

May 16, 2016



# Mobivity 1st Quarter Revenue Grew 96% to a Record \$1.85 Million, Conference Call to Discuss Results Scheduled for May 23, 2016

## SmartReceipt(TM) Transactions Soared Over 150% to More Than 60 Million in the Month of March 2016

PHOENIX, AZ -- (Marketwired) -- 05/16/16 -- Mobivity Holdings Corp. (OTCQB: MFON), the award-winning, mobile marketing and customer engagement platform, announced today financial results for the first quarter ended March 31, 2016 ("Q1 2016").

### ***1<sup>st</sup> Quarter Highlights:***

- Q1 2016 revenue grew 96% year-over-year, and 44% sequentially to a record \$1,845,000.
- Gross margin increased to 76% in Q1 2016 as compared to 72% for the first quarter ended March 31, 2015 ("Q1 2015").
- Net cash used in operating activities decreased to \$428,000 in Q1 2016, a 57% decrease as compared to \$986,000 in Q1 2015.
- Cash and cash equivalents totaled \$2.1 million as of March 31, 2016.
- SmartReceipt™ transactions in March 2016 rose to more than 60 million, a 150% increase as compared to March 2015.
- Subscribers to Mobivity powered mobile marketing campaigns grew to 5.1 million unique consumers in March 2016, an increase of more than 140% compared to March 2015.
- Mobivity powered more than 32.5 million mobile marketing messages in March 2016, an increase of more than 250% over March 2015.
- As of March 31, 2016, Mobivity's patented solutions were deployed in more than 30,000 retail locations and have generated more than 1 billion targeted marketing impressions.

Commenting on the report, Dennis Becker, Mobivity CEO, stated, "Q1 2016 was an

inflection point for the Company as the substantial sales and marketing efforts we sustained throughout 2015 are starting to yield results. The recognition we have received as a result of our patented SmartReceipt POS solution installations with Subway and SuperSalon has been substantial. Given our pipeline and sales activity, we believe the trend of increased sales will continue and we expect to report another record revenue quarter in Q2 2016."

***First Quarter 2016 Conference Call:***

The Company has scheduled a conference call for 4:30 P.M. Eastern Time (ET) on Monday, May 23, 2016 to review financial results for its fiscal first quarter ended March 31, 2016.

***Conference Call Information:***

Date: Monday, May 23, 2016

Time: 1:30 P.M. Eastern Time (ET)

Dial in Number for U.S. Callers: 877-705-6003

Dial in Number for International Callers: 201-493-6725

Participating on the call will be Mobivity Holding Corp.'s Chief Executive Officer, Dennis Becker, and Chief Financial Officer, Christopher Meinerz. 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 2 weeks starting on May 23, 2016 at approximately 7:30 P.M. ET. To access the replay, please dial 877-870-5176 in the U.S. and 858-384-5517 for international callers. The conference ID# is 13637711. The replay will also be available on the Company's website under the investor relations section ([ir.mobivity.com](http://ir.mobivity.com)).

***First Quarter 2016 Financial Results:***

Revenue for Q1 2016 was \$1,845,000, representing an increase of 96% from \$940,000 in Q1 2015. The increase in revenue was primarily attributable to the addition of new programs with Subway.

Gross margin increased to 76% in Q1 2016 compared to 72% in Q1 2015. Operating expenses (excluding goodwill and intangible asset impairment charges) for Q1 2016 were \$2,705,000 compared to \$2,424,000 in Q1 2015. The increase in operating expenses is primarily attributable to a year-over-year reduction in capitalization of engineering, research and development costs. Operating loss for the quarter was \$(1,296,000) compared to \$(1,748,000) in the corresponding period in the prior year. Comprehensive loss for Q1 2016 was \$(1,352,000), or \$(0.04) per diluted share, compared to \$(1,730,000), or \$(0.08) per diluted share in Q1 2015.

Non-GAAP Adjusted Net Loss, a non-GAAP metric (see note on non-GAAP Measurements) was \$(794,000) for Q1 2016 compared to \$(985,000) in Q1 2015.

***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 SmartSuite 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®, Chick-fil-A, and Baskin-Robbins. For more information about Mobivity, visit: [www.mobivity.com](http://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***

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
\$000s except EPS	<u>2016</u>	<u>2015</u>
Net income (loss)	\$ (1,289 )	\$ (1,730 )
Depreciation and amortization	146	56
Gain on change in fair value of derivatives	-	(18 )
Non-cash stock issued for services	-	363
Non-cash stock compensation expense	357	344
Foreign currency gain/(loss)	(15 )	-
Interest income, net	7	-
Non-GAAP adjusted net income (loss)	<u>\$ (794 )</u>	<u>\$ (985 )</u>
Weighted average diluted shares outstanding	<u>29,778,439</u>	<u>23,022,420</u>
Non-GAAP adjusted EPS	<u>\$ (0.03 )</u>	<u>\$ (0.04 )</u>

***Mobivity Holdings Corp.***  
***Condensed Consolidated Statements of Income***  
***and Comprehensive Income***

	<b>Three months ended March 31,</b>	
	<u>2016</u>	<u>2015</u>
<b>Revenues</b>		
Revenues	\$ 1,845,240	\$ 940,172
Cost of revenues	436,624	263,914
<b>Gross margin</b>	<u>1,408,616</u>	<u>676,258</u>
<b>Operating expenses</b>		
General and administrative	1,048,471	1,161,387
Sales and marketing	1,178,089	1,092,900
Engineering, research, and development	331,982	114,144
Depreciation and amortization	146,388	55,746
<b>Total operating expenses</b>	<u>2,704,930</u>	<u>2,424,177</u>
<b>Loss from operations</b>	<b>(1,296,314)</b>	<b>(1,747,919)</b>
<b>Other income/(expense)</b>		
Interest income	368	56
Interest expense	(7,593 )	-
Change in fair value of derivative liabilities	-	18,325
Foreign currency gain/(loss)	14,550	-
<b>Total other income/(expense)</b>	<u>7,325</u>	<u>18,381</u>
<b>Loss before income taxes</b>	<b>(1,288,989)</b>	<b>(1,729,538)</b>

Income tax expense	-	-
<b>Net loss</b>	<u>\$ (1,288,989)</u>	<u>\$ (1,729,538)</u>
<b>Other comprehensive loss, net of income tax</b>		
Foreign currency translation adjustments	\$ (63,219)	\$ -
<b>Comprehensive loss</b>	<u>\$ (1,352,208)</u>	<u>\$ (1,729,538)</u>
<b>Net loss per share - basic and diluted</b>	<u>\$ (0.04)</u>	<u>\$ (0.08)</u>
<b>Weighted average number of shares during the period - basic and diluted</b>	<u>29,778,439</u>	<u>23,022,420</u>

See accompanying notes to consolidated financial statements (unaudited).

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

	<u>March 31, 2016</u>	<u>December 31, 2015</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 2,053,013	\$ 634,129
Accounts receivable, net of allowance for doubtful accounts of \$240,973 and \$237,383, respectively	791,221	700,356
Other current assets	188,965	131,345
<b>Total current assets</b>	<u>3,033,199</u>	<u>1,465,830</u>
Goodwill	3,058,307	1,921,072
Intangible assets, net	2,292,709	2,373,689
Other assets	193,201	173,022
<b>TOTAL ASSETS</b>	<u>\$ 8,577,416</u>	<u>\$ 5,933,613</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 871,811	\$ 375,363
Accrued and deferred personnel compensation	299,115	414,314
Deferred revenue and customer deposits	278,528	72,624
Notes Payable	96,903	-
Other current liabilities	169,595	197,145
<b>Total current liabilities</b>	<u>1,715,952</u>	<u>1,059,446</u>
<b>Non-current liabilities</b>		
Notes Payable	318,796	-
<b>Total non-current liabilities</b>	<u>318,796</u>	<u>-</u>
<b>Total liabilities</b>	2,034,748	1,059,446

## **Commitments and Contingencies**

### **Stockholders' equity (deficit)**

Common stock, \$0.001 par value; 50,000,000 shares authorized; 32,642,324 and 28,787,991 shares issued and outstanding	32,642	28,788
Equity payable	350,862	100,862
Additional paid-in capital	72,670,382	69,903,527
Accumulated other comprehensive loss	(63,219 )	-
Accumulated deficit	(66,447,999 )	(65,159,010 )
<b>Total stockholders' equity (deficit)</b>	<u>6,542,668</u>	<u>4,874,167</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<u><b>\$ 8,577,416</b></u>	<u><b>\$ 5,933,613</b></u>

*See accompanying notes to consolidated financial statements.*

### **MEDIA CONTACTS:**

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Source: Mobivity Holdings Corp.