
ProntoForms is the global leader in field intelligence. The platform's field workflows and data collection capabilities enable enterprise field teams to optimize decision-making, decrease organizational risk, maximize the uptime of valuable assets, and deliver exceptional service experiences. Over 100,000 subscribers use ProntoForms across multiple use cases, including asset inspection, compliance, installation, repair, maintenance, and environmental, health & safety with quantifiable business impacts.

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:

Alvaro Pombo
Chief Executive Officer
ProntoForms Corporation
613.599.8288 ext. 1111
apombo@prontoforms.com

Dave Croucher
Chief Financial Officer
ProntoForms Corporation
613-286-9212
dcroucher@prontoforms.com

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

For the three months and years ended December 31, 2022 and 2021
(in US dollars)

	Three months ended Dec 31, 2022	2021	Year ended December 31, 2022	2021
Revenue:				
Recurring revenue	$ 5,289,635	$ 4,795,940	$ 20,374,733	$ 18,316,046
Professional and other services	321,122	210,783	952,055	1,037,701
	5,610,757	5,006,723	21,326,788	19,353,747
Cost of revenue [1]:				
Recurring revenue	472,269	495,294	2,109,645	1,831,614
Professional and other services	246,937	282,913	1,038,120	1,136,130
	719,206	778,207	3,147,765	2,967,744
Gross margin	4,891,551	4,228,516	18,179,023	16,386,003
Expenses:				
Research and development [1]	1,599,196	1,709,265	6,916,115	7,063,717
Selling and marketing [1]	2,734,628	2,580,664	11,637,968	9,897,139
General and administrative [1]	1,002,856	970,370	3,950,529	3,586,404
	5,336,680	5,260,299	22,504,612	20,547,260
Loss from operations	(445,129)	(1,031,783)	(4,325,589)	(4,161,257)
Foreign exchange (loss) gain	(22,289)	(58,859)	122,741	(187,301)
Finance costs	(83,435)	(29,229)	(245,918)	(115,630)
Net loss and comprehensive loss	$ (550,853)	$ (1,119,871)	$ (4,448,766)	$ (4,464,188)
Net loss and comprehensive loss per common share basic and diluted	$ (0.00)	$ (0.00)	$ (0.03)	$ (0.04)
Weighted average number of common shares basic and diluted	128,763,361	125,869,247	128,289,657	125,869,247

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

Cost of revenue	$ 12,759	$ 17,680	$ 21,607	$ 40,249
Research and development	69,787	79,175	298,744	182,214
Selling and marketing	118,983	151,730	485,720	252,769
General and administrative	64,457	164,835	427,583	390,836
Total share-based compensation expense	$ 265,986	$ 413,420	$ 1,233,654	$ 866,068

PRONTOFORMS CORPORATION

Consolidated Statements of Financial Position

as at December 31, 2022 and 2021
(in US dollars)

	December 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 6,112,071	$ 6,082,289
Accounts receivable	4,179,088	3,199,216
Investment tax credits receivable	197,553	117,599

Unbilled receivables	88,453	36,406
Related party loan receivable	79,331	84,757
Prepaid expenses and other receivables	1,077,015	907,228
Contract acquisition costs	311,494	273,062
	12,045,005	10,700,557
Property, plant and equipment	286,834	331,717
Contract acquisition costs	190,585	157,693
Right-of-use asset	148,515	403,143
	$ 12,670,939	$ 11,593,110
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,686,288	$ 2,533,743
Deferred revenue - current portion	6,508,986	5,411,380
Lease obligation - current portion	172,947	303,650
	9,368,221	8,248,773
Long-term debt	6,007,585	3,261,825
Deferred revenue	-	33,068
Lease obligation	-	184,766
	15,375,806	11,728,432
Shareholders' equity:		
Share capital	32,166,781	31,141,138
Contributed surplus	864,907	864,907
Share-based payment reserve	3,398,246	2,544,668
Deficit	(39,319,236)	(34,870,470)
Accumulated other comprehensive income	184,435	184,435
	(2,704,867)	(135,322)
	$ 12,670,939	$ 11,593,110

PRONTOFORMS CORPORATION

Consolidated Statements of Cash Flows

For the three months and years ended December 31, 2022 and 2021
(in US dollars)

	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
Cash used in:				
Operating activities:				
Net loss	$ (550,852)	$ (1,119,871)	$ (4,448,766)	$ (4,464,188)
Items not involving cash:				
Share-based compensation	265,986	413,420	1,233,654	866,068
Accretion on lease obligations	2,964	7,248	18,442	34,823
Accretion of transaction costs	2,808	7,045	10,417	28,181
Amortization of property, plant and equipment	35,536	39,980	146,596	161,608
Amortization of right-of-use asset	63,657	63,657	254,628	254,628
Unrealized foreign exchange losses (gains)	125,793	117,422	(212,496)	193,829
Other finance costs	80,333	22,184	235,207	87,449
Interest paid	(104,143)	(25,371)	(279,903)	(99,809)
Interest received	23,810	3,187	44,696	12,360
Lease interest paid	(2,964)	(7,248)	(18,442)	(34,823)

Changes in non-cash operating working capital items	286,911	218,337	(135,900)	862,727
	229,839	(260,010)	(3,151,867)	(2,097,147)
Financing activities				
Payment of lease obligations	(72,183)	(73,748)	(296,834)	(278,666)
Payment of loan renewal fee	-	-	(7,528)	-
Proceeds from drawdown of credit facility	-	-	3,178,124	-
Proceeds from the exercise of options	-	22,550	645,567	969,929
	(72,183)	(51,198)	3,519,329	691,263
Investing activities				
Purchase of property, plant and equipment	(37,739)	(20,096)	(101,324)	(85,803)
	(37,739)	(20,096)	(101,324)	(85,803)
Effect of exchange rate changes on cash	(53,493)	(98,476)	(236,356)	(173,566)
Increase (decrease) in cash and cash equivalents	66,425	(429,780)	29,782	(1,665,253)
Cash and cash equivalents, beginning of period	6,045,647	6,512,069	6,082,289	7,747,542
Cash and cash equivalents, end of period	$ 6,112,071	$ 6,082,289	$ 6,112,071	$ 6,082,289