

August 29, 2018



# **MOBI724 Global Solutions - Posts Strong Q2 Results**

**Revenue Increased 52% Over Q1; Operating Loss Decreased by 47% Compared to Q1; Over 16M Cards Under Management**

MONTREAL, Aug. 29, 2018 (GLOBE NEWSWIRE) -- **MOBI724 Global Solutions Inc.** ("MOBI724" or the "Company") (TSX-V:MOS) (OTCQB:MOBIF), a global Fintech company offering a fully integrated suite of multiple Card-Linked Offers and Rewards ("CLOR"), Digital Marketing and Business Intelligence ("DMBI") and Payment Solutions is pleased to announce its financial and operational results for the second quarter ended June 30, 2018.

Following are the highlights for Q2 2018 vs. Q1 2018.

- Total revenues increased 52% to \$793K for the second quarter
  - Revenues from Card-Linked Offers and Rewards increased 73%
  - Revenues from Payments increased 31%
  - Revenues from Digital Marketing and Business Intelligence increased 52%
- Operating expenses decreased 23% to \$1.7M compared to \$2.2M
- Operating loss decreased 47% to \$879K compared to \$1.7M
- Net loss decreased 44% to \$0.9M compared to \$1.6M
- Cards under management increased 25% to 16.2M cards compared to 12M cards

## **Q2 2018 Highlights:**

Sales pipeline continues to grow as the Company aggressively advances its business development plan. Key accomplishments were:

- Shortening of the sales cycle to 12 months from 15 months
- Pursuing multiple prospects, clients and partnerships simultaneously in several countries
- Increasing number of cards under management
- Increased efficiencies, reduced costs and improved cash flow

Implementation of process optimization initiatives resulted in a significant reduction of

costs. The Company continues to invest in the development of a distributed ledger architecture for the platform (blockchain) and artificial intelligence capabilities. MOBI724 is confident, that these innovations will enhance its product offerings and sales.

In the CLOR segment in Argentina, the Company successfully transitioned operations from a legacy coupon business, to generating revenues from a new line of solutions. Increase in the DMBI segment is related to the launch of key accounts. In the Payments segment, the Company continues to grow returns from onboarding new clients in the Caribbean and extracting first revenues from the Philippines.

### **Results - Q2 2018 vs. Q2 2017:**

Revenues for the three months ended June 30, 2018 slightly increased to \$793K from \$782K in Q2 2017.

Operating expenses decreased 40% in Q2 2018 to \$1.7M compared to \$2.8M. The decrease is due to lower professional fees, lower travel expenses, the e-business credit recorded during the period, lower share-based compensation and the gain on settlement of liabilities compared to a loss in 2017, partially offset by an increase in salaries and contract labor.

Net loss was \$0.9M vs. a net income of \$0.5M. The higher net loss is primarily related to the one-time, non-cash change in fair value, related to the acquisition of Mobi724 Solutions (which is absent in Q2 2018) and the gain on the renegotiation of the business price (also absent in Q2 2018) partially offset by the gain on settlement of liabilities and the lower operating expenses.

The Company had cash of \$1.9M on June 30, 2018.

Cash flows used in operating activities for the second quarter of 2018 were \$1.0M compared to \$1.3M for the same quarter a year ago. The decrease is attributable mainly to lower general and administrative charges and the gain on settlement of liabilities, partially offset by the increase in cash flow used in non-cash working capital. Cash flows from financing activities in the second quarter of 2018 decreased by \$8.2M to \$0.9M due mainly to lower proceeds from the issuance of warrants and common shares, partially offset by the proceeds received from the exercise of warrants. Cash flows used in investing activities during the second quarter of 2018 decreased by \$0.7M attributable to the absence of business acquisition activities during 2018.

Marcel Vienneau, MOBI724's CEO, said "We are very pleased with the quarter over quarter revenue growth, even better when we consider that we replaced the legacy coupon revenues this past quarter. Our operations optimization initiatives in Q2 yielded tangible results and have continued in Q3 with the full positive effect to show in Q4 2018 and beyond. One of our main objectives is to put the Company on an accelerated revenue growth path, and the strong growth in cards under management this quarter is a key indicator that we are setting the Company on a solid foundation in terms of value creation."

### **About Mobi724 Global Solutions Inc.**

*“We enable smart transactions anywhere”*

MOBI724, a global Fintech company, offers a fully integrated suite of multiple Card-Linked Offers and Rewards, Digital Marketing and Business Intelligence and Payment Solutions (including a mobile EMV compliant payment platform), which work with any payment card, on any mobile device and at any Point of Sale. MOBI724 provides turn-key solutions for card associations, card issuers, banks, retailers, manufacturers, offer providers, to create, manage, deliver and track and measure incentive campaigns worldwide in real time. The company captures value from big data to deliver seamless and personalized user experiences for the benefits of all parties in the ecosystem. MOBI724 headquarters are in Montreal, Canada, and the company presently has operations in North and Latin America, the Caribbean and Asia Pacific.

#### *Legal Disclaimer*

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For further information, please visit [www.MOBI724.com](http://www.MOBI724.com) or contact:

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