

March 31, 2016



Mobivity Announces Fiscal Year 2015 Results, Expects Record Revenue in the First Quarter, 2016

Successful Repositioning of Company During 2015 Results in Growth Over 2014 and Accelerated Growth Momentum Into 2016

PHOENIX, AZ -- (Marketwired) -- 03/31/16 -- Mobivity Holdings Corp. (OTCQB: MFON), the award-winning, mobile marketing and customer engagement platform, today announced financial results for the year ended December 31, 2015 ("FY 2015").

"2015 was an extremely busy year for our team as we repositioned the Company around our newly acquired SmartReceipt technology from 2014 and expanded management with an evolved focus towards national brands," said Dennis Becker, Mobivity CEO. He added, "As we've made our way through thousands of new deployments of our services we are beginning to see a strong impact on revenue and expect record revenue in the first quarter of 2016."

Along with adding new relationships, Mobivity continues to strengthen and grow relationships with existing clients like Subway, Baskin-Robbins, Sonic Drive-In, Chick-fil-A, and many others. "As a result of weaving together mobile marketing with data gleaned via our SmartReceipt technology, we're able to help our clients develop new and personalized marketing campaigns, achieve better results from legacy marketing channels, track campaign effectiveness, and better measure ROI," added Becker.

As a result from client expansion throughout 2015, including nationwide deployment with Subway, the Company is seeing a very strong start in 2016. Becker continued, "We are well-positioned for expansion in 2016, and we are now beginning to realize the revenue growth from all of the groundwork laid in 2015. We've also recently expanded our management team with the recruitment of Doug Stovall to the role of Chief Revenue Officer who is quickly expanding our sales force and will be focused on accelerating revenue growth. As a result, we are engaged in discussions with a number of new brands, and we see 2016 as a year that will continue to bring great opportunities."

Fiscal Year 2015 Financial Results:

Revenues for FY 2015 were \$4,619,000, representing an increase of 15% compared to \$4,000,000 for the fiscal year ended December 31, 2014 ("FY 2014"). The increase in FY 2015 is primarily attributable to the addition of new programs with Subway and new clients like SuperSalon.

Gross margins increased to 74% in FY 2015 compared to 73% in FY 2014. Operating expenses (excluding goodwill and intangible asset impairment charges) for FY 2015 were

\$9,671,000 compared to \$9,928,000 in FY 2014. The decrease in operating expenses is primarily attributable to capitalization of engineering, research and development costs in FY 2015 compared to FY 2014. Net loss for FY 2015 was \$(6,133,000), or \$(0.23) per diluted share, compared to a net loss of \$(10,441,000), or \$(0.49) per diluted share in FY 2014.

Non-GAAP Adjusted Net Loss, a non-GAAP metric (see note on non-GAAP Measurements) was \$(3,861,000) for FY 2015 as compared to \$(4,118,000) for FY 2014. The Company had \$634,000 of cash at December 31, 2015 compared to \$848,000 at December 31, 2014.

Recent Developments

During March 2016, the Company completed two financing transactions. The Company sold approximately \$2 million of its securities in a fixed price private placement and entered into a working capital line of credit facility with Silicon Valley Bank to provide up to \$2 million to finance the Company's general working capital needs. Christopher Meinerz, Mobivity's CFO, commented, "This recent investment and bank line of credit further strengthens our working capital and balance sheet position while continuing to fuel and support our revenue growth."

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 helps restaurant and retail brands grow their business by increasing customer frequency, engagement and spend. Mobivity's Smart suite of products -- including SmartReceipt™, SmartSMS, and SmartAnalytics -- allows brands to unlock the power of customer, employee and POS data like never before. This creates a closed-loop marketing solution that provides SmartDATA-driven insights, attributions, and validation, at scale, to continually adapt and provide more personalized, relevant, localized and targeted customer communications. Mobivity clients include SUBWAY®, SONIC®, Jamba Juice®, Chick-fil-A, and Baskin-Robbins. For more information about Mobivity, visit: www.mobivity.com or call 1(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 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, 2015 filed with the SEC on March 30, 2016 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>Fiscal Year Ended December 31,</i> | |
|---|--|--------------------|
| | <i>2015</i> | <i>2014</i> |
| \$000s except EPS | | |
| Net income (loss) | (6,133) | \$ (10,441) |
| Depreciation and amortization | 362 | 416 |
| Gain on change in fair value of derivatives | (43) | (64) |
| Non-cash stock issued for services | 363 | 529 |
| Non-cash stock compensation expense | 1,660 | 1,933 |
| Non-cash impairment of intangibles and goodwill | 21 | 5,040 |
| Non-cash gain on adjustment on debt extinguishment | - | (37) |
| Non-cash gain on adjustment in contingent consideration | (90) | (1,492) |
| Interest income, net | (1) | (2) |
| Non-GAAP adjusted net income (loss) | <u>(3,861)</u> | <u>\$ (4,118)</u> |
| Weighted average diluted shares outstanding | <u>26,684,927</u> | <u>21,203,563</u> |
| Non-GAAP adjusted EPS | <u>(0.14)</u> | <u>\$ (0.19)</u> |

Mobivity Holdings Corp.

Consolidated Statements of Operations

| | <i>Fiscal year ended December 31,</i> | |
|------------------------|--|--------------------|
| | <i>2015</i> | <i>2014</i> |
| <i>Revenues</i> | | |
| Revenues | \$ 4,618,988 | \$ 4,000,202 |
| Cost of revenues | <u>1,192,491</u> | <u>1,066,917</u> |

| | | |
|--|------------------------------|-------------------------------|
| Gross margin | 3,426,497 | 2,933,285 |
| Operating expenses | | |
| General and administrative | 4,555,895 | 4,270,845 |
| Sales and marketing | 4,024,971 | 3,895,033 |
| Engineering, research, and development | 728,741 | 1,346,198 |
| Depreciation and amortization | 361,840 | 416,435 |
| Total operating expenses | <u>9,671,447</u> | <u>9,928,511</u> |
| Loss from operations | (6,244,950) | (6,995,226) |
| Other income/(expense) | | |
| Interest income | 1,540 | 2,131 |
| Interest expense | (847) | - |
| Goodwill Impairment | - | (4,078,693) |
| Intangible asset impairment | (21,188) | (961,436) |
| Change in fair value of derivative liabilities | 42,659 | 63,517 |
| Gain on Debt Extinguishment | - | 36,943 |
| Gain (loss) on adjustment in contingent consideration | 89,740 | 1,492,000 |
| Total other income/(expense) | <u>111,904</u> | <u>(3,445,538)</u> |
| Loss before income taxes | (6,133,046) | (10,440,764) |
| Income tax expense | - | - |
| Net loss | <u>\$ (6,133,046)</u> | <u>\$ (10,440,764)</u> |
| Net loss per share - basic and diluted | <u>\$ (0.23)</u> | <u>\$ (0.49)</u> |
| Weighted average number of shares during the period - basic and diluted | <u>26,684,927</u> | <u>21,203,563</u> |

Mobivity Holdings Corp.
Consolidated Balance Sheets

| | <u>December 31, 2015</u> | <u>December 31, 2014</u> |
|---|--------------------------|--------------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 634,129 | \$ 848,230 |
| Accounts receivable, net of allowance for doubtful accounts of \$237,383 and \$90,869, respectively | 700,356 | 384,566 |
| Other current assets | 131,345 | 104,214 |
| Total current assets | <u>1,465,830</u> | <u>1,337,010</u> |
| Goodwill | 1,921,072 | 1,921,072 |
| Intangible assets, net | 2,373,689 | 2,010,952 |
| Other assets | 173,022 | 99,476 |

| | | | | |
|--|-----------|------------------|-----------|------------------|
| TOTAL ASSETS | \$ | 5,933,613 | \$ | 5,368,510 |
| LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | | | | |
| Current liabilities | | | | |
| Accounts payable | \$ | 375,363 | \$ | 412,551 |
| Accrued and deferred personnel compensation | | 414,314 | | 185,214 |
| Deferred revenue and customer deposits | | 72,624 | | 180,941 |
| Derivative liabilities | | - | | 42,659 |
| Other current liabilities | | 197,145 | | 43,525 |
| Earn-out payable | | - | | 840,000 |
| Total current liabilities | | 1,059,446 | | 1,704,890 |
| Total liabilities | | 1,059,446 | | 1,704,890 |
| Commitments and Contingencies | | | | |
| Stockholders' equity (deficit) | | | | |
| Common stock, \$0.001 par value; 50,000,000 shares authorized; 28,787,991 and 22,748,193 shares issued and outstanding | | 28,788 | | 22,748 |
| Equity payable | | 100,862 | | 100,862 |
| Additional paid-in capital | | 69,903,527 | | 62,565,974 |
| Accumulated deficit | | (65,159,010) | | (59,025,964) |
| Total stockholders' equity (deficit) | | 4,874,167 | | 3,663,620 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | | | | |
| | \$ | 5,933,613 | \$ | 5,368,510 |

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Source: Mobivity Holdings Corp.