

SITO Mobile Reports 65% Revenue Increase for the Second Quarter

JERSEY CITY, N.J., Sept. 05, 2019 (GLOBE NEWSWIRE) -- **SITO Mobile Ltd. (NASDAQ: SITO)**, an insights-driven Consumer Behavior and Location Sciences™ company, announced today its financial results for the second quarter ended June 30, 2019.

Financial Summary

- Total revenue increased 65% to \$13.9 million;
- SITO's existing markets comprised \$5.1 million of total revenue;
- \$8.8 million of total revenue was generated from new markets; and
- Detailed financial results for the three- months and six-months ended June 30, 2019 is described in the financial summary sections below.

Second Quarter Financial Summary (Second Quarter of 2019 vs. Second Quarter of 2018)

Total revenue increased \$5.5 million, or 65%, to \$13.9 million, compared to total revenue of \$8.4 million. This increase is primarily attributable to entering a new market in 2019, the first campaign of which was substantially carried out during the second quarter.

Gross profit was \$4.5 million, or 32% of total revenue, compared to \$4.0 million, or 48% of total revenue. The decrease in gross profit margin was due to aggressive initial pricing to penetrate new markets on which the Company is focusing.

Loss from operations was \$3.7 million compared to a loss from operations of \$6.1 million. This loss included one-time non-recurring impairment losses of \$2.1 million comprised of write-downs of internally developed software and customer relationship long-lived assets acquired from the Hipcricket acquisition in 2015. The loss from operations would have been \$1.6 million as compared to a loss from June 30, 2018 of \$6.1 million, excluding the impairment losses.

Net loss was \$3.4 million, or \$0.13 per share, compared to a net loss of \$5.7 million, or \$0.23 per share.

Year-to-Date Financial Summary (First Six Months of 2019 vs. First Six Months of 2018)

Total revenue increased \$2.7 million, or 14%, to \$22.3 million, compared to total revenue of \$19.6 million. Gross profit was \$7.3 million, or 33% of total revenue, compared to \$8.5 million, or 43% of total revenue. Loss from operations was \$8.5 million compared to a loss from operations of \$12.0 million. This loss from operations included one-time non-recurring losses of \$2.1 million comprised of write-downs of internally developed software and customer relationship long-lived assets acquired from the Hipcricket acquisition in 2015. The loss from operations would have been \$6.4 million as compared to a loss of \$12.0 million, excluding the impairment losses.

Net loss was \$8.5 million, or \$0.33 per share, compared to a net loss of \$11.0 million, or \$0.45 per share.

Following is a reconciliation of the amounts of net loss from operations recognized and presented on the Unaudited Consolidated Statements of Operations and the resulting loss per share, in accordance with US GAAP to the amount of loss from operations and loss per share attributable to and before the effect of the aforementioned recognized non-recurring items:

For the Three-months ended June 30,		For the Six-months ended June 30,	
2019	2018	2019	2018

As reported on the Statement of Operations,
in accordance with US GAAP:

Loss from operations	\$ 3,704,789	\$ 6,081,577	\$ 8,435,264	\$ 12,030,240
Less:				
Loss on impairment - capitalized software development costs	1,911,285	-	1,911,285	-
Loss on impairment - customer relationships	177,535	-	177,535	-
Loss on impairment of long-lived assets	2,088,820	-	2,088,820	-
Loss from operations before non-recurring items	1,615,969	6,081,577	6,346,444	12,030,240
Other (income) expense	(305,624)	(367,774)	13,904	(1,099,043)
Income tax expense	3,037	22,059	2,517	53,444
Net loss before non-recurring items	\$ 1,313,382	\$ 5,735,862	\$ 6,362,865	\$ 10,984,641
As reported on the Statement of Operations, in accordance with US GAAP:				
Basic and diluted net (loss) per share	\$ (0.13)	\$ (0.23)	\$ (0.33)	\$ (0.45)
Less:				
Basic and diluted net (loss) per share, attributable to non-recurring items	0.08	-	0.08	-
Basic and diluted net (loss) per share before non-recurring items	\$ (0.05)	\$ (0.23)	\$ (0.25)	\$ (0.45)
Basic and diluted weighted average shares outstanding	25,641,812	25,128,681	25,593,853	24,430,373

Balance Sheet

As of June 30, 2019, the Company had \$0.8 million in cash and cash equivalents compared to \$2.6 million at December 31, 2018.

About SITO Mobile, Ltd.

SITO turns the consumer journey into a powerful instrument for marketers, delivering actionable insights that influence behavior in real-time. Through Consumer Behavior and Location Sciences™, SITO develops customized, data-driven solutions for brands spanning strategic insights and media. Our science and products reveal a deeper, real-time understanding of customer interests, actions and experiences providing increased clarity for brands when it comes to navigating business decisions and delivering advertising. The Company is home to an internally developed, proprietary location-data technology stack, arming clients with a powerful resource for granular data, real-time insights and optimization, and delivery of successful media campaigns. Using in-store targeting, proximity targeting, geo-conquesting and attribution data, SITO creates audience profiles to develop measurable hyper-targeted campaigns for brands. For more information regarding SITO's science, technology and customized solutions spanning media and research, visit www.sitomobile.com.

Cautionary Statement Regarding Certain Forward-Looking Information

This press release contains forward-looking statements. These statements are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include statements concerning the following: SITO's plans and initiatives; our possible or assumed future results of operations; our ability to attract and retain customers; our ability to sell additional products and services to customers; our competitive position; our industry environment; and our potential growth opportunities. You should not place undue reliance on forward-looking statements, because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under "Risk Factors" in our Annual Report on Form 10-K, for the year ended December 31, 2018,

our Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, and the reports we file with the SEC. Actual events or results may vary significantly from those implied or projected by the forward-looking statements due to these risk factors. No forward-looking statement is a guarantee of future performance. You should read our Annual Report on Form 10-K, our Quarterly Report on Form 10-Q and the documents that we reference in our Annual Report on Form 10-K, our Quarterly Report on Form 10-Q and have filed as exhibits thereto with the Securities and Exchange Commission, or the SEC, with the understanding that our actual future results and circumstances may be materially different from what we expect. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and we undertake no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as may be required by applicable law. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

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Source: SITO Mobile, Ltd.

SITO Mobile, Ltd.
CONSOLIDATED BALANCE SHEETS

	June 30, 2019 (Unaudited)	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	\$ 789,528	\$ 2,597,246
Accounts receivable, net	15,674,306	10,206,664
Other assets, current	194,935	469,041
Total current assets	16,658,769	13,272,951
Property and equipment, net	250,363	331,635
Other assets		
Capitalized software development costs, net	-	861,699
Intangible assets:		
Patents	583,681	630,857
Other intangible assets, net	583,971	897,007
Goodwill	6,444,225	6,444,225
Other assets	123,722	125,543
Operating Lease ROU Assets, net	172,404	311,717
Total other assets	7,908,003	9,271,048
Total assets	\$ 24,817,135	\$ 22,875,634
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 13,102,216	\$ 4,377,805
Accrued expenses	2,936,196	4,610,146
Other current liabilities	658,434	3,571
Deferred revenue	100,000	264,493
Operating lease liabilities	184,724	307,536
Note payable, net of discount	1,154,614	-
Warrant liability	145,564	174,684

Total current liabilities	18,281,748	9,738,235
Long-term liabilities		
Operating lease liabilities	-	27,062
Other liabilities	5,850	7,644
Total long-term liabilities	5,850	34,706
Total liabilities	18,287,598	9,772,941
Commitments and contingencies		
Stockholders' Equity		
Common stock, \$.001 par value; 100,000,000 shares authorized, 25,641,812 shares issued and outstanding as of June 30, 2019; and 25,529,078 December 31, 2018, respectively	25,642	25,529
Additional paid-in capital	187,862,312	185,983,896
Accumulated deficit	(181,358,417)	(172,906,732)
Total stockholders' equity	6,529,537	13,102,693
Total liabilities and stockholders' equity	\$ 24,817,135	\$ 22,875,634

SITO Mobile, Ltd.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three-months ended June 30,		For the Six-months ended June 30,	
	2019	2018	2019	2018
Revenue				
Media placement	\$ 13,892,216	\$ 8,428,564	\$ 22,322,592	\$ 19,573,216
Total revenue	13,892,216	8,428,564	22,322,592	19,573,216
Cost of Revenue				
Cost of revenue	9,414,674	4,402,154	14,987,411	11,100,030
Gross profit	4,477,542	4,026,410	7,335,181	8,473,186
Operating Expenses				
Sales and marketing	3,355,001	5,512,821	7,393,117	10,781,989
General and administrative	2,564,711	4,423,630	5,965,883	9,364,096
Depreciation and amortization	173,799	171,536	322,625	357,341
Loss on impairment of long-lived assets	2,088,820	-	2,088,820	-
Total operating expenses	8,182,331	10,107,987	15,770,445	20,503,426
Loss from operations	(3,704,789)	(6,081,577)	(8,435,264)	(12,030,240)
Other Income (Expense)				
Gain on revaluation of warrant liability	348,881	334,304	29,120	975,520
Other income	16,894	31,551	17,282	117,630
Interest (expense) income, net	(60,151)	1,919	(60,306)	5,893
Loss before income taxes	(3,399,165)	(5,713,803)	(8,449,168)	(10,931,197)
Income tax expense	(3,037)	(22,059)	(2,517)	(53,444)
Net loss	\$ (3,402,202)	\$ (5,735,862)	\$ (8,451,685)	\$ (10,984,641)
Basic and diluted net (loss) per share	\$ (0.13)	\$ (0.23)	\$ (0.33)	\$ (0.45)

Basic and diluted weighted average shares outstanding 25,641,812 25,128,681 25,593,853 24,430,373

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Source: SITO Mobile, Ltd.