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# Mobivity Announces Q3 Results and Growing Interest in Its New SmartReceipt POS Cloud Solution

PHOENIX, AZ -- (Marketwired) -- 11/17/14 -- Mobivity Holdings Corp. (OTCQB: MFON), an award-winning provider of patented smart receipt marketing solutions and mobile marketing technologies, announced today financial results for the third quarter ended September 30, 2014 ("Q3 2014") as well as an update on its patented SmartReceipt solution.

Mobivity's [SmartReceipt](#) is a patented cloud-based SaaS solution that allows retailers to transform traditional retail transaction receipts into engaging "smart" receipts with coupons, special offers or third party advertisements printed at the bottom receipts. SmartReceipt is compatible with over 80% of Point-of-Sale (POS) systems and further enables a retailer to store and analyze transactional information, as well as improve revenue performance.

## *Recent Highlights:*

- During the 3rd quarter, the Company began a multi-store trial with its largest existing quick serve restaurant (QSR) customer for deployment of Mobivity's [SmartReceipt](#) solution.
- During the 3rd quarter, the Company successfully launched a SmartReceipt trial involving car service provider, Uber, and one of the largest QSR brands in the world, to test an innovative advertising model which utilizes printed POS receipts for targeted third party promotions.
- During the 3rd quarter, the Company completed a successful trial of its SmartReceipt solution in more than 160 locations of a major global ice cream specialty shop franchise having thousands of locations worldwide.
- In August, [Epson of America and Mobivity announced a strategic partnership](#) to transform POS receipts from transactional to actionable by pre-installing Mobivity's SmartReceipt software on Epson's new OmniLink™ TM-T88V-i smart POS receipt printer.
- In October, the Company appointed major branded QSR franchise executive, William Van Epps, as Non-Executive Chairman.

Dennis Becker, CEO of Mobivity, commented, "We have now successfully deployed

SmartReceipt in combination with our SMS text marketing and Stampt smartphone loyalty application across both existing and new customers. Aside from delivering dynamic, targeted offers via printed POS receipts, the SmartReceipt technology is driving what we believe is a whole new generation of personalized, immediately measurable mobile marketing solutions that have the potential to significantly improve ROI when compared to legacy methods of digital and mobile marketing."

William Van Epps, Chairman of Mobivity, added, "I have recently spent a considerable amount of time working with our management team and have seen the results we are delivering to our customers. Interest and demand is growing for our innovative technologies, both as a bundled solution and in a standalone format. Having operated several large QSRs in our target market, I am convinced that our SmartReceipt technology is a unique and disruptive solution with the potential to drive material results for franchise brands."

Dennis Becker concluded, "Our revenue model is based on generating licensing and/or advertising fees on a per location basis. We are now seeing revenue opportunities exceeding \$1,200 per year, per location in situations where we are able to implement a bundled solution of SmartReceipt coupled with either of our SMS marketing service or our Stampt loyalty smartphone application. Separately, revenue per location has significant additional upside where we are able to also implement targeted 3rd party advertising on receipts.

Importantly, our existing QSR customer base has more than 50,000 locations which provides extremely fertile ground for us to upsell and cross sell our unique bundled solution of SmartReceipt, SMS and Stampt. The addressable market in the U.S. for our new SmartReceipt technology is essentially any business that uses a cash register."

#### *Third Quarter 2014 Financial Results*

Revenue in Q3 2014 was \$1,044,000, up 1% as compared to \$1,036,000 in the third quarter of 2013 ("Q3 2013"). The increase in revenue for the quarter is attributable to contributions from the Company's SmartReceipt product, which was acquired during the first quarter of 2014, offset by year-over-year decreases in the company's SMS text messaging product due the reduction in revenues from short-term projects and legacy non-strategic customers.

Gross margins remained at 74% in Q3 2014, the same as Q3 2013. Operating expenses (excluding goodwill and intangible asset impairment charges) for Q3 2014 was \$2,205,000 compared to \$3,119,000 in Q3 2013. The decrease in operating expenses is primarily attributable to decreases in stock based compensation and legal expenses as compared to Q3 2013. Net loss for Q3 2014 was \$(1,438,000), or \$(0.06) per diluted share, compared to a net loss of \$(2,404,000), or \$(0.15) per diluted share, in Q3 2013.

Non-GAAP Adjusted Net Loss, a non-GAAP metric (see note on non-GAAP Measurements) was \$(826,000) during the third quarter of 2014 as compared to \$(1,123,000) during the prior year period. The Company had \$1,773,000 of cash at September 30, 2014.

#### *Non-GAAP Measurements*

This press release includes a reference to Non-GAAP adjusted net loss, which constitutes a "non-GAAP financial measure" as defined by the SEC. "Non-GAAP adjusted net loss" is our net loss before interest, depreciation, amortization, stock-based compensation, and other non-cash operating income and expenses. Non-GAAP adjusted net loss is presented exclusively as a supplemental disclosure because our management believes that it is widely used to measure the performance, and as a basis for valuation, of companies in our industry. Our management uses Non-GAAP adjusted net loss as a measure of our operating performance and to compare our operating performance with those of our competitors. We also present Non-GAAP adjusted net loss because it is used by some investors as a way to measure a company's ability to incur and service debt, make capital expenditures and meet working capital requirements. A full reconciliation of the non-GAAP measures to GAAP can be found in our quarterly report on Form 10-Q filed on November 14, 2014 with the SEC. Non-GAAP adjusted net loss 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, 2013 filed with the SEC on March 31, 2014 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.

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