

April 16, 2024



Mobivity Announces Fourth Quarter and Full Year 2023 Financial Results

PHOENIX, April 16, 2024 (GLOBE NEWSWIRE) -- Mobivity Holdings Corp. (OTCQB: MFON), a provider of technology connecting mobile gaming audiences to real-world brands and products, today announced financial results for the fourth quarter ("Q4") and full year ending December 31, 2023.

Q4 2023 Financial Highlights

- Revenues of \$1.6 million compared to \$1.7 million in Q4 2022
- Cash and cash equivalents totaled \$0.4 million on December 31, 2023
- Adjusted EBITDA, excluding certain non-cash expenses improved to (\$1.2) million compared to (\$1.7) million in Q4 2022

Recent Business Highlights

- Ramped active Connected Rewards campaigns more than 2x since Q3 2023 and launched 3 new product offerings with improved results
- Launched user acquisition campaigns in brand-owned apps for premier fuel and convenience brands, innovative and international restaurant brands, and delivered exceptional performance in driving engagement for brand partners and return on ad spend for mobile game partners
- Reduced overhead and shut down non-core products to refocus the business on connected rewards

Kim Carlson, Mobivity COO, commented, "We are experiencing clear and positive operational proof points related to the transformation of our business. We exited 2023 with accelerating revenue from our Connected Rewards business and that momentum is continuing in the first quarter of 2024. The customers we are currently engaged with, like Marathon and other premier brands are realizing returns on these programs in excess of their expectations, which we are leveraging to fast-track additional near-term growth opportunities. We now have a pipeline of opportunities and partnerships that is healthier and more robust than it has ever been."

Kim continued, "From a cost perspective, we have taken several steps to better align our cost structure with our strategic direction, including reducing SG&A, consolidating the number of cloud platforms we use, and shutting down certain lines of business that were underperforming and not aligned with the company's new direction. We anticipate the impact of these initiatives will be more apparent in our financial results in the coming quarters. Based on the progress we are making, we are increasingly optimistic about our prospects for 2024."

Consolidated Financial Summaries

(In thousands)	Three months ended December 31				12 months ended December 31,			
	2023	2022	\$	%	2023	2022	\$	%
Revenue	\$1,602	\$1,747	\$(145)	-8%	\$6,978	\$7,534	(\$556)	-7%
Gross profit	\$71	\$602	\$(531)	-88%	\$1,848	\$2,205	(\$357)	-16%
Gross margin	4.4%	34.5%	N/A	-87%	26.5%	29.3%	N/A	-10%
Operating Expenses	3,306	\$3,545	\$(239)	-7%	\$12,854	\$11,428	\$611	12%
Loss from Operations	\$(3,235)	\$(2,943)	\$(292)	-10%	(\$11,006)	(\$9,222)	(\$868)	-19%
Net income (loss)	\$(3,536)	\$(3,210)	\$(326)	-10%	(\$12,064)	(\$10,061)	(\$1,087)	-20%
Adjusted EBITDA *	\$(1,205)	\$(1,740)	\$535	31%	(8,163)	(\$6,421)	\$(1,742)	-27%

Conference Call

Date: Tuesday, April 16, 2023

Time: 4:30 p.m. Eastern Time

Dial in Number for U.S. Callers: 1-888-886-7786

Dial in Number for International Callers: 1-416-764-8658

Please Reference Conference ID: 71806210

The call will also be accompanied live by webcast over the Internet and accessible at https://viaavid.webcasts.com/starthere.jsp?ei=1663259&tp_key=cfc6e7982f.

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 April 16, 2024 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 71806210. 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 United States Securities and Exchange Commission ("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 EBITDA 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's cloud-based Connected Rewards™ technology delivers billions of consumer offers and rewards by connecting world-class retail, restaurant, and convenience brand offers to gameplay in popular mobile games. Through its partnerships with leading game

publishers, developers, and ad networks, Mobivity connects the massive universe of mobile game consumers to its broad network of brands. Through Connected Rewards, game developers attract more players to their games, brands experience more traffic from players redeeming their brand offers in-store and online, and consumers get valuable, real-world rewards from brands they love by playing mobile games. For more information about Mobivity, visit mobivity.com or call (877) 282-7660.

Forward Looking Statements

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 from time to time in Mobivity Holdings Corp.’s reports filed with the SEC, including, but not limited to, Mobivity Holdings Corp.’s most recent annual report on Form 10-K , quarterly reports on Form 10-Q, and current reports on Form 8-K. Mobivity Holdings Corp. cautions readers not to place undue reliance on any forward-looking statements, which speak only as of the date of this announcement. 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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-- Tables Follow --

Mobivity Holdings Corp. Condensed Consolidated Balance Sheets

	December 31, 2023	December 31, 2022
ASSETS		
Current assets		
Cash	\$ 416,395	\$ 426,740
Accounts receivable, net of allowance for doubtful accounts of \$34,446 and \$56,340, respectively	876,465	1,081,183

Other current assets	135,916	195,017
Total current assets	<u>1,428,776</u>	<u>1,702,940</u>
Right to use lease assets	770,623	981,896
Intangible assets, net	65,916	194,772
Other assets	69,036	137,917
TOTAL ASSETS	\$ 2,334,351	\$ 3,017,525
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable	\$ 3,372,141	\$ 3,412,612
Accrued interest	21,474	443,448
Accrued and deferred personnel compensation	272,247	569,347
Deferred revenue and customer deposits	155,472	902,727
Related party notes payable, net - current maturities	3,072,500	2,711,171
Notes payable, net - current maturities	7,154	32,617
Operating lease liability	276,072	251,665
Other current liabilities	248,434	49,541
Total current liabilities	<u>7,425,494</u>	<u>8,373,128</u>
Non-current liabilities		
Related party notes payable, net - long-term	4,413,987	2,481,290
Notes payable, net - long-term	265,959	31,092
Operating lease liability	660,852	936,924
Total non-current liabilities	<u>5,340,798</u>	<u>3,449,306</u>
Total liabilities	12,766,292	11,822,434
Commitments and Contingencies (See Note 13)		
Stockholders' equity (deficit)		
Common stock, \$0.001 par value; 100,000,000 shares authorized; 61,311,155 and 55,410,695, shares issued and outstanding	67,950	61,311
Equity payable	989,947	324,799
Additional paid-in capital	118,624,601	108,806,353
Accumulated other comprehensive income (loss)	(153,834)	(100,963)
Accumulated deficit	(129,985,276)	(117,896,409)
Total stockholders' equity (deficit)	<u>(10,456,612)</u>	<u>(8,804,909)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 2,309,680	\$ 3,017,525

Mobivity Holdings Corp.
Consolidated Statements of Operations and Comprehensive Loss

	For the Year Ended	
	December 31,	
	<u>2023</u>	<u>2022</u>
Revenues		
Revenues	\$ 6,977,696	\$ 7,533,912
Cost of revenues	5,129,627	5,328,483
Gross profit	<u>1,848,069</u>	<u>2,205,429</u>
Operating expenses		
Bad Debt	18,060	40,383
General and administrative	6,406,512	4,306,929
Sales and marketing	2,735,062	2,616,596
Engineering, research, and development	3,515,705	3,060,029
Goodwill Impairment	—	411,183
Intangible asset impairment	—	552,476
Depreciation and amortization	178,746	440,326
Total operating expenses	<u>12,854,085</u>	<u>11,427,922</u>
Loss from operations	(11,006,016)	(9,222,493)
Other income/(expense)		
Interest expense	(1,027,682)	(737,745)
Settlement Losses	(19,250)	(53,500)

Loss on settlement of debt	(10,857)	(49,503)
Foreign currency gain (loss)	(394)	2,119
Total other income (expense)	(1,058,183)	(838,629)
Loss before income taxes	(12,064,199)	(10,061,122)
Income tax expense	—	—
Net Loss	(12,064,199)	(10,061,122)
Other comprehensive income (loss), net of income tax		
Foreign currency translation adjustments	(52,871)	(48,875)
Comprehensive loss	\$ (12,117,070)	\$ (10,109,997)
Net loss per share:		
Basic and Diluted	\$ (0.18)	\$ (0.17)
Weighted average number of shares:		
Basic and Diluted	65,822,081	59,241,798



Source: Mobivity Holdings Corp.