

March 30, 2021



Mobivity Announces 32% Increase in Annual Revenues, Increased Gross Margin, and Continued Addressable Market Expansion in 2020

PHOENIX, March 30, 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 restaurants, retail and personal care brands, today announced financial results for the fourth quarter ("Q4") and full-year ending December 31, 2020.

Full-Year 2020 Financial Highlights

- Revenues increased 32% to \$13.3 million compared to \$10.1 million in 2019.
- Gross margin increased to 64% in 2020 compared to 41% in 2019.
- Net loss was \$2.9 million, an improvement of \$5.9 million compared to a net loss of \$8.8 million in 2019.
- Cash used in operations for 2020 was \$1.4 million compared to \$5.7 million during 2019.
- Stockholder equity improved to \$1.7 million in 2020 compared to a deficit of \$1.7 million at year end 2019.
- Ended 2020 with \$3.2 million in cash.

Fourth Quarter 2020 Financial Highlights

- Revenues increased to \$2.8 million compared to \$2.7 million in Q4 2019.
- Gross margin increased to 64% compared to 43% in Q4 2019.
- Net loss was \$1.2 million, an improvement of \$1.3 million compared to a net loss of \$2.5 million in Q4 2019.

Dennis Becker, Mobivity Chairman and CEO, commented, "Mobivity delivered a record year of 32% revenue growth and significant bottom-line improvement amidst the global pandemic. Covid restrictions hit the restaurant industry particularly hard. Our success amidst these unprecedented challenges demonstrates the value our products that digitize marketing campaigns, and reach and engage consumers one-to-one, bring to our customers. Indeed, our customers have emerged from this pandemic stronger, while others have struggled as traditional marketing became ineffective in the COVID world."

"In the fourth quarter we added a second major vertical, convenience stores, and launched successfully with a key account," added Mr. Becker. "This relationship has more than doubled since launching in December, demonstrating that our addressable market for our Recurrency platform has increased by an exciting amount. We completed a \$3.3 million

financing in December and ended the year with a strong balance sheet that can sustainably and rapidly fund expansion. In 2021 we brought on a world class revenue leader in AI West to drive and expand our sales and marketing operations in response to the rapidly growing market opportunity. The pandemic highlighted inefficiencies in traditional marketing campaigns and made the transition to digital mandatory, no longer optional. We are in the ideal position to capitalize, with proven customer relationships, a validated solution, and a strong balance sheet. The future of Mobivity is bright and I am so grateful to our team for continued growth and innovation despite a historic global crisis.”

Consolidated Financial Summaries

(In thousands)	Three months ended December 31,				Year ended December 31,			
	Q4 2020	Q4 2019	\$\$	%	2020	2019	\$\$	%
Revenue	\$ 2,759	\$ 2,723	\$ 36	1%	\$13,256	\$10,057	\$ 3,199	32%
Gross profit	\$ 1,753	\$ 1,170	\$ 583	50%	\$ 8,507	\$ 4,119	\$ 4,389	107%
Gross margin	64%	43%		48%	64%	41%		57%
Operating Expenses	\$ 2,216	\$ 3,634	\$(1,418)	39%	\$10,463	\$12,506	\$(2,043)	-16%
Income (loss) from Operations	\$ (463)	\$(2,464)	\$ 2,001	81%	\$ (1,956)	\$ (8,387)	\$ 6,431	77%
Net income (loss)	\$(1,217)	\$(2,510)	\$ 1,293	52%	\$(2,918)	\$ (8,822)	\$ 5,904	67%
Adjusted EBITDA *	\$ (733)	\$(2,113)	\$ 1,380	65%	\$(1,184)	\$(6,850)	\$ 5,666	83%

* *Non-GAAP
measures*

Conference Call

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

Date: Tuesday, March 30, 2021

Time: 4:30 P.M. Eastern Time (ET)

Dial in Number for U.S. Callers: 1-855-327-6837

Dial in Number for International Callers: 1-631-891-4304

Please Reference Conference ID: 10013628

The call will also be accompanied live by webcast over the Internet and accessible at <http://public.viavid.com/index.php?id=143934>.

A replay will be available for two weeks starting on March 30, 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 10013628. The replay will also be available on the Company’s website under the [investor relations section](#).

**Mobivity Holdings Corp.
Consolidated Balance Sheets**

	December 31, 2020 (Audited)	December 31, 2019 (Audited)
ASSETS		
Current assets		
Cash	\$ 3,282,820	\$ 273,599
Accounts receivable, net of allowance for doubtful accounts of \$33,848 and \$88,071, respectively	305,693	614,726
Contracts receivable, current	943,904	526,948
Right to use lease assets	47,038	-
Other current assets	272,736	601,749
Total current assets	4,852,191	2,017,022
Goodwill	496,352	496,352
Right to use lease assets	10,444	260,645
Intangible assets, net	1,368,329	1,762,211
Contracts receivable, long term	1,415,856	1,260,371
Other assets	25,230	67,787
TOTAL ASSETS	\$ 8,168,402	\$ 5,864,388
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	\$ 1,935,411	\$ 3,256,888
Accrued interest	47,316	35,292
Accrued and deferred personnel compensation	224,881	244,953
Deferred revenue and customer deposits	606,597	440,309
Related party notes payable	80,000	140,700
Notes payable, net - current maturities	561,676	540,576
Operating lease liability	58,173	258,343
Other current liabilities	566,303	308,465
Total current liabilities	4,080,357	5,225,526
Non-current liabilities		
Related party notes payable, net - long term	-	1,000,000
Notes payable, net - long term	1,499,001	567,529
Operating lease liability	13,296	45,460
Other long term liabilities	831,535	740,218
Total non-current liabilities	2,343,832	2,353,207
Total liabilities	6,424,189	7,578,733
Commitments and Contingencies		
Stockholders' deficit		
Common stock, \$0.001 par value; 100,000,000 shares authorized; 55,410,695 and 51,380,969, shares issued and outstanding	55,411	51,381
Equity payable	100,862	100,862

Additional paid-in capital	101,186,889	94,781,738
Accumulated other comprehensive income	(23,446)	8,780
Accumulated deficit	(99,575,503)	(96,657,106)
Total stockholders' equity	<u>1,744,213</u>	<u>(1,714,345)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 8,168,402	\$ 5,864,388

**Mobivity Holdings Corp.
Consolidated Statements of Operations**

	Three Months Ended December 31,		Year Ended	
	2020	2019	2020	2019
Revenues				
Revenues	\$ 2,759,060	\$ 2,723,478	\$ 13,255,887	\$ 10,056,922
Cost of revenues	<u>1,005,835</u>	<u>1,553,155</u>	<u>4,748,444</u>	<u>5,938,298</u>
Gross profit	<u>1,753,225</u>	<u>1,170,323</u>	<u>8,507,443</u>	<u>4,118,624</u>
Operating expenses				
General and administrative	778,963	1,301,767	3,917,935	5,588,329
Sales and marketing	576,821	429,982	2,325,709	2,707,356
Engineering, research, and development	715,261	1,890,376	3,535,742	3,609,968
Intangible asset impairment	5,405	-	8,886	-
Depreciation and amortization	<u>139,960</u>	<u>11,983</u>	<u>674,942</u>	<u>600,066</u>
Total operating expenses	<u>2,216,410</u>	<u>3,634,108</u>	<u>10,463,214</u>	<u>12,505,719</u>
Income (loss) from operations	(463,185)	(2,463,785)	(1,955,771)	(8,387,095)
Other income/(expense)				
Interest income	(1)	1,507	1,221	28,160
Interest expense	(78,998)	(47,377)	(286,896)	(236,706)
Loss on disposal of fixed assets	(4,873)	-	(8,808)	-
Loss on settlement of debt	(668,260)	-	(668,260)	(232,462)
Foreign currency (loss) gain	(1,233)	(340)	117	6,129
Total other income/(expense)	(753,365)	(46,210)	(962,626)	(434,879)
Income (loss) before income taxes	(1,216,550)	(2,509,995)	(2,918,397)	(8,821,974)
Income tax expense	-	-	-	-
Net Income (loss)	(1,216,550)	(2,509,995)	(2,918,397)	(8,821,974)
Other comprehensive income (loss), net of income tax				
Foreign currency translation adjustments	(23,154)	(8,918)	(32,226)	4,021

Comprehensive income (loss)	\$ (1,239,704)	\$ (2,518,913)	\$ (2,950,623)	\$ (8,817,953)
Net income (loss) per share:				
Basic	\$ (0.02)	\$ (0.05)	\$ (0.06)	\$ (0.18)
Diluted	\$ (0.02)	\$ (0.05)	\$ (0.06)	\$ (0.18)
Weighted average number of shares:				
Basic	51,575,454	47,720,507	51,575,454	47,720,507
Diluted	51,575,454	47,720,507	#51,575,454	47,720,507

Three Months Ended		Year Ended	
December 31,			
2020	2019	2020	2019

Reconciliation of net (loss) to adjusted EBITDA

Net (loss)	(1,216,550)	(2,509,995)	\$(2,918,397)	\$(8,821,974)
Stock based compensation	264,725	338,967	773,938	1,163,270
Depreciation and amortization	139,960	11,983	674,942	600,066
Interest expense, net	78,999	45,870	285,675	208,546
Adjusted EBITDA	\$ (732,866)	\$(2,113,175)	\$(1,183,842)	\$(6,850,092)

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.

Investor Relations Contact:

Lisa Brennan • Chief Financial Officer, Mobivity
(877) 282-7660

Brett Maas • Managing Partner, Hayden IR
brett@haydenir.com • (646) 536-7331

The logo for Mobivity, featuring the word "mobivity" in a lowercase, rounded, green sans-serif font.

Source: Mobivity Holdings Corp.