

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 | 1,744,213 | (1,714,345) |
| 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 | 1,005,835 | 1,553,155 | 4,748,444 | 5,938,298 |
| Gross profit | 1,753,225 | 1,170,323 | 8,507,443 | 4,118,624 |
| 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 |
| | 5,405 | - | 8,886 | - |
| Intangible asset impairment | | | | |
| Depreciation and amortization | 139,960 | 11,983 | 674,942 | 600,066 |
| Total operating expenses | 2,216,410 | 3,634,108 | 10,463,214 | 12,505,719 |
| 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 December 31, | | Year Ended | |
|------------------------------------|------|------------|------|
| 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



Source: Mobivity Holdings Corp.