

May 8, 2015



# Mobivity Announces Q1 2015 Results

## Company's SmartReceipt(TM) POS Solution Has Now Processed More Than 680 Million Transactions

PHOENIX, AZ -- (Marketwired) -- 05/08/15 -- Mobivity Holdings Corp. (OTCQB: MFON), an award-winning provider of proprietary [SmartReceipt™ POS marketing solutions](#) and patented mobile marketing technologies, announced today financial results for the first quarter ended March 31, 2015 ("Q1 2015").

### **Recent Highlights:**

- Revenues for the first quarter of fiscal 2015 were \$940,000 compared to \$903,000 for the first quarter of 2014 ("Q1 2014")
- Gross margins increased slightly to 72% versus 71% for the same period in the prior year
- Cash and cash equivalents totaled \$3.9 million as of March 31, 2015

Dennis Becker, Chief Executive Officer of Mobivity, said, "Momentum is continuing both in new deployments of SmartReceipt as well as our growing pipeline of potential customers. We are in active discussions with dozens of national QSR brands regarding SmartReceipt™ as well as other components of our unique bundled marketing solution. Our technology is powering marketing campaigns for thousands of QSR locations across the U.S. and we anticipate new deployments by additional QSR brands in the current quarter and throughout 2015."

Mr. Becker continued, "SmartReceipt™ has now processed more than 680 million transactions and we are on a trajectory to hit one billion processed transactions later this year. This represents an enormous amount of data aggregation to drive personalized and targeted marketing engagements as well as leverage substantial impression inventory for receipt advertising models such as the third party advertising campaign we are powering for Uber."

### **First Quarter 2015 Financial Results**

Revenues for Q1 2015 were \$940,000, representing an increase of 4% from \$903,000 in Q1 2014. The net increase in revenues was primarily attributable to revenues from SmartReceipt, which we acquired on March 12, 2014.

Gross margins for Q1 2015 increased slightly to 72% from 71% in Q1 2014. Operating expenses (excluding goodwill and intangible asset impairment charges) for Q1 2015 were \$2,424,000 compared to \$2,437,000 in Q1 2014. Operating loss for the quarter was \$(1,748,000) compared to an operating loss of \$(1,795,000) in the corresponding period a year ago. Net loss for the quarter was \$(1,730,000), or \$(0.08) per diluted share, compared

to a net loss of \$(1,764,000), or \$(0.10) per diluted share, in Q1 2014.

Non-GAAP Adjusted Net Loss, a non-GAAP metric (see note on non-GAAP Measurements) was \$(1,428,000) during the first quarter of 2015 as compared to \$(1,408,000) during the prior year period.

Cash and cash equivalents were \$3.9 million as of March 31, 2015, consistent with the same period in 2014.

### ***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***

Mobivity is an award-winning provider of a suite of patented mobile marketing technologies designed to drive sales, enhance customer engagement, and reward customer loyalty for local businesses and national brands. Its solutions enable businesses across the United States to drive incremental sales and profitability by quickly and effectively communicating to their most loyal customers. Included are [SmartReceipt](#), which transforms traditional retail transaction receipts into engaging "smart" receipts, an industry-leading text messaging product, and an innovative [Stampt™](#) mobile loyalty application. Additionally, Mobivity offers a unique, high definition graphical system platform that allows its clients to enhance customer or fan experience by interacting with their mobile phones and video boards or screens in real time. Mobivity's clients include national brands such as CNN, Disney, the NFL, Sony Pictures, AT&T, Chick-fil-A, NBC Universal, and numerous professional sports teams, as well as thousands of small, local businesses across the U.S. For more information, visit [www.mobivity.com](http://www.mobivity.com).

### ***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 Company's plans to cross-market its products, including its recently acquired SmartReceipt operations; 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, the application and enforcement of the TCPA amendments in ways not expected; our ability to successfully integrate the SmartReceipt operations and 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, 2014 filed with the SEC on March 31, 2015 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.

**MOBIVITY HOLDINGS, INC.**

**ITEMIZED RECONCILIATION BETWEEN NET INCOME (LOSS) AND NON-GAAP ADJUSTED NET INCOME**

	<i>Three Months Ended</i>	
	<i>March 31,</i>	
\$000s except EPS	<u>2015</u>	<u>2014</u>
Net income (loss)	\$ (1,730 )	\$ (1,764 )
Depreciation and amortization	56	68
Change in Fair Value of Derivatives	(18 )	(30 )
Non-cash Stock Compensation Expense	264	317
Interest expense, Net	-	1
Non-GAAP Adjusted Net Income (Loss)	<u>\$ (1,428 )</u>	<u>\$ (1,408 )</u>
Weighted Average Diluted Shares Outstanding	<u>23,022,420</u>	<u>17,490,954</u>
Non-GAAP Adjusted EPS	<u>\$ (0.06 )</u>	<u>\$ (0.08 )</u>

**Mobivity Holdings Corp.**

**Consolidated Statements of Operations**  
*(audited)*

	<i>Three months ended March 31,</i>	
	<u>2015</u>	<u>2014</u>
<b>Revenues</b>		
Revenues	\$ 940,172	\$ 903,215
Cost of revenues	<u>263,914</u>	<u>260,893</u>
<b>Gross margin</b>	676,258	642,322
<b>Operating expenses</b>		
General and administrative	1,161,387	1,129,952
Sales and marketing	1,092,900	941,085

Engineering, research, and development	114,144	297,933
Depreciation and amortization	55,746	68,083
Goodwill impairment	-	-
Intangible asset impairment	-	-
<b>Total operating expenses</b>	<u>2,424,177</u>	<u>2,437,053</u>
<b>Loss from operations</b>	<b>(1,747,919)</b>	<b>(1,794,731)</b>
<b>Other income/(expense)</b>		
Interest income	56	1,731
Interest expense	-	(827)
Change in fair value of derivative liabilities	18,325	30,079
Gain on Debt Extinguishment	-	-
Gain (loss) on adjustment in contingent consideration	-	-
<b>Total other income/(expense)</b>	<u>18,381</u>	<u>30,983</u>
<b>Loss before income taxes</b>	<b>(1,729,538)</b>	<b>(1,763,748)</b>
Income tax expense	-	-
<b>Net loss</b>	<u><b>\$ (1,729,538)</b></u>	<u><b>\$ (1,763,748)</b></u>
<b>Net loss per share - basic and diluted</b>	<u><b>\$ (0.08)</b></u>	<u><b>\$ (0.10)</b></u>
<b>Weighted average number of shares during the period - basic and diluted</b>	<u><b>23,022,420</b></u>	<u><b>17,490,954</b></u>

See accompanying notes to consolidated financial statements (unaudited).

**Mobivity Holdings Corp.**  
**Consolidated Balance Sheets**

	<u>March 31, 2015</u>	<u>December 31, 2014</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 3,935,417	\$ 848,230
Accounts receivable, net of allowance for doubtful accounts of \$75,674 and \$90,869, respectively	342,796	378,934
Other current assets	<u>132,810</u>	<u>109,846</u>
<b>Total current assets</b>	4,411,023	1,337,010
Goodwill	1,921,072	1,921,072
Intangible assets, net	2,171,601	2,010,952
Other assets	<u>111,198</u>	<u>99,476</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 8,614,894</b></u>	<u><b>\$ 5,368,510</b></u>

**LIABILITIES AND STOCKHOLDERS' EQUITY  
(DEFICIT)**

**Current liabilities**

Accounts payable	\$	506,505	\$	412,551
Accrued interest		-		-
Accrued and deferred personnel compensation		162,713		185,214
Deferred revenue and customer deposits		106,923		180,941
Notes payable		-		-
Derivative liabilities		24,334		42,659
Other current liabilities		37,569		43,525
Earn-out payable		840,000		840,000
<b>Total current liabilities</b>		<u>1,678,044</u>		<u>1,704,890</u>

**Non-current liabilities**

Earn-out payable		-		-
<b>Total non-current liabilities</b>		<u>-</u>		<u>-</u>

**Total liabilities**

1,678,044 1,704,890

**Commitments and Contingencies (See Note 9)**

**Stockholders' equity (deficit)**

Common stock, \$0.001 par value; 50,000,000 shares authorized; and 23,059,078 and 22,748,193 shares issued and outstanding		23,059		22,748
Equity payable		4,630,862		100,862
Additional paid-in capital		63,038,431		62,565,974
Accumulated deficit		(60,755,502)		(59,025,964)
<b>Total stockholders' equity (deficit)</b>		<u>6,936,850</u>		<u>3,663,620</u>

**TOTAL LIABILITIES AND STOCKHOLDERS'  
EQUITY (DEFICIT)**

\$ 8,614,894 \$ 5,368,510

See accompanying notes to consolidated financial statements.

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