

November 14, 2022



# Mobivity Announces Third Quarter 2022 Financial Results

PHOENIX, Nov. 14, 2022 (GLOBE NEWSWIRE) -- Mobivity Holdings Corp. (OTCQB:MFON), a global provider of personalized reward solutions that drive customer acquisition, frequency, and spend, today announced financial results for the third quarter ("Q3") ending September 30<sup>th</sup>, 2022.

## Third Quarter 2022 Financial Highlights

- Revenues of \$1.9 million compared to \$2.3 million in Q3 2021. The year-over-year decrease in revenue was primarily due to the restructuring of a large customer contract due to COVID related changes in their business offset by increased Connected Rewards revenue.
- Operating expenses decreased 11% to \$2.7 million versus \$3.1 million in Q3 2021.
- Cash and cash equivalents totalled \$1.0 million compared to \$1.6 million at September 30<sup>th</sup>, 2021.

## Third Quarter 2022 Business Highlights

- Appointed veteran gaming and digital advertising executive, Kim Carlson, as Chief Revenue Officer to lead sales, marketing and customer success teams to accelerate growth.
- Announced partnership with P97 Networks to expand reach to over 65,000 fuel locations for Connected Reward programs.
- Signed four new regional convenience store brands and added three new restaurant brand customers operating approximately 1,000 locations collectively across the United States.

Dennis Becker, Mobivity Chairman and CEO, commented, "Over the past several years we have amassed a customer base spanning national and regional restaurant and convenience store brands reaching most of the US population. Furthermore, we've recently compounded our reach by adding large scale connectivity to more than 65,000 fuel stores. Mobivity now operates a one-of-a-kind "last mile" gateway to the point-of-sale, loyalty and promotional code platforms that power marketing and commerce for brands reaching most of the US population. In a matter of months, our team has done an amazing job leveraging these assets and innovating a new paradigm of advertising that uniquely addresses the disruption across the multi-billion dollar digital advertising industry. While it's still early in the transformation of our business model, we are now set to scale beyond our legacy SMS text messaging business, and we expect Connected Rewards to become the majority of our revenue run rate over the course of the next year and beyond."

## Consolidated Financial Summaries:

(In thousands)	Three months ended September 30,				Nine months ended September 30,			
	2022	2021	\$	%	2022	2021	\$	%
Revenue	\$1,890	\$2,312	(\$421)	-18%	\$5,787	\$7,562	(\$1,775)	-23%
Gross profit	\$84	\$1,303	(\$1,218)	-94%	\$1,603	\$4,239	(\$2,636)	-62%
Gross margin	4%	56%		-92%	28%	56%		-51%
Operating Expenses	\$2,739	\$3,085	(\$346)	-11%	\$7,819	\$9,088	(\$1,269)	-14%
Income (loss) from Operations	(\$2,655)	(\$1,782)	(\$873)	-49%	(\$6,216)	(\$4,849)	(\$1,367)	-28%
Net income (loss)	(\$2,849)	(\$984)	(\$1,865)	-190%	(\$6,734)	(\$4,110)	(\$2,624)	-64%
Adjusted EBITDA *	(\$2,106)	(\$465)	(\$1,641)	-353%	(\$4,484)	(\$2,689)	(\$1,795)	-67%

## Conference Call

Date: Monday, November 14, 2022

Time: 5 p.m. Eastern Time (ET)

Dial in Number for U.S. Callers: 1-800-920-3365

Dial in Number for International Callers: 1-312-281-2942

Please Reference Conference ID: 22021275

The call will also be accompanied live by webcast over the Internet and accessible at [https://viaavid.webcasts.com/starthere.jsp?ei=1581046&tp\\_key=413d927874](https://viaavid.webcasts.com/starthere.jsp?ei=1581046&tp_key=413d927874).

Participating on the call will be Mobivity's Chairman and Chief Executive Officer, Dennis Becker, and Chief Financial Officer, Lisa Brennan. To join the live conference call, please dial in to the above referenced telephone numbers five to ten minutes prior to the scheduled conference call time.

A replay will be available for two weeks starting on November 14, 2022 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 22021275. The replay will also be available on the Company's website under the [investor relations section](#).

## 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](http://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, 2021 filed with the SEC on March 30, 2022 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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### Mobivity Holdings Corp. Condensed Consolidated Balance Sheets

	September 30, 2022 <u>(Unaudited)</u>	December 31, 2021 <u>(Audited)</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 1,016,745	\$ 735,424
Accounts receivable, net of allowance for doubtful accounts \$59,190 and \$56,340, respectively	869,965	578,303
Other current assets	252,504	227,458
<b>Total current assets</b>	<u>2,139,214</u>	<u>1,541,185</u>
Goodwill	411,183	411,183
Right to use lease assets	1,032,132	1,187,537
Intangible assets, net	584,369	1,124,720
Other assets	153,756	173,325
<b>TOTAL ASSETS</b>	<u>\$ 4,320,654</u>	<u>\$ 4,437,950</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 3,636,629	\$ 3,823,909

Accrued interest	443,448	172,239
Accrued and deferred personnel compensation	298,316	495,533
Deferred revenue and customer deposits	613,997	377,170
Related party notes payable, net - current maturities	1,812,500	819,531
Notes payable, net - current maturities	35,875	69,052
Operating lease liability	245,816	229,240
Other current liabilities	142,238	9,071
<b>Total current liabilities</b>	<b>7,228,819</b>	<b>5,995,745</b>
<b>Non-current liabilities</b>		
Related party notes payable, net - long term	2,315,607	2,498,711
Notes payable, net - long term	36,666	39,086
Operating lease liability	1,001,579	1,188,589
<b>Total non-current liabilities</b>	<b>3,353,852</b>	<b>3,726,386</b>
<b>Total liabilities</b>	<b>10,582,671</b>	<b>9,722,131</b>
<b>Stockholders' equity (deficit)</b>		
Common stock, \$0.001 par value; 100,000,000 shares authorized; 61,311,155 and 55,410,695, shares issued and outstanding	61,311	55,411
Equity payable	100,862	100,862
Additional paid-in capital	108,273,597	102,446,921
Accumulated other comprehensive income (loss)	(128,950)	(52,088)
Accumulated deficit	(114,568,837)	(107,835,287)
<b>Total stockholders' equity (deficit)</b>	<b>(6,262,017)</b>	<b>(5,284,181)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 4,320,654</b>	<b>\$ 4,437,950</b>

**Mobivity Holdings Corp.**  
**Condensed Consolidated Statements of Operations and Comprehensive Loss**  
**(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Revenues</b>				
Revenues	\$ 1,890,437	\$ 2,311,548	\$ 5,787,168	\$ 7,561,966
Cost of revenues	1,806,022	1,008,703	4,183,719	3,322,639
<b>Gross profit</b>	<b>84,415</b>	<b>1,302,845</b>	<b>1,603,449</b>	<b>4,239,327</b>
<b>Operating expenses</b>				
General and administrative	983,428	1,245,085	3,088,588	3,491,855
Sales and marketing	614,600	978,968	1,778,371	2,987,411
Engineering, research, and development	784,804	678,209	2,360,863	2,076,194
Impairment of intangible asset	238,143	—	238,143	8,286
Depreciation and amortization	118,317	182,663	353,050	524,474
<b>Total operating expenses</b>	<b>2,739,292</b>	<b>3,084,925</b>	<b>7,819,015</b>	<b>9,088,220</b>
<b>Loss from operations</b>	<b>(2,654,877)</b>	<b>(1,782,080)</b>	<b>(6,215,566)</b>	<b>(4,848,893)</b>
<b>Other income/(expense)</b>				
Interest income	—	—	—	5
Other Income	—	891,103	—	891,103
Interest expense	(193,501)	(88,331)	(520,454)	(144,714)
Loss on disposal of fixed assets	—	—	—	(880)
Foreign currency gain (loss)	(339)	(4,329)	2,470	(6,577)
<b>Total other income/(expense)</b>	<b>(193,840)</b>	<b>798,443</b>	<b>(517,984)</b>	<b>738,937</b>
<b>Loss before income taxes</b>	<b>(2,848,717)</b>	<b>(983,637)</b>	<b>(6,733,550)</b>	<b>(4,109,956)</b>
Income tax expense	—	—	—	—
<b>Net loss</b>	<b>(2,848,717)</b>	<b>(983,637)</b>	<b>(6,733,550)</b>	<b>(4,109,956)</b>

<b>Other comprehensive loss, net of income tax</b>				
Foreign currency translation adjustments	(76,228)	(13,150)	(76,862)	(22,391)
<b>Comprehensive loss</b>	<b>\$ (2,924,945)</b>	<b>\$ (996,787)</b>	<b>\$ (6,810,412)</b>	<b>\$ (4,132,347)</b>
<b>Net loss per share:</b>				
Basic	(0.05)	(0.02)	(0.12)	(0.07)
<b>Diluted</b>	<b>(0.05)</b>	<b>(0.02)</b>	<b>(0.12)</b>	<b>(0.07)</b>
<b>Weighted average number of shares:</b>				
<b>Basic</b>	<b>60,297,083</b>	<b>55,410,695</b>	<b>58,544,432</b>	<b>55,410,695</b>

**Mobivity Holdings Corp.**  
**Reconciliation of GAAP Measure to Non-GAAP Measure**

(In thousands)	Three months ended September 30,		Nine Months ended September 30,	
	2022	2021	2022	2021
Net Loss	(\$2,849)	(\$984)	(\$6,734)	(\$4,110)
Stock Based Compensation	\$193	\$248	\$1,376	\$752
Depreciation and Amortization	\$356	\$183	\$353	\$524
Interest Expenses Net	\$194	\$88	\$520	\$145
Adjusted EBITDA	(\$2,106)	(\$465)	(\$4,484)	(\$2,689)



Source: Mobivity Holdings Corp.