

April 15, 2019



Mobivity Reports 35% Revenue Growth for 2018

Annual recurring revenue run rate at December 31, 2018 increased over 42%

PHOENIX, April 15, 2019 (GLOBE NEWSWIRE) -- [Mobivity Holdings Corp.](#) (OTCQB: MFON), creators of the award-winning customer personalization platform, [Recurrency](#), today announced financial results for the fourth quarter and full year ending December 31, 2018.

2018 Key Performance Metrics (comparison for full year 2018 versus 2017)

- Annual recurring revenue grew to \$12.2 million at the end of 2018 marking an increase of 42% from 2017 full-year revenues of \$8.6 million
- Number of total locations served increased to more than 36,000
- Consumers engaged through Mobivity powered mobile engagement programs grew to more than 17 million
- Average annual recurring revenue per location from recently signed contracts grew 41% to \$980 per location per year
- Total value of contracts booked increased 49% to \$29.0 million from \$19.5 million

Dennis Becker, Mobivity Chairman and CEO, commented, “2018 was an exciting and productive year of transformation for Mobivity. We launched a partnership with a leading global brand, and this new sales channel actively facilitated engagements with several new national restaurant chains in 2018. We acquired [Belly](#), a leading digital loyalty solution, which has proven to be a catalyst to our business, as evidenced by the selection of Belly’s loyalty solution for a network of 5,000+ dealers nationwide of a global brand at the end of last year. We exited 2018 in a stronger competitive position and saw significant improvements in key metrics year over year, reinforcing our confidence in continued rapid growth. Our proven and quantifiable return on investment for our customers is enabling us to extend our contracts, with recent engagements spanning five years and increasingly larger minimum financial commitments. Average Annual Revenue, both from existing and new customers, showed significant improvement this year.”

Mr. Becker continued, “Looking ahead to 2019, Mobivity is well positioned to ride the growing wave of marketing spend shifting to a data-driven, personalized, one-to-one engagement between brands and consumers. The key objectives we plan to work towards in 2019 are continuing the international expansion of locations with our largest customer, rolling out the

platform to new customers coming in through our new channel partnerships, and expanding our average annual revenue per location through additional product features. Mobivity services are currently deployed in almost 40,000 restaurants, a small percentage of the total base of U.S. restaurants. With thousands of locations, including international deployments, bringing millions of consumers into our database, and billions of point of sale transactions collected, we have attracted several large technology partnerships that we can leverage to build our digital future. These partnerships are exposing Mobivity to brands that are comprised of hundreds of thousands of locations where we only need modest penetration to achieve accelerated revenue scale. We also plan to further leverage the Belly acquisition into these partnerships, as well as our existing customer base, to drive our annual recurring revenue per location well above \$1,000 per location per year. I look forward to an exciting year as we work to expand our presence in the market, continue to evolve our platform, and leverage the brand power we have built.”

Consolidated Financial Summaries

Fourth Quarter

| (In thousands) | Three months ended December 31, | | |
|-------------------------------|---------------------------------|-------------|--------|
| | 2018 | 2017 | Change |
| Revenue | \$ 1,936 | \$ 2,156 | -10 % |
| Revenue excluding ASC 606 | \$ 2,874 | \$ 2,156 | 33 % |
| Gross profit | \$ 574 | \$ 1,307 | -56 % |
| Gross margin | 30 % | 61 % | |
| Goodwill Impairment | \$ 2,288 | -- | |
| Operating Expense | \$ 4,774 | \$ 3,034 | 57 % |
| Income (loss) from Operations | \$ (4,199) | \$ (1,727) | 143 % |
| Net income (loss) | \$ (4,217) | \$ (1,779) | 137 % |

Full Year

| (In thousands) | Twelve months ended December 31, | | |
|-------------------------------|----------------------------------|-------------|--------|
| | 2018 | 2017 | Change |
| Revenue | \$ 11,557 | \$ 8,592 | 35 % |
| Revenue excluding ASC 606 | \$ 8,864 | \$ 8,592 | 31 % |
| Gross profit | \$ 7,624 | \$ 5,799 | 41 % |
| Gross margin | 66 % | 67 % | |
| Goodwill Impairment | \$ 2,288 | -- | |
| Operating Expense | \$ 14,617 | \$ 11,577 | 26 % |
| Income (loss) from Operations | \$ (6,993) | \$ (5,778) | -21 % |
| Net income (loss) | \$ (7,216) | \$ (5,946) | -21 % |

Adjustment for One-time Non-cash Goodwill Impairment

| (In thousands) | Three months ended December 31, | | | Twelve months ended December 31, | | |
|----------------------------|---------------------------------|-------------|--------|----------------------------------|-------------|--------|
| | 2018 | 2017 | Change | 2018 | 2017 | Change |
| Operating Expense | \$ 4,774 | \$ 3,034 | 57 % | \$ 14,617 | \$ 11,577 | 26 % |
| Goodwill Impairment | \$ 2,288 | -- | | \$ 2,288 | -- | |
| Adjusted Operating Expense | \$ 2,485 | \$ 3,034 | -18 % | \$ 12,329 | \$ 11,577 | 6 % |
| Net income (loss) | \$ (1,929) | \$ (1,779) | 8 % | \$ (4,928) | \$ (5,946) | -17 % |

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 suite of products increases customer engagement and frequency by capturing detailed point-of-sale transaction records, 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, 2018 filed with the SEC on April 15th, 2019 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 Corp. Consolidated Balance Sheets

December 31, December 31,

| | 2018 | 2017 |
|--|---------------------|---------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 554,255 | \$ 460,059 |
| Accounts receivable, net of allowance for doubtful accounts of \$9,828 and \$2,280, respectively | 601,658 | 885,743 |
| Contracts receivable, current | 578,869 | - |
| Other current assets | 736,309 | 209,536 |
| Total current assets | 2,471,091 | 1,555,338 |
| Goodwill | 537,550 | 803,118 |
| Intangible assets, net | 1,781,448 | 676,436 |
| Contracts receivable, long term | 2,113,823 | - |
| Other assets | 527,146 | 88,916 |
| TOTAL ASSETS | \$ 7,431,058 | \$ 3,123,808 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 1,731,628 | \$ 1,096,003 |
| Accrued interest | 9,167 | 1,168 |
| Accrued and deferred personnel compensation | 350,311 | 590,500 |
| Deferred revenue and customer deposits | 1,956,938 | 1,429,266 |
| Notes payable, net - current maturities | 1,279,590 | 2,236,224 |
| Other current liabilities | 723,636 | 226,355 |
| Total current liabilities | 6,051,270 | 5,579,516 |
| Non-current liabilities | | |
| Notes payable, net - long term | 194,328 | 180,810 |
| Other long term liabilities | 860,500 | - |
| Total non-current liabilities | 1,054,828 | 180,810 |
| Total liabilities | 7,106,098 | 5,760,326 |
| Commitments and Contingencies (See Note 9) | | |
| Stockholders' equity | | |
| Common stock, \$0.001 par value; 100,000,000 shares authorized; 45,998,053 and 37,025,140, shares issued and outstanding | 45,998 | 37,025 |
| Equity payable | 100,862 | 100,862 |
| Additional paid-in capital | 88,008,473 | 77,910,842 |
| Accumulated other comprehensive loss | 4,759 | (65,764) |
| Accumulated deficit | (87,835,132) | (80,619,483) |
| Total stockholders' equity | 324,960 | (2,636,518) |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 7,431,058 | \$ 3,123,808 |

Mobivity Holdings Corp. Consolidated Statements of Operations

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|--|------------------------------------|------------------|-------------------------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Revenues | | | | |
| Revenues | \$ 1,935,601 | \$ 2,155,883 | \$ 11,556,536 | \$ 8,591,955 |
| Cost of revenues | 1,361,530 | 849,204 | 3,932,334 | 2,792,738 |
| Gross profit | 574,071 | 1,306,679 | 7,624,202 | 5,799,217 |
| Operating expenses | | | | |
| General and administrative | 1,321,510 | 840,917 | 4,197,539 | 3,357,166 |
| Sales and marketing | 884,948 | 958,640 | 3,931,469 | 3,631,727 |
| Engineering, research, and development | 75,791 | 1,121,610 | 3,713,787 | 4,201,647 |
| Goodwill impairment | 2,288,057 | - | 2,288,057 | - |
| Depreciation and amortization | 203,031 | 112,588 | 486,255 | 386,304 |

| | | | | |
|---|------------------------|------------------------|------------------------|------------------------|
| Total operating expenses | 4,773,336 | 3,033,755 | 14,617,107 | 11,576,844 |
| Income (loss) from operations | (4,199,265) | (1,727,076) | (6,992,905) | (5,777,627) |
| Other income/(expense) | | | | |
| Interest income | 3,264 | 1,759 | 4,145 | 4,637 |
| Interest expense | (17,386) | (53,681) | (210,422) | (169,044) |
| Gain on sale of fixed assets | - | - | (8,722) | - |
| Foreign currency (loss) gain | (4,019) | 142 | (7,745) | (3,978) |
| Total other income/(expense) | (18,142) | (51,780) | (222,744) | (168,385) |
| Income (loss) before income taxes | (4,217,406) | (1,778,856) | (7,215,649) | (5,946,012) |
| Income tax expense | - | - | - | - |
| Net Income (loss) | (4,217,406) | (1,778,856) | (7,215,649) | (5,946,012) |
| Other comprehensive income (loss), net of income tax | | | | |
| Foreign currency translation adjustments | 51,605 | 3,393 | 70,523 | (32,765) |
| Comprehensive income (loss) | \$ (4,165,801) | \$ (1,775,463) | \$ (7,145,126) | \$ (5,978,777) |
| Net income (loss) per share: | | | | |
| Basic | \$ (0.10) | \$ (0.05) | \$ (0.17) | \$ (0.16) |
| Weighted average number of shares: | | | | |
| Basic | 42,777,136 | 36,836,345 | 42,133,368 | 36,575,762 |
| Reconciliation of net (loss) to adjusted EBITDA | | | | |
| Net (loss) | \$ (4,217,406) | \$ (1,778,856) | \$ (7,215,649) | \$ (5,946,012) |
| Impact of ASC606 | 285,467 | - | (1,209,823) | - |
| Goodwill impairment | 2,288,057 | - | 2,288,057 | - |
| Stock based compensation | 406,907 | 1,130,297 | 965,161 | 1,130,297 |
| Depreciation and amortization | 203,031 | 386,304 | 425,247 | 386,304 |
| Interest expense | 17,386 | 169,044 | 210,422 | 169,044 |
| Adjusted EBITDA | \$ (1,016,558) | \$ (93,211) | \$ (4,536,585) | \$ (4,260,367) |

Media Contacts

Jennifer Handshew • Marketing Communications, Mobivity
jennifer.handshew@mobivity.com • (917) 359-8838

Dennis Becker • Chairman and Chief Executive Officer, Mobivity
(877) 282-7660

Investor Relations Contacts

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

Jeff Stanlis • Partner and Vice President, Communications, Hayden IR
jeff@haydenir.com • (602) 476-1821

Charles Mathews • Chief Financial Officer, Mobivity
(877) 282-7660



Source: Mobivity Holdings Corp.