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Mobivity Announces Second Quarter 2013 Financial Results; Provides Business Update

PHOENIX, AZ -- (Marketwired) -- 08/15/13 -- Mobivity Holdings Corporation (OTCQB: MFON), an award-winning provider of proprietary mobile marketing technologies and solutions, announced today second quarter financial results for the three-month period ending June 30, 2013.

- Q2, 2013 Gross Revenue increased 7.6% to \$1,085,610 from \$1,009,398 in Q2, 2012.
- Q2, 2013 gross margins increased to 71%, up from 67% in Q2, 2012.
- Q2, 2013 gross profit increased 14.4% to \$774,220 from \$676,940 in Q2, 2012.

Dennis Becker, Chairman and Chief Executive Officer of Mobivity, commented, "The second quarter of this year was a transformative time period for Mobivity. While continuing to grow revenues and sustain record gross margins, we have successfully relieved the debt burden on our balance sheet, completed a \$12,710,506 financing, which is comprised of \$5,354,506 in debt conversion and \$7,356,000 in new working capital, completed a key acquisition and recruited a world-class management team. Equipped with a solid balance sheet, working capital and a management team with a demonstrated track record of success in the local advertising industry, Mobivity is now well positioned to execute an ambitious growth plan."

Business Update

The Company continues to make strides in executing its core growth strategy of acquiring thousands of licensees to its mobile marketing Software-as-a-Service ("SaaS") solution:

- Completion of the acquisition of the Front Door Insights bringing more than 25 reseller relationships aimed at delivering Mobivity's services to their customers and prospects. The largest reseller employs for more than 2,500 sales reps across the United States serving more than 700,000 existing local advertisers with various print and digital marketing solutions. This reseller began its national deployment of Mobivity's SMS text messaging and "StampT" smartphone loyalty application to its salesforce on August 1st.
- A large Quick Serve Restaurant ("QSR") customer has accumulated more than 1.4M subscribers to its mobile marketing loyalty program powered by Mobivity and sees an average of more than 50,000 new subscribers per month.
- A very large QSR chain representing more than 20,000 locations worldwide is implementing a market trial of Mobivity's mobile marketing solution this month, including both SMS text messaging and Mobivity's "StampT" mobile smartphone loyalty application.

Mobivity commenced its direct sales force expansion in July 2013 having recruited and activated sales teams in North Carolina, New Jersey, and Connecticut who are already acquiring local advertisers utilizing both SMS text marketing and Mobivity's "Stamp" smartphone loyalty application. The Company plans on recruiting and deploying additional direct sales teams across the country.

Financial Summary

\$000s ex-EPS	Three months ended June 30,		
	2013	2012	Chg.
Net Revenues	\$ 1,086	\$ 1,009	8 %
Gross Profits	\$ 774	\$ 677	14 %
GAAP Net Income (loss)	\$ (9,875)	\$ (992)	-896 %
Adjusted Net Income (loss) (1)	\$ (403)	\$ (378)	-6 %
GAAP EPS (Diluted)	\$ (0.28)	\$ (0.04)	-547 %
Adjusted EPS (Diluted)	\$ (0.01)	\$ (0.02)	-50 %
Diluted Shares O/S	35,100	22,798	54 %

(1) Please see non-GAAP reconciliation table below

Non-GAAP reconciliations:

	Three months ended June 30,	
	2013	2012
GAAP Net Income (Loss)	\$ (9,874,821)	\$ (991,545)
Depreciation and amortization	\$ 58,315	\$ 146,766
Change in FV of derivatives	\$ 2,812,048	\$ (654,477)
Non-cash stock comp expenses	\$ 1,202,667	\$ 257,036
Loss (Gain) on contingent considerations	\$ 499,177	\$ (16,131)
Interest expense, net	\$ 4,899,193	\$ 880,321
Non-GAAP adjusted net income	\$ (403,421)	\$ (378,030)
Weighted avg. diluted shares	35,099,827	22,797,641
Non-GAAP adjusted EPS	\$ (0.01)	\$ (0.02)

About Mobivity:

Mobivity is an award-winning provider of proprietary mobile marketing technologies and the inventor of C4, a unique, enterprise-grade platform empowering brands to engage mobile consumers via multiple channels. The only system of its kind, C4 is a cloud-based solution providing broad mobile communications and extensive CRM features. It is integrated with multiple tier-one PSTN/ IP carriers and micropayment processing facilities as well as with carrier premium SMS billing systems. Customers include CNN, Disney, Sony Pictures,

AT&T, Verizon, USA Network, numerous professional sports franchises, the Golf Channel, and NBC Universal. For further information visit www.Mobivity.com or follow us on Twitter @Mobivityinc.

About Non-GAAP Financial Measures

To supplement our consolidated financial statements, which statements are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: adjusted net income. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. We use these non-GAAP financial measures for financial and operational decision making and as a means to evaluate period-to-period comparisons. Our management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our "recurring core business operating results". We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods. We believe these non-GAAP financial measures are useful to investors because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision making and (2) they are used by our institutional investors and the analyst community to help them analyze the health of our business.

Cautionary Statement Regarding Forward-Looking Information

This press release may contain certain "forward-looking statements" relating to the business of Mobivity Holdings Corporation. All statements, other than statements of historical fact included herein are "forward-looking statements" including statements regarding the impact of the proceeds from the private placement on the Company's short term business and operations, the general ability of the Company to achieve its commercial objectives, including the ability of the Company to sustain growth; the business strategy, plans and objectives of the Company and its subsidiaries; and any other statements of non-historical information. These forward looking statements are often identified by the use of forward-looking terminology such as "believes," "expects" or similar expressions, involve known and unknown risks and uncertainties. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Investors should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in the Company's periodic reports that are filed with the Securities and Exchange Commission and available on its website (<http://www.sec.gov>). All forward-looking statements attributable to the Company or persons acting on its behalf months are expressly qualified in their entirety by these factors. Other than as required under the securities laws, the Company does not assume a duty to update these forward-looking statements.

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Source: Mobivity Holdings Corp.