

April 1, 2015



# Mobivity Announces Fiscal Year 2014 Results

PHOENIX, AZ -- (Marketwired) -- 04/01/15 -- Mobivity Holdings Corp. (OTCQB: MFON), an award-winning provider of proprietary [SmartReceipt POS marketing solutions](#) and patented mobile marketing technologies, announced today financial results for the year ended December 31, 2014 ("FY 2014").

## **Recent Highlights:**

- Completed \$4.8M fixed-price financing led by Talkot Capital.
- [Appointed Bill Van Epps as Executive Chairman](#) - former CEO of Proctor and Gamble's Agile Pursuits and President of Papa John's.
- Added key management including [Donna Mitchell](#), former SVP of R&D at Papa John's; and [Deena McKinley](#), former Managing Director and Chief Client Officer of Omnicom's Zimmerman Advertising.
- Began installations of SmartReceipt [in locations of major QSR brand's largest franchise group](#).
- Successfully launched [SmartReceipt in all of Baskin-Robbins' domestic stand-alone locations](#).
- Deployed Uber promotions at New York area Subway® locations utilizing SmartReceipt.

Dennis Becker, CEO of Mobivity, said, "2014 was a transformative year for Mobivity. The successful acquisition of SmartReceipt evolved our legacy mobile marketing solutions to smarter, data driven opportunities that we believe will be significant value drivers for our customers. Following the acquisition, we improved the SmartReceipt platform to allow for more scale and features including implementing new cloud-based data architecture. Additionally, we successfully completed a new version of the SmartReceipt solution that can [run independent of any Point-of-Sale \(POS\) system on Epson's new OmniLink receipt printer](#). We were extremely pleased to conclude 2014 with a successful trial with Baskin-Robbins that has culminated in a full deployment of SmartReceipt across more than 850 Baskin Robbins U.S. stand-alone locations."

William Van Epps, Executive Chairman of Mobivity added, "We entered 2015 with an enormous amount of momentum both in new deployments of SmartReceipt as well as our growing pipeline of potential customers. We are in active discussions with dozens of national QSR brands regarding SmartReceipt as well as other components of our unique bundled marketing solution. SmartReceipt is now deployed in thousands of QSR locations

across the U.S. and we anticipate new deployments by additional QSR brands will continue throughout 2015."

***Fiscal Year 2014 Financial Results:***

Revenue in FY 2014 was \$4,000,000 as compared to \$4,094,000 in the fiscal year ended December 31, 2013 ("FY 2013"). Gross margins remained at 73% in FY 2014 as compared to FY 2013. Operating expenses (excluding goodwill and intangible asset impairment charges) for FY 2014 were \$9,928,000 compared to \$7,981,000 in FY 2013. The increase in operating expenses is primarily attributable to increases in personnel costs due to the acquisition of SmartReceipt, stock based compensation and engineering, research and development. Net loss for FY 2014 was \$(10,441,000), or \$(0.49) per diluted share, compared to a net loss of \$(16,759,000), or \$(1.58) per diluted share in FY 2013.

Non-GAAP Adjusted Net Loss, a non-GAAP metric (see note on non-GAAP Measurements) was \$(4,041,000) for FY 2014 as compared to \$(2,744,000) for FY 2013. The Company had \$848,000 of cash at December 31, 2014.

***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***

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, 2014 filed with the SEC on March 31, 2015 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, INC.**

#### **ITEMIZED RECONCILIATION BETWEEN NET INCOME (LOSS) AND NON-GAAP ADJUSTED NET INCOME**

	<i>Fiscal Year Ended</i>	
	<i>December 31,</i>	
	<u>2014</u>	<u>2013</u>
\$000s except EPS		
Net income (loss)	\$ (10,441 )	\$ (16,759 )
Depreciation and amortization	416	271
Change in Fair Value of Derivatives	(64 )	3,766
Non-cash Stock Compensation Expense	2,463	1,996
Gain on Debt Extinguishment	37	(103 )
Loss (Gain) on Contingent Considerations	(1,492 )	28
Goodwill/Intangible Asset Impairment	5,040	1,710
Interest expense, Net	-	6,347

Non-GAAP Adjusted Net Income (Loss)	\$	<u>(4,041)</u>	\$	<u>(2,744)</u>
Weighted Average Diluted Shares Outstanding		<u>21,203,563</u>		<u>10,612,007</u>
Non-GAAP Adjusted EPS	\$	<u>(0.19)</u>	\$	<u>(0.26)</u>

**Mobivity Holdings Corp.**  
**Consolidated Statements of Operations**  
**(audited)**

	<b>Fiscal year ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Revenues</b>		
Revenues	\$ 4,000,202	\$ 4,093,667
Cost of revenues	<u>1,066,917</u>	<u>1,122,037</u>
<b>Gross margin</b>	2,933,285	2,971,630
<b>Operating expenses</b>		
General and administrative	4,270,844	3,416,850
Sales and marketing	3,895,033	3,469,383
Engineering, research, and development	1,346,198	824,653
Depreciation and amortization	416,436	270,579
Goodwill impairment	4,078,693	1,066,068
Intangible asset impairment	<u>961,436</u>	<u>644,170</u>
<b>Total operating expenses</b>	<u>14,968,640</u>	<u>9,691,703</u>
<b>Loss from operations</b>	<b>(12,035,355)</b>	<b>(6,720,073)</b>
<b>Other income/(expense)</b>		
Interest income	2,131	747
Interest expense	-	(6,348,186)
Change in fair value of derivative liabilities	63,517	(3,766,231)
Gain on Debt Extinguishment	36,943	103,177
Gain (loss) on adjustment in contingent consideration	1,492,000	(28,465)
<b>Total other income/(expense)</b>	<u>1,594,591</u>	<u>(10,038,958)</u>
<b>Loss before income taxes</b>	<b>(10,440,764)</b>	<b>(16,759,031)</b>
Income tax expense	-	-
<b>Net loss</b>	<b>\$ (10,440,764)</b>	<b>\$ (16,759,031)</b>
<b>Net loss per share - basic and diluted</b>	<b>\$ (0.49)</b>	<b>\$ (1.58)</b>
<b>Weighted average number of shares</b>		

during the period - basic and diluted

21,203,563

10,612,007

**Mobivity Holdings Corp.  
Consolidated Balance Sheets**

December 31,  
2014

December 31,  
2013

**ASSETS**

**Current assets**

Cash	\$ 848,230	\$ 2,572,685
Accounts receivable, net of allowance for doubtful accounts of \$90,869 and \$65,975, respectively	378,934	280,667
Other current assets	109,846	140,114
<b>Total current assets</b>	<u>1,337,010</u>	<u>2,993,466</u>
Goodwill	1,921,072	3,108,964
Intangible assets, net	2,010,952	935,316
Other assets	99,476	63,944
<b>TOTAL ASSETS</b>	<u><u>\$ 5,368,510</u></u>	<u><u>\$ 7,101,690</u></u>

**LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)**

**Current liabilities**

Accounts payable	\$ 412,551	\$ 543,648
Accrued interest	-	16,943
Accrued and deferred personnel compensation	185,214	191,041
Deferred revenue and customer deposits	180,941	136,523
Notes payable	-	20,000
Derivative liabilities	42,659	106,176
Other current liabilities	43,525	36,372
Earn-out payable	840,000	34,755
<b>Total current liabilities</b>	<u>1,704,890</u>	<u>1,085,458</u>

**Non-current liabilities**

Earn-out payable	-	24,245
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<b>Total non-current liabilities</b>	<u>-</u>	<u>24,245</u>
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<b>Total liabilities</b>	<u>1,704,890</u>	<u>1,109,703</u>
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**Commitments and Contingencies (See Note 9)**

**Stockholders' equity (deficit)**

Common stock, \$0.001 par value; 50,000,000 shares authorized;

and 22,748,193 and 16,316,878 shares issued and outstanding

	22,748	16,320
Equity payable	100,862	108,170
Additional paid-in capital	62,565,974	54,452,697
Accumulated deficit	(59,025,964 )	(48,585,200 )
<b>Total stockholders' equity (deficit)</b>	<b>3,663,620</b>	<b>5,991,987</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 5,368,510</b>	<b>\$ 7,101,690</b>

**Contact:**

Mobivity Investor Contact:

Robert B. Prag  
President  
The Del Mar Consulting Group, Inc.  
858-794-9500

[Email Contact](#)

or

Scott Wilfong  
President  
Alex Partners, LLC  
425-242-0891

[Email Contact](#)

Mobivity Contact:  
Dennis Becker  
CEO  
877-282-7660

Source: Mobivity Holdings Corp.