

August 12, 2021



Mobivity Announces Second Quarter 2021 Financial Results

PHOENIX, Aug. 12, 2021 (GLOBE NEWSWIRE) -- Mobivity Holdings Corp. (OTCQB:MFON), maker of the award-winning Recurrency platform that increases customer engagement through mobile messaging and personalized digital offers, and drives digital transformation for brands, today announced financial results for the second quarter ("Q2") ending June 30, 2021.

Summary of Fiscal 2021 Second Quarter

- Revenues of \$2.80 million in Q2 2021 compared to \$2.77 million in Q2 2020.
- Gross margin of 55% compared to 56% in Q2 2020.
- Operating expenses increased to \$2.9 million compared to \$2.2 million during the same period reported in 2020.
- Cash and cash equivalents totalled \$1.9 million compared to \$1.0 million in Q2 of 2020.
- Net loss was \$1.4 million compared to a net loss of \$725,000 in Q2 2020.

Second Quarter 2021 Business Highlights

- Expanded customer base to the convenience store industry, including the addition of the world's second largest convenience store brand expanding deployments to more than 47,000 locations.
- Sequential revenue growth of 14% over the first quarter of 2021.
- Strong sales pipeline includes brands operating more than 13,000 convenience store locations.
- More than 1.7 million new consumers joined Mobivity SMS marketing programs in the second quarter of 2021, more than twenty times the number of new subscribers added in the first quarter of 2021

Dennis Becker, Mobivity Chairman and CEO, commented, "Revenue growth resumed in the second quarter as our team expanded our sales and marketing efforts in anticipation of growing demand and expansion into new markets. Our success growing into the convenience store market, including the second largest convenience store chain in the world, has diversified our market focus and greatly expanded our sales pipeline. There are approximately 70,000 convenience stores generating more than \$21 billion in annual foodservice sales in the U.S. alone, making it an ideal market for us to leverage our success from the restaurant industry. We are now directly engaged with several other convenience store brands operating thousands of locations who have seen the impact of data driven SMS marketing programs on both direct sales and the promotion of CPG brands that sell through convenience store chains. Our long-term strategy has always been to deliver our products and services beyond the restaurant industry and in just six months we have proven that we can penetrate another lucrative vertical market. As the restaurant industry resumes its

recovery from the pandemic, and we expand into new markets such as the convenience store industry, we believe our increased visibility across industries and proven success will result in accelerated growth throughout the remainder of this year. I thank the entire team at Mobivity for their continued dedication to building value for our customers and shareholders, despite the historic challenges of these times.”

Consolidated Financial Summaries

(In thousands)	Three months ended June 30,				Six months ended June 30,			
	2021	2020	\$\$	%	2021	2020	\$\$	%
Revenue	\$2,793	\$2,767	\$26	1%	\$5,250	\$7,317	(\$2,066)	(28%)
Gross profit	\$1,521	\$1,552	(\$31)	(2%)	\$2,936	\$4,517	(\$1,581)	(35%)
Gross margin	54.5%	56.1%		(3%)	56%	62%		(9%)
Operating Expenses	\$2,927	\$2,205	\$722	33%	\$6,003	\$6,112	(\$108)	(2%)
Income (loss) from Operations	(\$1,406)	(\$654)	(\$752)	(115%)	(\$3,067)	(\$1,594)	(\$1,473)	(92%)
Net income (loss)	(\$1,433)	(\$726)	(\$707)	(97%)	(\$3,126)	(\$1,741)	(\$1,385)	(80%)
Adjusted EBITDA *	(\$950)	(\$349)	(\$601)	(172%)	(\$2,216)	(\$915)	(\$1,301)	(142%)

* Non-GAAP measures

Conference Call

Mobivity will host a conference call at 4:30 p.m. ET on August 12, 2021.

Date: Thursday, August 12, 2021
Time: 4:30 P.M. Eastern Time (ET)
U.S. Callers: 1-877-226-0810
International Callers: 1-212-231-2932
Conference ID: 21996595

The call will also be accompanied live by webcast over the Internet and accessible at <http://public.viavid.com/index.php?id=146248>

Participating on the call will be Mobivity’s Chairman and Chief Executive Officer, Dennis Becker, and Chief Financial Officer, Lisa Brennan. To join the live conference call, please dial in to the above referenced telephone numbers five to ten minutes prior to the scheduled conference call time.

A replay will be available for two weeks starting on August 12, 2021 at approximately 7:30 P.M. ET. To access the replay, please dial 1-844-512-2921 in the U.S. and 1-412-317-6671 for international callers. The conference ID# is 21996595. The replay will also be available on the Company’s website under the [investor relations section](#).

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
ASSETS		
Current assets		
Cash	\$ 1,874,294	\$ 3,282,820
Accounts receivable, net of allowance for doubtful accounts of \$29,986 and \$33,848, respectively	1,552,478	305,693
Contracts receivable, current	943,904	943,904
Other current assets	307,451	272,736
Total current assets	4,678,127	4,805,153
Goodwill	496,352	496,352
Right to use lease assets	1,296,574	57,482
Intangible assets, net	1,274,255	1,368,329
Contracts receivable, long term	943,904	1,415,856
Other assets	194,012	25,230
TOTAL ASSETS	\$ 8,883,224	\$ 8,168,402
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 3,296,698	\$ 1,935,411
Accrued interest	2,324	47,316
Accrued and deferred personnel compensation	427,220	224,881
Deferred revenue and customer deposits	508,736	606,597
Related party notes payable	-	80,000
Notes payable, net - current maturities	149,634	561,676
Operating lease liability	161,867	58,173
Other current liabilities	567,715	566,303
Total current liabilities	5,114,194	4,080,357
Non-current liabilities		
Related party notes payable, net - long term	1,704,647	-
Notes payable, net - long term	982,654	1,499,001
Operating lease liability	1,305,219	13,296
Other long term liabilities	554,356	831,535
Total non-current liabilities	4,546,876	2,343,832
Total liabilities	9,661,070	6,424,189
Commitments and Contingencies		
Stockholders' equity		
Common stock, \$0.001 par value; 100,000,000 shares authorized; 51,615,469 and 51,380,969, shares issued and outstanding	55,411	55,411
Equity payable	100,862	100,862

Additional paid-in capital	101,810,068	101,186,889
Accumulated other comprehensive income	(42,365)	(23,446)
Accumulated deficit	(102,701,822)	(99,575,503)
Total stockholders' equity	<u>(777,846)</u>	<u>1,744,213</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 8,883,224	\$ 8,168,402

Mobivity Holdings Corp.
Condensed Consolidated Statements of Operations

	Three Months Ended		Six Months Ended	
	June 30, (unaudited)		June 30, (unaudited)	
	2021	2020	2021	2020
Revenues				
Revenues	\$ 2,792,828	\$ 2,766,662	\$ 5,250,418	\$ 7,316,656
Cost of revenues	1,272,141	1,214,915	2,313,936	2,799,328
Gross profit	<u>1,520,687</u>	<u>1,551,747</u>	<u>2,936,482</u>	<u>4,517,328</u>
Operating expenses				
General and administrative	957,400	1,003,146	2,246,770	2,249,922
Sales and marketing	1,111,693	495,616	2,008,443	1,303,623
Engineering, research, and development	674,035	521,597	1,397,985	2,199,127
Impairment of intangible asset	-	-	8,286	-
Depreciation and amortization	183,584	184,918	341,811	358,845
Total operating expenses	<u>2,926,712</u>	<u>2,205,277</u>	<u>6,003,295</u>	<u>6,111,517</u>
Income (loss) from operations	(1,406,025)	(653,530)	(3,066,813)	(1,594,189)
Other income/(expense)				
Interest income	-	76	5	913
Interest expense	(23,867)	(68,088)	(56,383)	(145,277)
Loss on disposal of fixed assets	(880)	(3,935)	(880)	(3,935)
Foreign currency (loss) gain	(1,774)	(52)	(2,248)	1,100
Total other income/(expense)	<u>(26,521)</u>	<u>(71,999)</u>	<u>(59,506)</u>	<u>(147,199)</u>
Income (loss) before income taxes	(1,432,546)	(725,529)	(3,126,319)	(1,741,388)
Income tax expense	-	-	-	-

Net Income (loss)	<u>(1,432,546)</u>	<u>(725,529)</u>	<u>(3,126,319)</u>	<u>(1,741,388)</u>
Other comprehensive income (loss), net of income tax				
Foreign currency translation adjustments	(9,241)	(26,136)	(18,919)	(39,217)
Comprehensive income (loss)	<u>\$ (1,441,787)</u>	<u>\$ (751,665)</u>	<u>\$ (3,145,238)</u>	<u>\$ (1,780,605)</u>
Net income (loss) per share:				
Basic	\$ (0.03)	\$ (0.01)	\$ (0.06)	\$ (0.03)
Diluted	\$ (0.03)	\$ (0.01)	\$ (0.06)	\$ (0.03)
Weighted average number of shares:				
Basic	55,410,695	51,615,469	55,410,695	51,524,778
Diluted	55,410,695	51,615,469	55,410,695	51,524,778

Reconciliation of net (loss) to adjusted EBITDA

Net (loss)	(1,432,546)	(725,529)	\$ (3,126,319)	\$ (1,741,388)
Stock based compensation	275,453	123,544	504,076	322,757
Impairment of intangible asset	-	-	8,286	-
Depreciation and amortization	183,584	184,918	341,811	358,845
Interest expense, net	23,867	68,012	56,378	144,364
Adjusted EBITDA	<u>\$ (949,642)</u>	<u>\$ (349,055)</u>	<u>\$ (2,215,768)</u>	<u>\$ (915,422)</u>

Non-GAAP Measurements

This press release includes certain financial information which constitutes "non-GAAP financial measures" as defined by the SEC. A full reconciliation of the non-GAAP measures to GAAP can be found in the tables of today's press release. Non-GAAP adjusted net income is supplemental to results presented under accounting principles generally accepted in the United States of America ("GAAP") and may not be comparable to similarly titled measures presented by other companies. These non-GAAP measures are used by management to facilitate period-to-period comparisons and analysis of Mobivity's operating performance and liquidity. Management believes these non-GAAP measures are useful to investors in trending, analyzing and benchmarking the performance and value of Mobivity's business. These non-GAAP measures should be considered in addition to, but not as a substitute for, other similar measures reported in accordance with GAAP.

About Mobivity

Brick and mortar stores struggle to manage customer connections in a digital world. Mobivity provides a platform to connect national restaurants, retailers, personal care brands, and their partners with customers to increase retention, visits, and spend. Mobivity's Recurrency

platform increases customer engagement and frequency by capturing detailed POS transaction data, analyzing customer habits, and motivating customers and employees through data-driven messaging applications and rewards. For more information about Mobivity, visit mobivity.com or call (877) 282-7660.

Forward Looking Statement

This press release contains forward-looking statements concerning Mobivity Holdings Corp. within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those forward-looking statements include statements regarding the benefits of recent additions to the Company's management team; the Company's expectations for the growth of the Company's operations and revenue; and the advantages and growth prospects of the mobile marketing industry. Such statements are subject to certain risks and uncertainties, and actual circumstances, events or results may differ materially from those projected in such forward-looking statements. Factors that could cause or contribute to differences include, but are not limited to, our ability to successfully integrate our recent additions to management; our ability to develop the sales force required to achieve our development and revenue goals; our ability to raise additional working capital as and when needed; changes in the laws and regulations affecting the mobile marketing industry and those other risks set forth in Mobivity Holdings Corp.'s annual report on Form 10-K for the year ended December 31, 2020 filed with the SEC on March 30, 2021 and subsequently filed quarterly reports on Form 10-Q. Mobivity Holdings Corp. cautions readers not to place undue reliance on any forward-looking statements. Mobivity Holdings Corp. does not undertake, and specifically disclaims any obligation to update or revise such statements to reflect new circumstances or unanticipated events as they occur.

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Source: Mobivity Holdings Corp.