UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2020

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to __________

Commission file number 000-53851

Mobivity Holdings Corp.
(Exact Name of Registrant as Specified in Its Charter)

Nevada	**26-3439095**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

55 N. Arizona Place, Suite 310
Chandler, Arizona 85225
(Address of Principal Executive Offices & Zip Code)

(877) 282-7660
(Registrant's Telephone Number)

Securities registered pursuant to Section 12(b) of the Act:

None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[X]	Smaller reporting company	[X]
		Emerging Company	[ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

As of November 9, 2020, the registrant had 51,630,469 shares of common stock issued and outstanding.

MOBIVITY HOLDINGS CORP.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Mobivity Holdings Corp.
Condensed Consolidated Balance Sheets

	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
ASSETS		
Current assets		
Cash	$ 505,512	$ 273,599
Accounts receivable, net of allowance for doubtful accounts of $14,589 and $88,071, respectively	1,178,915	614,726
Contracts receivable, current	943,904	526,948
Right to use lease assets	98,027	-
Other current assets	178,811	601,749
Total current assets	2,905,169	2,017,022
Goodwill	496,352	496,352
Right to use lease assets	18,083	260,645
Intangible assets, net	1,448,967	1,762,211
Contracts receivable, long term	1,651,832	1,260,371
Other assets	54,418	67,787
TOTAL ASSETS	**$ 6,574,821**	**$ 5,864,388**
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	$ 3,544,692	$ 3,256,888
Accrued interest	182,258	35,292
Accrued and deferred personnel compensation	274,647	244,953
Deferred revenue and customer deposits	639,876	440,309
Related party notes payable	80,000	140,700
Notes payable, net - current maturities	564,021	540,576
Operating lease liability	126,318	258,343
Other current liabilities	525,945	308,465
Total current liabilities	5,937,757	5,225,526
Non-current liabilities		
Related party notes payable, net - long term	1,200,000	1,000,000
Notes payable, net - long term	1,118,040	567,529
Operating lease liability	23,075	45,460
Other long term liabilities	970,123	740,218
Total non-current liabilities	3,311,238	2,353,207
Total liabilities	9,248,995	7,578,733
Commitments and Contingencies (See Note 9)		
Stockholders' deficit		
Common stock, $0.001 par value; 100,000,000 shares authorized; 51,630,469 and 51,380,969, shares issued and outstanding	51,631	51,381
Equity payable	100,862	100,862
Additional paid-in capital	95,532,402	94,781,738
Accumulated other comprehensive income (loss)	(292)	8,780
Accumulated deficit	(98,358,777)	(96,657,106)
Total stockholders' deficit	(2,674,174)	(1,714,345)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	**$ 6,574,821**	**$ 5,864,388**

See accompanying notes to consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
Revenues				
Revenues	$ 3,180,173	$ 2,481,986	$ 10,496,827	$ 7,333,407
Cost of revenues	943,292	1,586,411	3,742,615	4,385,106
Gross profit	2,236,881	895,575	6,754,212	2,948,301
Operating expenses				
General and administrative	889,032	1,381,361	3,138,744	4,101,340
Sales and marketing	445,273	636,757	1,748,892	2,025,055
Engineering, research, and development	621,442	380,539	2,820,525	2,298,405
Depreciation and amortization	176,127	155,598	534,972	463,086
Total operating expenses	2,131,874	2,554,255	8,243,133	8,887,886
Income (loss) from operations	**105,007**	**(1,658,680)**	**(1,488,921)**	**(5,939,585)**
Other income/(expense)				
Interest income	309	26,636	1,220	26,654
Interest expense	(62,621)	(57,569)	(207,899)	(188,451)
Loss on conversion of debt	-	(232,462)	-	(232,462)
Impairment of intangible asset	(3,481)	-	(3,481)	-
Loss on disposal of fixed assets	-	-	(3,935)	-
Foreign currency gain	247	6,642	1,345	5,740
Total other income/(expense)	**(65,546)**	**(256,753)**	**(212,750)**	**(388,519)**
Income (loss) before income taxes	**39,461**	**(1,915,433)**	**(1,701,671)**	**(6,328,104)**
Income tax expense	-	-	-	-
Net income (loss)	**39,461**	**(1,915,433)**	**(1,701,671)**	**(6,328,104)**
Other comprehensive income (loss), net of income tax				
Foreign currency translation adjustments	30,145	35,252	(9,072)	12,939
Comprehensive income (loss)	**$ 69,606**	**$ (1,880,181)**	**$ (1,710,743)**	**$ (6,315,165)**
Net loss per share:				
Basic	**$ 0.00**	**$ (0.04)**	**$ (0.03)**	**$ (0.14)**
Diluted	**$ 0.00**	**$ (0.04)**	**$ (0.03)**	**$ (0.14)**
Weighted average number of shares:				
Basic	**51,617,612**	**47,488,574**	**51,555,837**	**46,500,353**
Diluted	**61,106,633**	**47,488,574**	**51,555,837**	**46,500,353**

See accompanying notes to consolidated financial statements (unaudited).

Mobivity Holdings Corp.
Condensed Consolidated Statement of Stockholders' Equity (Deficit)

	Common Stock		Equity	Additional Paid-in	Accumulated Other Comprehensive	Accumulated	Total Stockholders' Equity
	Shares	Dollars	Payable	Capital	Loss	Deficit	(Deficit)
Balance, December 31, 2018	**45,998,053**	**$ 45,998**	**$ 100,862**	**$ 88,008,473**	**$ 4,759**	**$ (87,835,132)**	**$ 324,960**
Issuance of common stock for cash	2,800,000	2,800	-	2,797,200	-	-	2,800,000
Issuance of common stock for debt conversion	2,582,916	2,583	-	2,812,795	-	-	2,815,378
Stock based compensation	-	-	-	1,163,270	-	-	1,163,270
Foreign currency translation adjustment	-	-	-	-	4,021	-	4,021
Net loss	-	-	-	-	-	(8,821,974)	(8,821,974)
Balance, December 31, 2019	**51,380,969**	**$ 51,381**	**$ 100,862**	**$ 94,781,738**	**$ 8,780**	**$ (96,657,106)**	**$ (1,714,345)**
Issuance of common stock for option exercise	15,000	15	-	7,185	-	-	7,200
Issuance of common stock for warrant exercise	234,500	235	-	234,265	-	-	234,500
Stock based compensation	-	-	-	509,214	-	-	509,214
Foreign currency translation adjustment	-	-	-	-	(9,072)	-	(9,072)
Net loss	-	-	-	-	-	(1,701,671)	(1,701,671)
Balance, September 30, 2020	**51,630,469**	**$ 51,631**	**$ 100,862**	**$ 95,532,402**	**$ (292)**	**$ (98,358,777)**	**$ (2,674,174)**

See accompanying notes to consolidated financial statements (unaudited).

Mobivity Holdings Corp.
Condensed Consolidated Statements of Cash Flows

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
OPERATING ACTIVITIES		
Net loss	$ (1,701,671)	$ (6,328,104)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	27,819	56,360
Loss on conversion of debt	-	232,462
Stock-based compensation	509,214	824,303
Loss on disposal of fixed assets & patents	7,416	21,400
Depreciation and amortization expense	534,972	463,086
Adjustments due to ASC 606	(325,943)	331,550
Increase (decrease) in cash resulting from changes in:		
Accounts receivable	(592,951)	(228,804)
Other current assets	419,701	402,518
Other assets	2,209	(42,408)
Accounts payable	288,417	1,006,183
Accrued interest	146,966	92,016
Accrued and deferred personnel compensation	30,309	(37,123)
Other liabilities - non-current	-	(22,621)
Right to use leases	(11,678)	-
Other liabilities - current	(35,089)	(506)
Deferred revenue and customer deposits	199,567	(581,609)
Net cash used in operating activities	**(500,742)**	**(3,811,297)**
INVESTING ACTIVITIES		
Purchases of equipment	(8,044)	(8,183)
Cash paid for patent activities	(8,755)	(10,425)
Capitalized software development costs	(196,997)	(861,914)
Net cash used in investing activities	**(213,796)**	**(880,522)**
FINANCING ACTIVITIES		
Payments on notes payable	(337,394)	(212,089)
Proceeds from notes payable	920,722	-
Proceeds from related party notes payable, net of repayments	139,300	2,500,000
Proceeds from issuance of common stock, net of issuance costs	241,700	2,800,000
Net cash provided by financing activities	**964,328**	**5,087,911**
Effect of foreign currency translation on cash flow	(17,877)	25,322
Net change in cash	**231,913**	**421,414**
Cash at beginning of period	**273,599**	**554,255**
Cash at end of period	**$ 505,512**	**$ 975,669**
Supplemental disclosures:		
Cash paid during period for:		
Interest	$ 60,933	$ 179,351
Non-cash investing and financing activities:		
Lease adoption	$ -	$ 538,740
Issuance of common stock for debt conversion	$ -	$ 2,582,916

See accompanying notes to consolidated financial statements.

Mobivity Holdings Corp.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Nature of Operations and Basis of Presentation

Mobivity Holdings Corp. (the "Company" or "we") is in the business of developing and operating proprietary platforms over which brands and enterprises can conduct national and localized, data-driven mobile marketing campaigns. Our proprietary platforms, consisting of software available to phones, tablets, PCs, and Point of Sale ("POS") systems, allow resellers, brands and enterprises to market their products and services to consumers through text messages sent directly to consumers via mobile phones, mobile smartphone applications, and dynamically printed receipt content. On November 14, 2018, we completed the acquisition of certain operating assets relating to Belly, Inc.'s proprietary digital customer loyalty platform, including client contracts, accounts receivable and intellectual property. We generate revenue by charging the resellers, brands and enterprises a per-message transactional fee, through fixed or variable software licensing fees, or via advertising fees.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X promulgated by the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and disclosures required by GAAP for annual financial statements. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on March 30, 2020.

In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of our condensed consolidated financial statements as of September 30, 2020, and for the three and nine months ended September 30, 2020 and 2019. The results of operations for the three and nine months ended September 30, 2020 are not necessarily indicative of the operating results for the full year ending December 31, 2020.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Significant estimates used are those related to stock-based compensation, asset impairments, the valuation and useful lives of depreciable tangible and certain intangible assets, the fair value of common stock used in acquisitions of businesses, the fair value of assets and liabilities acquired in acquisitions of businesses, and the valuation allowance of deferred tax assets. Management believes that these estimates are reasonable; however, actual results may differ from these estimates.

Accounts Receivable, Allowance for Doubtful Accounts and Concentrations

Accounts receivable are carried at their estimated collectible amounts. We grant unsecured credit to substantially all of our customers. Ongoing credit evaluations are performed, and potential credit losses are charged to operations at the time the account receivable is estimated to be uncollectible. Since we cannot necessarily predict future changes in the financial stability of our customers, we cannot guarantee that our reserves will continue to be adequate.

As of September 30, 2020, and December 31, 2019, we recorded an allowance for doubtful accounts of $14,589 and $88,071, respectively.

Goodwill and Intangible Assets

Goodwill is tested for impairment at a minimum on an annual basis. Goodwill is tested for impairment at the reporting unit level by first performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. If the reporting unit does not pass the qualitative assessment, then the reporting unit's carrying value is compared to its fair value. The fair values of the reporting units are estimated using market and discounted cash flow approaches. Goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value. The discounted cash flow approach uses expected future operating results. Failure to achieve these expected results may cause a future impairment of goodwill at the reporting unit.

Intangible assets consist of patents and trademarks, purchased customer contracts, purchased customer and merchant relationships, purchased trade names, purchased technology, non-compete agreements, and software development costs. Intangible assets are amortized over the period of estimated benefit using the straight-line method and estimated useful lives ranging from one to twenty years. No significant residual value is estimated for intangible assets.

Software Development Costs

Software development costs include direct costs incurred for internally developed products and payments made to independent software developers and/or contract engineers. The Company accounts for software development costs in accordance with the FASB guidance for the costs of computer software to be sold, leased, or otherwise marketed ("ASC Subtopic 985-20"). Software development costs are capitalized once the technological feasibility of a product is established and such costs are determined to be recoverable. Technological feasibility of a product encompasses technical design documentation and integration documentation, or the completed and tested product design and working model. Software development costs are capitalized once technological feasibility of a product is established and such costs are determined to be recoverable against future revenues. Technological feasibility is evaluated on a project-by-project basis. Amounts related to software development that are not capitalized are charged immediately to the appropriate expense account. Amounts that are considered 'research and development' that are not capitalized are immediately charged to engineering, research, and development expense.

Capitalized costs for those products that are cancelled or abandoned are charged to product development expense in the period of cancellation. Commencing upon product release, capitalized software development costs are amortized to "Amortization Expense - Development" based on the straight-line method over a twenty-four month period.

The Company evaluates the future recoverability of capitalized software development costs on an annual basis. For products that have been released in prior years, the primary evaluation criterion is ongoing relations with the customer.

Impairment of Long-Lived Assets

We evaluate long-lived assets (including intangible assets) for impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. An asset is considered impaired if its carrying amount exceeds the undiscounted future net cash flow the asset is expected to generate.

Foreign Currency Translation

The Company translates the financial statements of its foreign subsidiary from the local (functional) currency into US Dollars using the year or reporting period end or average exchange rates in accordance with the requirements of Accounting Standards Codification subtopic 830-10, *Foreign Currency Matters* ("ASC 830-10"). Assets and liabilities of these subsidiaries were translated at exchange rates as of the balance sheet date. Revenues and expenses are translated at average rates in effect for the periods presented. The cumulative translation adjustment is included in the accumulated other comprehensive gain (loss) within shareholders' equity. Foreign currency transaction gains and losses arising from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the unaudited Condensed Consolidated Statements of Income and Comprehensive Income.

Revenue Recognition and Concentrations

Our Recurrency platform is a hosted solution. We generate revenue from licensing our software to clients in our software as a service model, per-message and per-minute transactional fees, and customized professional services. We recognize license/subscription fees over the period of the contract, service fees as the services are performed, and per-message or per-minute transaction revenue when the transaction takes place. Under Topic 606, revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. We consider authoritative guidance on multiple deliverables in determining whether each deliverable represents a separate unit of accounting. Some customers are billed on a month-to-month basis with no contractual term and are collected by credit card. Revenue is recognized at the time that the services are rendered, and the selling price is fixed with a set range of plans. Cash received in advance of the performance of services is recorded as deferred revenue.

Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Accounting Standards Codification 606 ("ASC 606"), is a comprehensive revenue recognition standard that superseded nearly all existing revenue recognition guidance. The Company adopted this standard effective January 1, 2018, applying the modified retrospective method. Upon adoption, the Company discontinued revenue deferral under the sell-through model and commenced recording revenue upon delivery to distributors, net of estimated returns. Generally, the new standard results in earlier recognition of revenues.

We determine revenue recognition under ASC 606 through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- identification of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

During the nine months ended September 30, 2020 and 2019, two customers accounted for 67% and 71% of our revenues, respectively.

Comprehensive Income (Loss)

Comprehensive loss is defined as the change in equity during a period from transactions and other events and circumstances from non-owner sources. We are required to record all components of comprehensive loss in the consolidated financial statements in the period in which they are recognized. Net loss and other comprehensive loss, including foreign currency translation adjustments and unrealized gains and losses on investments, are reported, net of their related tax effect, to arrive at comprehensive loss. For the nine months ended September 30, 2020 and 2019, the comprehensive loss was $1,710,743 and $6,315,165, respectively.

Net Loss Per Common Share

Basic net loss per share excludes any dilutive effects of options, shares subject to repurchase and warrants. Diluted net loss per share includes the impact of potentially dilutive securities. During the three and nine months ended September 30, 2019 and the nine months ended September 30, 2020, we had securities outstanding which could potentially dilute basic earnings per share in the future. Those were excluded from the computation of diluted net loss per share when their effect would have been anti-dilutive.

Reclassifications

Certain amounts from prior periods have been reclassified to conform to the current period presentation.

Recent Accounting Pronouncements

Accounting standards promulgated by the FASB are subject to change. Changes in such standards may have an impact on the Company's future financial statements. The following are a summary of recent accounting developments.

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, "Leases (Topic 842)". Under this guidance, an entity is required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. This guidance offers specific accounting guidance for a lessee, a lessor and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. This guidance is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period, and requires a modified retrospective adoption, with early adoption permitted. The Company adopted this standard as of January 1, 2019.

In January 2017, the FASB issued ASU 2017-04, Simplifying the Test for Goodwill Impairment, which removes the second step of the two-step goodwill impairment test. Under ASU 2017-04, an entity will apply a one-step quantitative test and record the amount of goodwill impairment as the excess of a reporting unit's carrying amount over its fair value, not to exceed the total amount of goodwill allocated to the reporting unit. ASU 2017-04 does not amend the optional qualitative assessment of goodwill impairment. Additionally, an entity should consider income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. ASU 2017-04 is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019; early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company adopted this standard as of January 1, 2020.

3. Goodwill and Purchased Intangibles

Goodwill

The carrying value of goodwill at September 30, 2020 and December 31, 2019 was $496,352.

The following table presents details of our purchased intangible assets as of September 30, 2020 and December 31, 2019:

Intangible assets

	Balance at December 31, 2019	Additions	Impairments	Amortization	Fx and Other	Balance at September 30, 2020
Patents and trademarks	$ 69,853	$ 8,755	$ (3,481)	$ (9,484)	$ (92)	$ 65,551
Customer and merchant relationships	739,236	-	-	(72,639)	-	666,597
Trade name	50,732	-	-	(6,959)	(10)	43,763
Acquired technology	144,792	-	-	(12,225)	-	132,567
Non-compete agreements	60,931	-	-	(11,895)	-	49,036
	$ 1,065,544	$ 8,755	$ (3,481)	$ (113,202)	$ (102)	$ 957,514

The intangible assets are being amortized on a straight-line basis over their estimated useful lives of one to twenty years.

Amortization expense for intangible assets was $37,758 and $37,779 for the three months ended September 30, 2020 and 2019, respectively.

Amortization expense for intangible assets was $113,202 and $113,309 for the nine months ended September 30, 2020 and 2019, respectively.

The estimated future amortization expense of our intangible assets as of September 30, 2020 is as follows:

Year ending December 31,	Amount
2020	$ 37,732
2021	148,240
2022	148,114
2023	145,606
2024	109,010
Thereafter	368,812
Total	$ 957,514

4. Software Development Costs

The Company has capitalized certain costs for software developed or obtained for internal use during the application development stage as it relates to specific contracts. The amounts capitalized include external direct costs of services used in developing internal-use software and for payroll and payroll-related costs of employees directly associated with the development activities

The following table presents details of our software development costs as of September 30, 2020 and December 31, 2019:

	Balance at December 31, 2019	Additions	Amortization	Balance at September 30, 2020
Software Development Costs	$ 696,667	$ 196,997	$ (402,211)	$ 491,453
	$ 696,667	$ 196,997	$ (402,211)	$ 491,453

Software development costs are being amortized on a straight-line basis over their estimated useful life of two years.

Amortization expense for software development costs was $141,196 and $107,258 for the three months ended September 30, 2020 and 2019, respectively.

Amortization expense for software development costs was $402,211 and $318,280 for the nine months ended September 30, 2020 and 2019, respectively.

The estimated future amortization expense of software development costs as of September 30, 2020 is as follows:

Year ending December 31,	Amount
2020	$ 115,894
2021	315,589
2022	59,970
2023	-
2024	-
Thereafter	-
Total	$ 491,453

5. Operating Lease Assets

Adoption of Accounting Standards Codification ("ASC") Topic 842, "Leases." The Company adopted Topic 842 on January 1, 2019, using the modified retrospective method and the optional transition method to record the adoption impact through a cumulative adjustment to equity. Results for reporting periods beginning after January 1, 2019, are presented under Topic 842, while prior periods are not adjusted and continue to be reported under the accounting standards in effect for those periods.

The following are additional details related to leases recorded on our balance sheet as of September 30, 2020:

Leases	Classification	Balance at September 30, 2020
Assets		
Current		
Operating lease assets	Operating lease assets	$ 98,027
Noncurrent		
Operating lease assets	Noncurrent operating lease assets	$ 18,083
Total lease assets		$ 116,110
Liabilities		
Current		
Operating lease liabilities	Operating lease liabilities	$ 126,318
Noncurrent		
Operating lease liabilities	Noncurrent operating lease liabilities	$ 23,075
Total lease liabilities		$ 149,393

The maturity analysis below summarizes the remaining future undiscounted cash flows for our operating leases, a reconciliation to operating lease liabilities reported on the Condensed Consolidated Balance Sheet, our weighted-average remaining lease term and weighted average discount rate:

Year ending December 31,		**Amount**
2020	$	79,954
2021		60,592
2022		13,484
2023		-
2024		-
Thereafter		-
Total future lease payments		154,030
Less: imputed interest		(4,637)
Total	$	149,393
Weighted Average Remaining Lease Term (years)		
Operating leases		1
Weighted Average Discount Rate		
Operating leases		6.75%

6. Notes Payable and Interest Expense

The following table presents details of our notes payable as of September 30, 2020 and December 31, 2019:

Facility	**Maturity**	**Interest Rate**		**Balance at September 30, 2020**		**Balance at December 31, 2019**
BDC Term Loan	October 15, 2021	25%	$	188,306	$	224,307
ACOA Note	May 1, 2023	-		106,095		117,131
Wintrust Bank	November 1, 2021	Prime + 1.5%		466,667		766,667
TD Bank	December 31, 2022	-		29,890		-
Chase Bank	April 10, 2022	1%		891,103		-
Related Party Note	various	15%		1,280,000		1,140,700
Total Debt				2,962,061		2,248,805
Less current portion				(644,021)		(681,276)
Long-term debt, net of current portion			$	2,318,040	$	1,567,529

BDC Term Loan

On January 8, 2016, Livelenz, a wholly-owned subsidiary of the Company ("Livelenz"), entered into an amendment of their original loan agreement dated August 26, 2011 with the Business Development Bank of Canada ("BDC"). Under this agreement the loan would have matured, and the commitments would have terminated on September 15, 2019.

On July 26, 2019, Livelenz, entered into an amendment of their original loan agreement dated August 26, 2011 with the Business Development Bank of Canada ("BDC"). Under this agreement the loan will mature, and the commitments will terminate on October 15, 2021. In accordance with the amendment, the Company will commence monthly payments beginning on August 15, 2019 of principal in the amount of $8,500 in addition to the monthly payment of accrued interest. These payments will increase to $10,000 on November 15, 2019, $12,000 on May 15, 2020, $14,000 on November 15, 2020 and $16,000 on May 15, 2021 in addition to the monthly interest. During the nine months ended September 30, 2020 we repaid $36,001 of principal.

ACOA Note

On November 6, 2017, Livelenz (a wholly-owned subsidiary of the Company), entered into an amendment of the original agreement dated December 2, 2014 with the Atlantic Canada Opportunities Agency ("ACOA"). Under this agreement the note will mature, and the commitments will terminate on May 1, 2023. The monthly principal payment amount of $3,000 increased to $3,500 beginning on November 1, 2019, $4,000 on November 1, 2020, $4,500 on November 1, 2021 and $2,215 during the remaining term of the agreement. During the nine months ended September 30, 2020 we repaid $11,036 of principal.

Wintrust Loan

On November 14, 2018, the Company entered into a Loan and Security Agreement with Wintrust Bank. The Loan and Security Agreement provides for a single-term loan to us in the original principal amount of $1,000,000. Interest accrues on the unpaid principal amount at the rate of prime plus 1.5%. The loan is a three-year loan and is interest-only payable for the first six months of the loan. Commencing on May 1, 2019, the Company will commence monthly payments of principal in the amount of $33,333 in addition to the monthly payment of accrued interest. The loan is secured by all of our assets other than our intellectual property. We used the proceeds of the loan to re-finance a loan in the principal amount of $1,000,000 we assumed as part of the acquisition of the Belly assets.

On August 7, 2020, the Company entered into an amendment of their original loan agreement dated November 14, 2018 with Wintrust Bank. Under this agreement the covenant calculation was amended to calculate covenants under a borrowing base methodology. The Company had defaulted under the March 31, 2020 and June 30 ,2020 covenants which were waived upon execution of the amendment and the Company has not committed any defaults under loan agreement subsequent to the amendment. During the nine months ended September 30, 2020 we repaid $300,000 of principal.

Chase Loan

On April 10, 2020, we entered into a commitment loan with Chase Bank, N.A. under the CARES act and SBA Paycheck Protection Program, in the principal aggregate amount of $891,103, which is due and payable two years after issuance. This note bears interest on the unpaid balance at the rate of one percent (1%) per annum. The note contains a deferral period of six months, for which no interest or principal payments are due. Forgiveness of the loan may be obtained by meeting certain SBA requirements.

TD Bank Loan

On April 22, 2020, we entered into a commitment loan with TD Bank under the Canadian Emergency Business Account (“CEBA”), in the principal aggregate amount of $40,000 CAD, which is due and payable on December 31, 2022. This note bears interest on the unpaid balance at the rate of zero percent (0%) per annum during the initial term. Under this note no interest or principal payments are due until January 1, 2023. Under the conditions of the loan, twenty-five percent (25%) of the loan will be forgiven if seventy-five percent (75%) is repaid prior to the initial term date.

Related Party Notes

During February 2018, we conducted a private placement of Unsecured Promissory Notes (individually, a “*Note*” and collectively, the “*Notes*”) in the aggregate principal amount of $1,080,000 to certain investors, officers and directors of the Company. Each Note bears interest on the unpaid balance at the rate of fifteen percent (15%) per annum and the principal and accrued interest is due and payable no later than December 1, 2020. We may prepay any of the Notes without notice, subject to a two percent (2%) pre-payment penalty. The Note offer was conducted by our management and there were no commissions paid by us in connection with the solicitation.

During the year ended December 31, 2019 we issued unsecured notes in the principle aggregate amount of $3,500,000, which become due two years after the date of issuance. These notes bear interest on the unpaid balance at the rate of fifteen percent (15%) per annum. The Company may prepay any of the Notes without notice, subject to a two percent (2%) pre-payment penalty.

On July 2, 2019, a total of $2,500,000 of principal under the above-mentioned notes and the accrued interest of $82,916 was converted into equity and we recorded a loss on conversion of debt of $232,462 for the year ended December 31, 2019.

On February 26, 2020, we issued an unsecured note in the principle aggregate amount of $200,000, which becomes due two years after the date of issuance. This note bears interest on the unpaid balance at the rate of fifteen percent (15%) per annum. The Company may prepay this note without notice, subject to a two percent (2%) pre-payment penalty.

As of September 30, 2020, we have a principal balance of $1,280,000 and accrued interest of $176,675 outstanding.

Interest Expense

Interest expense was $62,621 and $57,569 during the three months ended September 30, 2020 and 2019, respectively.

Interest expense was $207,899 and $188,451 during the nine months ended September 30, 2020 and 2019, respectively.

7. Stockholders' Equity

Common Stock

2019

In July 2019, the Company commenced a private placement of its common stock units, with each unit consisting of one share of our common stock and a warrant to purchase to one-half share of our common stock at an exercise price of $1.25 per share at an offering price of $1.00 per unit. The Company sold 2,800,000 units of its common stock for gross proceeds of $2,800,000. In addition, the Company issued 2,582,916 units of its common stock associated with the conversion of $2,500,000 of principal, $82,916 of accrued interest, and a loss on conversion of $232,462 (See Note 6).

2020

On March 2, 2020, the Company issued 234,500 shares of common stock in exchange for cash in conjunction with a warrant exercise. The shares were exercised at the strike price of $1.00 per share.

On September 17, 2020, the Company issued 15,000 shares of common stock in exchange for cash in conjunction with a stock option exercise. The shares were exercised at the strike price of $0.48 per share.

As of September 30, 2020 and December 31, 2019 we had an equity payable balance of $100,862.

Stock-based Plans

Stock Option Activity

The following table summarizes stock option activity for the year ended December 31, 2019 and for the nine months ended September 30, 2020:

	Options
Outstanding at December 31, 2018	4,987,426
Granted	2,592,500
Exercised	-
Forfeit/canceled	(923,389)
Expired	(874,653)
Outstanding at December 31, 2019	5,781,884
Granted	715,000
Exercised	(15,000)
Forfeit/canceled	(579,695)
Expired	(438,127)
Outstanding at September 30, 2020	5,464,062

The weighted average exercise price of stock options granted during the period was $0.70 and the related weighted average grant date fair value was $0.47 per share.

2019

On January 7, 2019, the Company granted one employee a total of 10,000 options to purchase shares of the Company common stock at the closing price as of January 7, 2019 of $1.17 per share. The Option Shares will vest ratably over forty-eight (48) months and are exercisable until January 7, 2029. The total estimated value using the Black-Scholes Model, based on a volatility rate of 90.82% and an option fair value of $.88 was $8,821.

On January 21, 2019, the Company granted one employee a total of 15,000 options to purchase shares of the Company common stock at the closing price as of January 21, 2019 of $1.17 per share. The Option Shares will vest ratably over forty-eight (48) months and are exercisable until January 21, 2029. The total estimated value using the Black-Scholes Model, based on a volatility rate of 90.75% and an option fair value of $.88 was $13,239.

On February 12, 2019, the Company granted one employee a total of 150,000 options to purchase shares of the Company common stock at the closing price as of February 12, 2019 of $1.00 per share. The Option Shares will vest ratably over forty-eight (48) months and are exercisable until February 12, 2029. The total estimated value using the Black-Scholes Model, based on a volatility rate of 90.79% and an option fair value of $.75 was $113,046.

On February 18, 2019, the Company granted one employee a total of 15,000 options to purchase shares of the Company common stock at the closing price as of February 18, 2019 of $1.05 per share. The Option Shares will vest ratably over forty-eight (48) months and are exercisable until February 18, 2029. The total estimated value using the Black-Scholes Model, based on a volatility rate of 90.88% and an option fair value of $.84 was $12,537.

On February 25, 2019, the Company granted one employee a total of 50,000 options to purchase shares of the Company common stock at the closing price as of February 25, 2019 of $1.00 per share. The Option Shares will vest ratably over forty-eight (48) months and are exercisable until February 25, 2029. The total estimated value using the Black-Scholes Model, based on a volatility rate of 90.88% and an option fair value of $.75 was $37,697.

On March 11, 2019, the Company granted one employee a total of 50,000 options to purchase shares of the Company common stock at the closing price as of March 11, 2019 of $1.00 per share. The Option Shares will vest ratably over forty-eight (48) months and are exercisable until March 11, 2029. The total estimated value using the Black-Scholes Model, based on a volatility rate of 90.90% and an option fair value of $.75 was $37,688.

On May 17, 2019, the Company granted three employees a total of 1,775,000 options to purchase shares of the Company common stock at the closing price as of May 17, 2019 of $1.04 per share. The Option Shares will vest ratably over forty-eight (48) months and are exercisable until May 17, 2029. The total estimated value using the Black-Scholes Model, based on a volatility rate of 80.17% and an option fair value of $.72 was $1,283,178.

On August 21, 2019, the Company granted four employees a total of 140,000 options to purchase shares of the Company common stock at the closing price as of August 21, 2019 of $0.95 per share. The Option Shares will vest 25% on the first anniversary of the grant, then equally in 36 monthly installments thereafter and are exercisable until August 21, 2029. The total estimated value using the Black-Scholes Model, based on a volatility rate of 80.17% and an option fair value of $.65 was $91,537.

On October 21, 2019, the Company granted one employee 150,000 options to purchase shares of the Company common stock at the closing price as of October 21, 2019 of $0.98 per share. The Option Shares will vest 25% on the first anniversary of the grant, then equally in 36 monthly installments thereafter and are exercisable until October 21, 2029. The total estimated value using the Black-Scholes Model, based on a volatility rate of 74.18% and an option fair value of $.64 was $96,165.

On November 19, 2019, the Company granted twelve employees a total of 237,500 options to purchase shares of the Company common stock at the closing price as of November 19, 2019 of $0.88 per share. The Option Shares will vest 25% on the first anniversary of the grant, then equally in 36 monthly installments thereafter and are exercisable until November 19, 2029. The total estimated value using the Black-Scholes Model, based on a volatility rate of 78.70% and an option fair value of $.60 was $142,409.

2020

On March 24, 2020, the Company granted one employee a total of 15,000 options to purchase shares of the Company common stock at the closing price as of March 24, 2020 of $0.65 per share. The Option Shares will vest 25% on the first anniversary of the grant, then equally in 36 monthly installments thereafter and are exercisable until March 24, 2030. The total estimated value using the Black-Scholes Model, based on a volatility rate of 77.56% and an option fair value of $.43 was $6,472.

On April 6, 2020, the Company granted four employees a total of 700,000 options to purchase shares of the Company common stock at the closing price as of April 6, 2020 of $0.70 per share. The Option Shares will vest 25% on the first anniversary of the grant, then equally in 36 monthly installments thereafter and are exercisable until April 6, 2030. The total estimated value using the Black-Scholes Model, based on a volatility rate of 78.21% and an option fair value of $.47 was $326,752.

Stock-Based Compensation Expense from Stock Options and Warrants

The impact on our results of operations of recording stock-based compensation expense for the three and nine months ended September 30, 2020 and 2019 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
General and administrative	$ 61,081	$ 94,122	$ 197,778	$ 584,160
Sales and marketing	20,914	13,020	55,512	63,575
Engineering, research, and development	39,460	40,607	125,922	111,567
	$ 121,455	$ 147,749	$ 379,212	$ 759,302

Valuation Assumptions

The fair value of each stock option award was calculated on the date of grant using the Black-Scholes option pricing model. The following weighted average assumptions were used for the nine months ended September 30, 2020 and 2019.

	Nine Months Ended September 30,	
	2020	2019
Risk-free interest rate	0.49%	2.21%
Expected life (years)	6.00	6.00
Expected dividend yield	-%	-%
Expected volatility	78.20%	81.57%

The risk-free interest rate assumption is based upon published interest rates appropriate for the expected life of our employee stock options.

The expected life of the stock options represents the weighted-average period that the stock options are expected to remain outstanding and was determined based on historical experience of similar awards, giving consideration to the contractual terms of the stock-based awards, vesting schedules and expectations of future employee behavior as influenced by changes to the terms of its stock-based awards.

The dividend yield assumption is based on our history of not paying dividends and no future expectations of dividend payouts.

The expected volatility in 2020 and 2019 is based on the historical publicly traded price of our common stock.

Restricted stock units

The following table summarizes restricted stock unit activity under our stock-based plans for the year ended December 31, 2019 and for the nine months ended September 30, 2020:

	Shares
Outstanding at December 31, 2018	662,800
Awarded	489,448
Released	-
Canceled/forfeited/expired	-
Outstanding at December 31, 2019	1,152,248
Awarded	181,252
Released	-
Canceled/forfeited/expired	-
Outstanding at September 30, 2020	1,333,500
Expected to vest at September 30, 2020	1,333,500
Vested at September 30, 2020	1,333,500
Unvested at September 30, 2020	-
Unrecognized expense at September 30, 2020	$ -

2019

On January 1, 2019, the Company issued to four independent directors a total of 222,224 restricted stock units. These restricted stock units were issued for the $260,000 of board compensation earned in 2018. The units were valued at $260,000 or $1.17 per share, based on the closing stock price on the date of grant. All units vested immediately. The shares of Common Stock associated with the Restricted Stock Unit evidenced by this Agreement will be issued to the director upon the earliest to occur of (A) a change in control of the Company, and (B) the termination of the director's service with the Company.

On March 31, 2019, the Company granted four independent directors a total of 72,224 restricted stock units. The units were valued at $65,001 or $0.90 per share, based on the closing stock price on the date of grant. All units vested immediately. The shares of Common Stock associated with the Restricted Stock Unit evidenced by this Agreement will be issued to the director upon the earliest to occur of (A) a change in control of the Company, and (B) the termination of the director's service with the Company.

On December 31, 2019, the Company granted four independent directors a total of 195,000 restricted stock units. The units were valued at $195,000 or $1.00 per share, based on the closing stock price on the date of grant. All units vested immediately. The shares of Common Stock associated with the Restricted Stock Unit evidenced by this Agreement will be issued to the director upon the earliest to occur of (A) a change in control of the Company, and (B) the termination of the director's service with the Company.

2020

On March 24, 2020, the Company granted four independent directors a total of 100,000 restricted stock units. The units were valued at $65,000 or $0.65 per share, based on the closing stock price on the date of grant. All units vested immediately. The shares of Common Stock associated with the Restricted Stock Unit evidenced by this Agreement will be issued to the director upon the earliest to occur of (A) a change in control of the Company, and (B) the termination of the director's service with the Company.

On August 7, 2020, the Company granted four independent directors a total of 81,252 restricted stock units. The units were valued at $65,002 or $0.80 per share, based on the closing stock price on the date of grant. All units vested immediately. The shares of Common Stock associated with the Restricted Stock Unit evidenced by this Agreement will be issued to the director upon the earliest to occur of (A) a change in control of the Company, and (B) the termination of the director's service with the Company.

Stock Based Compensation from Restricted Stock

The impact on our results of operations of recording stock-based compensation expense for restricted stock units for the three and nine months ended September 30, 2020 and 2019 was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
General and administrative	$ 65,002	$ -	$ 130,002	$ 65,001
	$ 65,002	$ -	$ 130,002	$ 65,001

As of September 30, 2020, there was no unearned restricted stock unit compensation.

Warrants Issued to Investors and Placement Agents

At September 30, 2020, we have outstanding warrants to purchase 2,691,459 at $1.25 per share. These warrants expire in 2021.

8. Fair Value Measurements

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the authoritative guidance establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs other than the quoted prices in active markets that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which requires us to develop our own assumptions. This hierarchy requires companies to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. On a recurring basis, we measure certain financial assets and liabilities at fair value.

The following table presents assets that are measured and recognized at fair value as of September 30, 2020 on a recurring and non-recurring basis:

Description	Level 1	Level 2	Level 3	Gains (Losses)
Goodwill (non-recurring)	$ -	$ -	$ 496,352	$ -
Intangibles, net (non-recurring)	$ -	$ -	$ 1,448,967	$ -

The following table presents assets that are measured and recognized at fair value as of December 31, 2019 on a recurring and non-recurring basis:

Description	Level 1	Level 2	Level 3	Gains (Losses)
Goodwill (non-recurring)	$ -	$ -	$ 496,352	$ -
Intangibles, net (non-recurring)	$ -	$ -	$ 1,762,211	$ -

9. Commitments and Contingencies

Litigation

As of the date of this report, there are no pending legal proceedings to which we or our properties are subject, except for routine litigation incurred in the normal course of business.

Operating Lease

As described in Note 5, the Company has a lease agreement for 10,395 square feet, for its office facilities in Chandler, AZ through January 2021. Monthly rental payments, including common area maintenance charges, are $19,707, to $20,140. As of September 30, 2020, we have an operating lease asset balance for this lease of $69,075 and an operating lease liability balance for this lease of $88,809 recorded in accordance with ASC 842

The Company also has a lease through April 2022 for 3,248 square feet of office space located in Halifax, Nova Scotia, at a monthly rental expense of $2,665 to $3,371 per month, excluding common area maintenance charges. As of September 30, 2020, we have an operating lease asset balance for this lease of $47,035 and an operating lease liability balance for this lease of $60,584 recorded in accordance with ASC 842.

10. Related Party Transactions

Unsecured Promissory Note Investments in 2019

During the year ended December 31, 2019, we issued to one of our directors, unsecured notes in the principal aggregate amount of $3,500,000, which are due and payable two years after issuance. These notes bear interest on the unpaid balance at the rate of fifteen percent (15%) per annum. The Company may prepay any of the Notes without notice, subject to a two percent (2%) pre-payment penalty. We conducted the private placement of our securities in July 2019. The note holder participated in the private placement by converting principal of $2,500,000 and accrued interest under the notes totaling $82,916, into 2,582,916 units of our securities. As of September 30, 2020, we have $1,000,000 as a remaining balance of these notes and accrued interest of $128,125.

Unsecured Promissory Note Investments in 2020

On February 26, 2020, we issued to one of our directors, unsecured notes in the principal aggregate amount of $200,000, which are due and payable two years after issuance. This notes bear interest on the unpaid balance at the rate of fifteen percent (15%) per annum. The Company may prepay any of the Notes without notice, subject to a two percent (2%) pre-payment penalty. As of September 30, 2020, we have $200,000 as a remaining balance of these notes and accrued interest of $18,083.

11. Subsequent Events

None

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q contains "forward-looking statements" as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, in connection with the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially and adversely from those expressed or implied by such forward-looking statements Such forward-looking statements include statements about our expectations, beliefs or intentions regarding our potential product offerings, business, financial condition, results of operations, strategies or prospects. You can identify forward-looking statements by the fact that these statements do not relate strictly to historical or current matters. Rather, forward-looking statements relate to anticipated or expected events, activities, trends or results as of the date they are made and are often identified by the use of words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," or "will," and similar expressions or variations. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements. Many factors could cause our actual activities or results to differ materially from the activities and results anticipated in forward-looking statements. These factors include those risks disclosed under the caption "Risk Factors" included in our 2019 annual report on Form 10-K filed with the Securities and Exchange Commission, or the SEC, on March 30, 2020 and in our subsequent filings with the SEC. Furthermore, such forward-looking statements speak only as of the date of this report. We undertake no obligation to update any forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Overview

Mobivity Holdings Corp. (the "Company" or "we") is in the business of developing and operating proprietary platforms over which brands and enterprises can conduct national and localized, data-driven marketing campaigns.

Mobivity's Recurrency platform enables multi-unit retailers to leverage the power of their own data to yield maximum customer spend, frequency and loyalty while achieving the highest Return on Marketing Spend (ROMS) possible. Mobivity's customers use Recurrency to:

- Transform messy point-of-sale (POS) data collected from thousands of points of sale into usable intelligence.
- Measure, predict, and boost guest frequency and spend by channel.
- Deploy and manage one-time use offer codes and attribute sales accurately across every channel, promotion and media program.
- Deliver 1:1 promotions and offers with customized Mobile Messaging, Personalized Receipt Promotions and Integrated Loyalty programs.

Mobivity's Recurrency, delivered as a Software-as-a-Service ("SaaS") platform, is used by leading brands including Subway, Sonic Drive-In, Baskin Robbins, Chick-fil-A and Checkers/Rally's across more than 40,000 retail locations globally.

We're living in a data-driven economy. In fact, by 2003 — when the concept of "big data" became common vernacular in marketing - as much data was being created every two day as had been created in all of time prior to 2003. Today, Big Data has grown at such a rate that 90% of the world's data has been created in the past two years. Unfortunately, despite there being so much data accumulated, only one percent of data is being utilized today by most businesses.

The challenge for multi-unit retailers isn't that they don't have enough data; in fact, national retailers are collecting millions of detailed transactions daily from thousands of points of sale around the world. The challenge is being able to make sense of this transaction data, which is riddled with data entry errors, collected by multiple POS systems and complicated by a taxonomy compiled by thousands of different franchisee owners. To normalize such an overwhelming amount of data into usable intelligence and then leverage it to optimize media investment and promotion strategy requires numerous teams of data analysts and data scientists that many retailers and restaurant operators simply don't have. Which is why so many technology and data companies, that can help solve these challenges, have been invested in and acquired by brands including, McDonald's, Starbucks and Yum Brands.

Mobivity's Recurrency platform fills this need with a self-service SaaS offering, enabling operators to intelligently optimize their promotions, media and marketing spend. Recurrency drives system-wide sales producing on average a 13% increase in guest spend and a 26% improvement in frequency, ultimately delivering an average Return on Marketing Spend of 10X. In other words, for every dollar invested in marketing, retailers using Recurrency to manage, optimize and deliver multi-channel consumer promotions generate an average of ten dollars in incremental revenue from their customers.

The Recurrency Platform

Mobivity's Recurrency™ platform unlocks valuable POS and mobile data to help transform customer transactions into actionable and attributable marketing insights. Our technology provides transactional data, in real-time, that uncovers market-basket information and attributes both online and traditional promotions. Recurrency is comprised of seven components.

POS Data Capture

Recurrency captures, normalizes, integrates, and stores transaction data and is compatible with most POS systems used by restaurants and retailers today. The result is a clean useful dataset upon which to predict and influence customers' buying behavior and deliver basket-level insights.

Analytics Powered by Machine Learning

Recurrency uses Machine Learning ("ML") to uncover patterns in the buying behaviors of consumers and leverages that data to suggest pricing optimizations, and guide marketing campaigns.

Offers and Promotions

Recurrency provides a digital wallet system for creating and managing dynamic offers and promotions, enabling accurate and complete closed-loop attribution across all channels, media and marketing efforts. Retailers can deploy one-time, limited-use and multi-use promotions across all online and offline marketing channels that are scannable at the POS or redeemable online, enabling fraud-free, controllable promotion delivery and attribution at scale. Marketing teams can use the comprehensive attribution analysis and insights to optimize media mix and spend for maximum Return on Marketing Spend ("ROMS").

Predictive Offers

Recurrency leverages the normalized data captured at the POS and applies Artificial Intelligence ("AI") to build profiles of both known and anonymous customers, analyzes pre and post-redemption behavior and then predicts offers that will drive the highest increases in customer spend and frequency at the lowest discount possible. The result is optimized, personalized promotions that produce the highest ROMS possible.

Personalized Receipt Promotions

Recurrency unlocks the power of transactional data to create relevant and timely customer messages printed on the receipts already being generated at the POS. Both clients and agencies are using Recurrency to drive better results and make decisions around offers, promotions, and customer engagement through the medium of the printed receipt. Software integrated with leading POS systems, such as Oracle, MICROS, or installed directly onto receipt printer platforms, such as Epson's OmniLink product, dynamically controls what is printed on receipts including images, coupons, announcements, or other calls-to-action, such as invitations to participate in a survey. Recurrency offers a Web-based interface where users can design receipt content and implement business rules to dictate what receipt content is printed in particular situations. All receipt content is also transmitted to cloud-based Recurrency for storage and analysis.

Customized Mobile Messaging

Recurrency transforms standard short message service ("SMS"), multimedia messaging service ("MMS"), and rich communication services ("RCS") into a data-driven marketing medium. Recurrency tracks and measures offer effectiveness at a more granular level than other solutions, allowing clients to create smarter offers and drive higher redemption rates. Our proprietary platform connects to all wireless carriers so that any consumer, on any wireless service (for example, Verizon), can join our customer's SMS/MMS mobile marketing campaign. Our customers use Recurrency's self-service interface to build, segment, target and optimize mobile messaging campaigns to drive increased guest frequency and spend. Recurrency is an industry leader in RCS messaging and has an industry leading broadcast reach.

Belly Loyalty

Mobivity's Belly Loyalty solution drives increased customer engagement and frequency with a customer-facing digital rewards platform via an app and digital pad. Using Belly, customers can customize rewards and leverage pre-built email campaigns and triggers to encourage greater frequency as well as identify and reactivate lapsed customers.

Company Strategy

Our objective is to build an industry-leading Software-as-a-Service ("SaaS") product that connects consumers to merchants and brands. The key elements to our strategy are:

- *Exploit the competitive advantages and operating leverage of our technology platform.* The core of our business is our proprietary POS Data Capture technology. Several years of development went into designing POS Data Capture such that the process of intercepting POS data and performing actions, such as controlling the receipt printer with receipt is scalable, portable to a wide variety of POS platforms, and does not impact performance factors including the print speed of a typical receipt printer. Furthermore, we believe the transmission of POS data to Mobivity's cloud-based data stores presents a very competitive and innovative method of enabling POS data access. Additionally, we believe that our Recurrency platform is more advanced than technologies offered by our competitors and provides us with a significant competitive advantage. With more than ten years of development, we believe that our platform operates SMS/MMS text messaging transactions at a "least cost" relative to competitors while also being capable of supporting SMS/MMS text messaging transactional volume necessary to support our goal of several thousand end users. Leveraging our Recurrency platform allows for full attribution of SMS/MMS offers, which we believe is a unique combination of both SMS/MMS text messaging and POS data.

- *Evolve our sales and customer support infrastructure to uniquely serve very large customer implementations such as franchise-based brands who operate a large number of locations.* Over the past few years we have focused our efforts on the development of our technology and solutions with the goal of selling and supporting small and medium-sized businesses. Going forward, we intend to increase significantly our investments in sales and customer support resources tailored to selling to customers that operate franchise brands. Today we support more than 30,000 merchant locations globally.

- *Acquire complementary businesses and technologies.* We will continue to search and identify unique opportunities which we believe will enhance our product features and functionality, revenue goals, and technology. We intend to target companies with some or all of the following characteristics: (1) an established revenue base; (2) strong pipeline and growth prospects; (3) break-even or positive cash flow; (4) opportunities for substantial expense reductions through integration into our platform; (5) strong sales teams; and (6) technology and services that further build out and differentiate our platform. Our acquisitions have historically been consummated through the issuance of a combination of our common stock and cash.

- *Build our intellectual property portfolio.* We currently have nine issued patents that we believe have significant potential application in the technology industry. We plan to continue our investment in building a strong intellectual property portfolio.

While these are the key elements of our current strategy, there can be no guarantees that our strategy will not change or that our strategy will be successful.

Recent Events

Unsecured Promissory Note Investments in 2019

During the year ended December 31, 2019, we issued to one of our directors, unsecured notes in the principal aggregate amount of $3,500,000, which are due and payable two years after issuance. These notes bear interest on the unpaid balance at the rate of fifteen percent (15%) per annum. The Company may prepay any of the Notes without notice, subject to a two percent (2%) pre-payment penalty. We conducted the private placement of our securities in July 2019. The note holder participated in the private placement described below, by converting principal of $2,500,000 and accrued interest under the notes totaling $82,916, into 2,582,916 units of our securities. As of September 30, 2020, we have $1,000,000 as a remaining balance of these notes and accrued interest of $128,125.

2019 Private Placement

In July 2019, we commenced a private placement of 7,000,000 units of our securities, at a price of $1.00 per unit. Each unit consists of one share of our common stock and a common stock purchase warrant to purchase one-half share of our common stock, over a two- year period, at an exercise price of $1.25 per share. The offering was conducted by our management and no commission or other selling fees were paid by us. During the year ended December 31, 2019 we issued 5,382,916 units under this placement, of which 2,582,916 units were issued in connection with a conversion of related party notes payable.

Unsecured Promissory Note Investments in 2020

On February 26, 2020, we issued to one of our directors, unsecured notes in the principal aggregate amount of $200,000, which are due and payable two years after issuance. This note bears interest on the unpaid balance at the rate of fifteen percent (15%) per annum. The Company may prepay any of the Notes without notice, subject to a two percent (2%) pre-payment penalty. As of September 30, 2020, we have $200,000 as a remaining balance of these notes and accrued interest of $18,083.

On April 10, 2020, we entered into a commitment loan with Chase Bank, N.A. under the CARES act and SBA Paycheck Protection Program, in the principal aggregate amount of $891,103, which is due and payable two years after issuance. This note bears interest on the unpaid balance at the rate of one percent (1%) per annum. The note contains a deferral period of six months, for which no interest or principal payments are due. Forgiveness of the loan may be obtained by meeting certain SBA requirements.

On April 22, 2020, we entered into a commitment loan with TD Bank under the Canadian Emergency Business Account ("CEBA"), in the principal aggregate amount of $40,000 CAD, which is due and payable on December 31, 2022. This note bears interest on the unpaid balance at the rate of zero percent (0%) per annum during the initial term. Under this note no interest or principal payments are due until January 1, 2023. Under the conditions of the loan, twenty-five percent (25%) of the loan will be forgiven if seventy-five percent (75%) is repaid prior to the initial term date.

Results of Operations

Revenues

Revenues consist primarily of a suite of products under the Recurrency platform. The Recurrency platform is comprised of POS Data Capture, Analytics, Offers and Promotions, Predictive Offers, Personalized Receipt Promotions, Customized Mobile Messaging, Belly Loyalty, and other revenues.

Revenues for the three months ended September 30, 2020 were $3,180,173 an increase of $698,187, or 28% compared to the same period in 2019. This increase is primarily due to the addition of revenue from non-recurring engineering fees paid by a large customer to accelerate expanded capabilities of our Offer and Promotions solution.

Revenues for the nine months ended September 30, 2020 were $10,496,827, an increase of $3,163,420, or 43%, compared to the same period in 2019. This increase is primarily due to the addition of revenue from a new contract executed in January 2020, the recognition of revenue under ASC 606 of $808,416 during the nine months ended September 30, 2020 and non-recurring engineering fees paid by a large customer to accelerate expanded capabilities of our Offer and Promotions solution of $1,250,000 compared to the reduction of revenue under ASC 606 of $650,709 during the nine months ended September 30, 2019

Cost of Revenues

Cost of revenues consist primarily of cloud-based software licensing fees, short code maintenance expenses, personnel related expenses, and other expenses.

Cost of revenues for the three months ended September 30, 2020 was $943,292, a decrease of $643,119, or 41%, compared to the same period in 2019. Cost of revenues for the nine months ended September 30, 2020 was $3,742,615, a decrease of $642,491, or 15%, compared to the same period in 2019. These decreases are primarily due to lower MMS messaging volume and decreased application costs associated with cost reduction initiatives by the Company, along with new revenues during the quarter that yielded a higher margin.

General and Administrative

General and administrative expenses consist primarily of salaries and personnel related expenses, consulting costs and other expenses.

General and administrative expenses decreased $492,329, or 36%, to $889,032 during the three months ended September 30, 2020 compared to $1,381,361 for the same period in 2019. The decrease in general and administrative expense was due to a decrease in personnel and legal fees related to a one-time non-recurring legal charge incurred in 2019 and the recovery of bad debt charges of $124,246.

General and administrative expenses decreased $962,596, or 23%, to $3,138,744 during the nine months ended September 30, 2020 compared to $4,101,340 for the same period in 2019. The decrease in general and administrative expense was primarily due to a decrease in personnel, share based compensation and legal fees related to one-time non-recurring legal charges incurred in 2019.

Sales and Marketing

Sales and marketing expenses consist primarily of salaries and personnel related expenses, stock-based compensation expense, consulting costs and other expenses

Sales and marketing expenses decreased $191,484, or 30%, to $445,273 during the three months ended September 30, 2020 compared to $636,757 for the same period in 2019. The decrease was primarily due to lower personnel, share based compensation expenses, trade shows and travel, offset by direct marketing activities.

Sales and marketing expenses decreased $276,163, or 14%, to $1,748,892 during the nine months ended September 30, 2020 compared to $2,025,055 for the same period in 2019. The decrease was primarily due to lower personnel, share based compensation expenses, and travel.

Engineering, Research & Development

Engineering, research & development costs include salaries, stock-based compensation expenses, travel, consulting costs, and other expenses.

Engineering, research & development expenses increased $240,903 or 63%, to $621,442 during the three months ended September 30, 2020 compared to $380,539 for the same period in 2019. The increase is primarily related to a decrease in the capitalization of software development costs.

Engineering, research & development expenses increased $522,120 or 23%, to $2,820,525 during the nine months ended September 30, 2020 compared to $2,298,405 for the same period in 2019. This increase is primarily due to the recognition of increased expenses under ASC 606 of $434,227 during the nine months ended September 30, 2020 compared to the decrease of engineering, research & development expenses under ASC 606 of $287,244 during the nine months ended September 30, 2019.

Depreciation and Amortization

Depreciation and amortization expense consist of depreciation on our equipment and amortization of our intangible assets. Depreciation and amortization expense increased $20,529 or 13%, during the three months ended September 30, 2020 compared to the same period in 2019. Depreciation and amortization expense increased $71,886 or 16%, during the nine months ended September 30, 2020 compared to the same period in 2019. These increases are primarily due to the increase in amortization of intangibles on software development costs.

Interest Income

Interest income consists of stated interest income on our cash balances. Interest income decreased $26,327, or 99%, during the three months ended September 30, 2020 compared to the same period in 2019. Interest income decreased $25,434, or 95%, during the nine months ended September 30, 2020 compared to the same period in 2019. These decreases in interest income are related to lower earnings on cash positions held throughout the year compared to the previous year.

Interest Expense

Interest expense consists of stated or implied interest expense on our notes payable, amortization of note discounts, and amortization of deferred financing costs. Interest expense increased $5,052, or 9%, during the three months ended September 30, 2020 compared to the same period in 2019. Interest expense increased $19,448, or 10%, during the nine months ended September 30, 2020 compared to the same period in 2019. These increases in interest expense are primarily related to additional borrowings from our related parties.

Loss on Conversion of Debt

Loss on conversion of debt consists of loss recognized with the conversion of a related party note that was converted to equity. The loss on conversion decreased $232,462 or 100% for both the three and nine months ended September 30, 2020 compared to the same periods in 2019.

Impairment on Intangible Asset

Impairment on intangible assets consists of an intangible asset valued at less than its carrying value. Impairment on intangible assets increased $3,481 or 100% for both the three and nine months ended September 30, 2020 compared to the same periods in 2019.

Loss on Disposal of Fixed Assets

Loss on disposal of fixed assets consists of an asset being disposed of for less than its carrying value. Loss on disposal of fixed assets increased $3,935 or 100% for the nine months ended September 30, 2020 compared to the same period in 2019.

Foreign Currency

The Company's financial results are impacted by volatility in the Canadian/U.S. Dollar exchange rate. The average U.S. Dollar exchange rate for the three and nine months ended September 30, 2020, was $1 Canadian equals $0.75 and $0.74 U.S. Dollars, respectively. This compares to an average rate of $1 Canadian equals $0.76 and $0.75 during the same periods of 2019. The Company's functional or measurement currency is the U.S. Dollar. Based on a U.S. Dollar functional currency, the following are the key areas impacted by foreign currency volatility:

- The Company sells products primarily in U.S. Dollars; therefore, reported revenues are not highly impacted by foreign currency volatility.
- A portion of the Company's expenses are incurred in Canadian Dollars and therefore fluctuate in U.S. Dollars as the U.S. Dollar varies. A weaker U.S. Dollar results in an increase in translated expenses, and a stronger U.S. Dollar results in a decrease.
- Changes in foreign currency rates also impact the translated value of the Company's working capital that is held in Canadian Dollars. Foreign exchange rate fluctuations result in foreign exchange gains or losses based upon movement in the translated value of Canadian working capital into U.S. Dollars.

The change in foreign currency was a gain of $247 and $1,345 for the three months ended September 30, 2020 and 2019, respectively.

The change in foreign currency was a gain of $6,642 and $5,740 for the nine months ended September 30, 2020 and 2019, respectively.

Liquidity and Capital Resources

As of September 30, 2020, we had current assets of $2,905,169, including $505,512 in cash, and current liabilities of $5,937,757, resulting in a working capital deficit of $3,032,588.

We believe as of the date of this report, we have the working capital on hand, along with our expected cash flow from operations and budget reductions, to fund our current level of operations at least through the end of the next twelve months. However, there can be no assurance that we will not require additional capital. If we require additional capital, we will seek to obtain additional working capital through the sale of our securities and, if available, bank lines of credit. However, there can be no assurance we will be able to obtain access to capital as and when needed and, if so, the terms of any available financing may not be subject to commercially reasonable terms.

Cash Flows

	Nine Months September 30,	
	2020	**2019**
Net cash provided by (used in):		
Operating activities	$ (500,742)	$ (3,811,297)
Investing activities	(213,796)	(880,522)
Financing activities	964,328	5,087,911
Effect of foreign currency translation on cash flow	(17,877)	25,322
Net change in cash	$ 231,9153	$ 421,414

Operating Activities

We used cash from operating activities totaling $500,742 during the nine months ended September 30, 2020 and used cash from operating activities totaling $3,811,297 during the nine months ended September 30, 2019. The decrease in cash used in operations for the nine months ended September 30, 2020 was primarily due to a decrease in net loss of $4,626,433 offset by non-cash adjustments related to ASC 606 of $657,493 and changes in accounts receivable and accounts payable.

Investing Activities

Investing activities during the nine months ended September 30, 2020 consisted of $8,044 of equipment purchases, $8,755 of cash paid for patents and $196,997 of capitalized software development costs.

Investing activities during the nine months ended September 30, 2019 consisted of $8,183 of equipment purchases, $10,425 of cash paid for patents and $861,914 of capitalized software development costs.

Financing Activities

Financing activities during the nine months ended September 30, 2020 consisted of $337,394 of payments on notes payable, $920,722 of proceeds from notes payable issued in relation to emergency government funding for COVID-19, $241,700 of net proceeds from the issuance of common stock, and $139,300 from the issuance of related party debt.

Financing activities during the nine months ended September 30, 2019 consisted of net payments of $212,089 on notes payable, $2,500,000 of proceeds from related party notes payable and $2,800,000 of net proceeds from the issuance of common stock.

Critical Accounting Policies and Estimates

Refer to Note 2, "Summary of Significant Accounting Polices," in the accompanying notes to the condensed consolidated financial statements for a discussion of recent accounting pronouncements.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are a smaller reporting company as defined by section 10(f)(1) of Regulation S-K. As such, we are not required to provide the information set forth in this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Exchange Act Rule 13a-15(e), as of the end of the period covered by this report. Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that as of September 30, 2020 our disclosure controls and procedures were effective.

Changes in Internal Control

There were no changes in our internal control over financial reporting during the three months ended September 30, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 5. Other Information

None

Item 6. Exhibits

Exhibit No.	Description
10.1	Limited Waiver and Amendment No. 2 dated August 7, 2020 to Loan and Security Agreement between Mobivity, Inc., and Wintrust Bank, N.A.*
31.1	Certification by Chief Executive Officer pursuant to Section 302 of Sarbanes Oxley Act of 2002 *
31.2	Certification by Chief Financial Officer pursuant to Section 302 of Sarbanes Oxley Act of 2002 *
32.1	Certification Pursuant to 18 U.S.C. Section 1350 *
101.INS	XBRL Instance Document *
101.SCH	XBRL Taxonomy Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document *
101.DEF	XBRL Taxonomy Definition Linkbase Document *
101.LAB	XBRL Taxonomy Label Linkbase Document*
101.PRE	XBRL Taxonomy Presentation Linkbase Document *

* Filed electronically herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized

	Mobivity Holdings Corp.
Date: November 9, 2020	By: */s/ Dennis Becker*
	Dennis Becker Chairman and Chief Executive Officer *(Principal Executive Officer)*
Date: November 9, 2020	By: */s/ Lynn Tiscareno*
	Lynn Tiscareno Chief Financial Officer *(Principal Accounting Officer)*

Exhibit 10.1

LIMITED WAIVER AND AMENDMENT NO. 2 TO
LOAN AND SECURITY AGREEMENT

This Limited Waiver and Amendment No. 2 to Loan and Security Agreement (this "**Amendment**") dated as of August 7, 2020, is by and between **MOBIVITY, INC.**, a Nevada corporation ("**Borrower**") and **WINTRUST BANK, N.A.**, a national banking association (formerly known as Wintrust Bank, an Illinois state chartered bank) (together with its successors and assigns, "**Bank**").

RECITALS

A. Borrower and Bank are parties to that certain Loan and Security Agreement dated as of November 14, 2018, as amended by that certain Limited Waiver and Amendment No. 1 to Loan and Security Agreement, dated as of April 7, 2020 (as so amended, and as the same may hereafter be further amended, restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**").

B. Borrower and Bank desire to amend the Loan Agreement, in each case in accordance with and subject to the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto (intending to be legally bound) hereby agree as follows:

1. Definitions. Terms capitalized herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement, as amended hereby.

2. Limited Waiver.

(a) Borrower has informed Bank that for the testing periods that ended as of March 31, 2020 and June 30, 2020, Borrower's Fixed Charge Coverage Ratio was less than 1.20 to 1.00 as required pursuant to Section 6.7(a) of the Loan Agreement (each, a "**FCCR Default**" and together the "**FCCR Defaults**").

(b) Borrower acknowledges that, as a result of the FCCR Defaults, an Event of Default has occurred as of March 31, 2020 and June 30, 2020 and is continuing under Section 8.2(a) of the Loan Agreement.

(c) Borrower therefore has requested that Bank waive the FCCR Defaults.

(d) Subject to the terms of this Amendment, Bank hereby waives the FCCR Defaults.

(e) The waiver, acknowledgments and agreements under this Section 2 shall be narrowly construed and will not extend to any other violations under, or default of, the Loan Agreement (including any failure by Borrower to comply with any financial covenants for any other fiscal period, or any other negative or affirmative covenant during any other period), nor shall the waiver under this Section 2 prejudice any rights or remedies which Bank may have or be entitled to with respect to any such other violations or defaults.

3. Amendments to Loan Agreement. Subject to the terms and conditions contained herein, Borrower and Bank hereby amend the Loan Agreement as follows:

(a) Section 6.2(b) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

(b) Quarterly A/R Aging Report. As soon as available, but no later than forty five (45) days after the last day of each fiscal quarter of Borrower commencing with the fiscal quarter ended June 30, 2020, a due date aging report for all Accounts owing to Borrower, substantially in the form attached hereto as Exhibit C.

(b) Section 6.2(d) of the Loan Agreement is hereby amended by deleting the clause ", and setting forth calculations of EBITDA" therefrom.

(c) Section 6.7(a) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

(a) Maximum Term Loan Balance. The outstanding balance of the Term Loan shall not exceed the sum of Borrower's (x) Cash plus (y) eighty percent (80%) of Permitted Receivables, in each case as of the last day of each fiscal quarter of Borrower commencing with the fiscal quarter ended June 30, 2020.

(d) Section 13.1 of the Loan Agreement is hereby amended by inserting each of the following new capitalized terms, in appropriate alphabetical order, therein:

"**Cash**" means all "Cash" as identified on Borrower's Quarterly Financial Statements delivered pursuant to Section 6.2(c) of the Loan Agreement.

"**Permitted Receivables**" means all Receivables identified in either the "0" or "1-30" columns of Borrower's Quarterly A/R Aging Report delivered pursuant to Section 6.2(b) of the Loan Agreement.

"**Receivables**" means all Accounts identified as "Accounts receivable, net of allowance for doubtful accounts" on Borrower's Quarterly Financial Statements delivered pursuant to Section 6.2(c) of the Loan Agreement.

(e) Exhibit B to the Loan Agreement is hereby amended and restated in its entirety as set forth on Exhibit A attached hereto.

(f) A new Exhibit C to the Loan Agreement is hereby added as set forth on Exhibit B attached hereto.

4. Conditions Precedent to Limited Waiver and Amendment. The limited waiver contained in Section 2 above and the amendments contained in Section 3 above are subject to, and contingent upon, Bank receiving each of the following items, each in form and substance reasonably satisfactory to Bank, dated of even date herewith, unless waived in writing by Bank in its sole and absolute determination:

(a) a duly executed counterpart hereof signed by Borrower;

(b) certified copies of resolutions of Borrower's Board (and, if applicable, shareholders) authorizing or ratifying the execution, delivery and performance by Borrower of this Amendment and any other instrument, agreement, modification, certificate, schedule, exhibit or document provided for herein (collectively, the "**Transaction Documents**") to be executed, delivered and performed by Borrower, together with a certification of a Responsible Officer that Borrower's Operating Documents have not changed in any respect since the versions previously provided to Bank;

(c) certificates of good standing and foreign qualification of Borrower (for the States of Nevada, Arizona and Illinois), certified by the applicable Secretary of State as of a recent date;

(d) the amount of Five Thousand and No/100 Dollars ($5,000) as a one-time, fully-earned, non-refundable covenant waiver fee; and

(e) the amount of all of the reasonable out-of-pocket costs and expenses of Bank (including, without limitation, the reasonable fees and out-of-pocket expenses of Bank's outside counsel and its paralegals) incurred in connection with this Amendment and the Transaction Documents.

5. Representations and Warranties of Borrower. Borrower hereby represents and warrants to Bank, which representations and warranties shall survive the execution and delivery hereof, that on and as of the date hereof after giving effect to this Amendment:

(a) Borrower has the corporate power and authority to execute and deliver this Amendment and the Transaction Documents (and perform its obligations hereunder and thereunder). The execution, delivery and performance by Borrower of this Amendment and the Transaction Documents have been duly authorized by Borrower. This Amendment, the Transaction Documents and the Loan Agreement (as amended by this Amendment) each constitutes the legal, valid and binding obligation of Borrower and is enforceable against Borrower in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditor's rights and remedies generally;

(b) The representations and warranties set forth in the Loan Agreement and in the other Loan Documents are true, correct and complete in all material respects on and as of the date hereof; provided, however, that such materiality qualifier is not applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof (including any Material Adverse Effect qualifier); and provided, further that those representations and warranties expressly referring to a specific date are true, accurate and complete in all material respects as of such date;

(c) The execution, delivery and performance by Borrower of this Amendment and the Transaction Documents does not (i) conflict with any of Borrower's Operating Documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected which would reasonably be expected to result in material liability to Borrower, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect), or (v) constitute an event of default under any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default would reasonably be expected to have a Material Adverse Effect; and

(d) Other than the FCCR Defaults, no Default or Event of Default has occurred and is continuing as of the date hereof or shall occur immediately after giving effect to this Amendment, and no event has occurred that has had or could reasonably be expected to have a Material Adverse Effect.

6. Reaffirmation; Reference to Loan Agreement; No Waiver.

(a) Reaffirmation. Borrower acknowledges and agrees that: (i) all of its Obligations and liabilities under the Loan Agreement, as amended hereby, are and shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment; and (ii) the first priority perfected security interests and Liens and rights in the collateral securing payment of the Obligations are hereby ratified and confirmed by Borrower in all respects (in each case, subject only to Permitted Liens).

(b) References. Upon the effectiveness of this Amendment, each reference in the Loan Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import shall mean and be a reference to the Loan Agreement, as amended hereby. The term "Loan Documents" as defined in Section 13.1 of the Loan Agreement shall include (in addition to the Loan Documents described in the Loan Agreement) this Amendment and the Transaction Documents.

(c) No Waiver. Bank's failure, at any time or times hereafter, to require strict performance by Borrower of any provision or term of the Loan Agreement, this Amendment or the Loan Documents shall not waive, affect or diminish any right of Bank hereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver by Bank of a breach of this Amendment or any Default or Event of Default under the Loan Agreement shall not, except as expressly set forth in a writing signed by Bank, suspend, waive or affect any other breach of this Amendment or any Default or Event of Default under the Loan Agreement, whether the same is prior or subsequent thereto and whether of the same or of a different kind or character. None of the undertakings, agreements, warranties, covenants and representations of Borrower contained in this Amendment, shall be deemed to have been suspended or waived by Bank unless such suspension or waiver is (i) in writing and signed by Bank and (ii) delivered to Borrower. In no event shall Bank's execution and delivery of this Amendment establish a course of dealing among Bank, Borrower or any other obligor, or in any other way obligate Bank to hereafter provide any consents, amendments or waivers with respect to the Loan Agreement. The terms and provisions of this Amendment shall be limited precisely as written and shall not be deemed (x) to be a consent to any amendment or modification of any other term, provision or condition of the Loan Agreement or of any of the Loan Documents (except as expressly provided herein); or (y) to prejudice any right or remedy which Bank may now have under or in connection with the Loan Agreement or any of the Loan Documents.

(d) Full Force and Effect. Except as expressly provided herein, the Loan Agreement and all Loan Documents shall remain in full force and effect and are hereby ratified and confirmed in all respects.

7. Release.

(a) In consideration of, among other things, the limited waiver and amendments provided for herein, and for other good and valuable consideration, as of the date hereof, Borrower and its successors and permitted assigns and, to the extent the same is claimed by right of, through or under the above, for, to the furthest extent permitted by applicable law, its past, present and future employees, directors, managers, agents, representatives, officers, shareholders, members and affiliates (all of the foregoing collectively, with Borrower, the " **Releasing Parties**"), do hereby unconditionally, irrevocably and forever remise, satisfy, acquit, release and discharge Bank and any of its successors, assigns, and past, present and future officers, directors, shareholders, trustees, agents, employees, consultants, experts, advisors, attorneys, and other professionals and all other persons and entities to whom Bank would be liable if such persons or entities were found in any way to be liable to any of the Releasing Parties (collectively hereinafter the "**Bank Parties**"), from any and all manner of action and actions, cause and causes of action, claims, cross-claims, charges, demands, counterclaims, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, damages, judgments, liabilities, damages, expenses, executions, liens, claims of liens, claims of costs, disputes, proceedings, penalties, attorneys' fees, or any other compensation, recovery or relief on account of any liability, obligation, demand or cause of action of whatever nature, whether in law, equity or otherwise (including, without limitation, those arising under 11 U.S.C. §§ 541-550 and interest or other carrying costs, penalties, legal, accounting and other professional fees and expenses, and incidental, consequential and punitive damages payable to third parties), whether known or unknown, fixed or contingent, joint and/or several, secured or unsecured, due or not due, primary or secondary, liquidated or unliquidated, contractual or tortious, direct, indirect, or derivative, asserted or unasserted, foreseen or unforeseen, suspected or unsuspected, existing as of the date hereof, heretofore existing or which may have heretofore accrued against any or all of the Bank Parties, whether held in a personal or representative capacity, and which are based on any act, fact, event, circumstance or omission or other matter, cause or thing occurring at or from any time prior to and including the date hereof in any way, directly or indirectly arising out of, connected with or relating to this Amendment, the Loan Agreement, the Collateral, the Obligations, or any other Loan Document and the transactions contemplated hereby and thereby. Borrower acknowledges that Bank is specifically relying upon the representations, warranties and agreements contained herein and that such representations, warranties and agreements constitute a material inducement to Bank in entering into this Amendment.

(b) Borrower understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) Borrower hereby knowingly, voluntarily, intentionally and expressly waives and relinquishes any and all rights and benefits that it may have as against Bank Parties under any law, rule or regulation of any jurisdiction that would have the effect of limiting the extent to which a general release extends to claims which a Bank Party or Releasing Party does not know or suspect to exist as of the date hereof. Borrower hereby acknowledges that the waiver set forth in the prior sentence was separately bargained for and that such waiver is an essential term and condition of this Amendment (and without which the limited waiver in Section 2 hereof and the amendments in Section 3 hereof would not have been given by Bank).

8. Successors and Assigns. This Amendment binds and is for the benefit of the successors and permitted assigns of each party hereto; provided, however, Borrower may not assign this Amendment or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's sole discretion).

9. Severability of Provisions. Whenever possible, each provision of this Amendment shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Amendment shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Amendment.

10. Counterparts; Inconsistencies. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Amendment. A signature hereto sent or delivered by facsimile or other electronic transmission (including, without limitation, via .pdf) shall be as legally binding and enforceable as a signed original for all purposes. To the extent any terms or provisions contained in any other Loan Document are inconsistent or conflict with the terms and provisions of this Amendment, the terms and provisions of this Amendment shall control and govern.

11. **CHOICE OF LAW, VENUE, AND JURY TRIAL WAIVER**.

THIS AMENDMENT SHALL BE CONSTRUED IN ALL RESPECTS IN ACCORDANCE WITH, AND ENFORCED AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANY OTHER STATE.

Borrower and Bank each submit to the exclusive jurisdiction of the State and Federal courts in Cook County, Illinois; provided, however, that nothing in this Amendment shall be deemed to operate to preclude Bank from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Bank. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court.

Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 10 of the Loan Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mail, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AMENDMENT, ANY OTHER LOAN DOCUMENT OR ANY CONTEMPLATED TRANSACTION HERETO OR THERETO, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS JURY TRIAL WAIVER WITH ITS RESPECTIVE COUNSEL.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have duly executed this Limited Waiver and Amendment No. 2 to Loan and Security Agreement as of the day and year first above written.

BORROWER:

MOBIVITY, INC., a Nevada corporation

By *_/s/ Lynn Tiscareno_*
Name: Lynn Tiscareno
Title: Chief Financial Officer

BANK:

WINTRUST BANK, N.A. (formerly known as Wintrust Bank)

By ______________________
Name: Bailey Eastman Moore
Title: Vice President

Signature Page to Limited Waiver and Amendment No. 2 to Loan and Security Agreement

EXHIBIT A TO AMENDMENT

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: WINTRUST BANK, N.A. ("Bank") Date: ____________________
FROM: MOBIVITY, INC.

The undersigned authorized officer of MOBIVITY, INC. ("Borrower") certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the "Agreement"):

(1) Borrower is in compliance for the period ending _______________ with all required covenants except as noted below; (2) there are no existing Defaults or Events of Default, other than as described herein; (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true and correct in all material respects as of such date; (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement; and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank.

Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes (other than, in the case of unaudited financial statements, for the lack of footnote disclosure or year-end audit adjustments). The undersigned acknowledges that no borrowings or other extensions of credit (including, without limitation, Treasury Management Services) may be requested at any time or date when a Default or an Event of Default exists, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement. A signature hereto sent or delivered by facsimile or other electronic transmission (including, without limitation, via .pdf) shall be as legally binding and enforceable as a signed original for all purposes.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenant	Required	Complies
Quarterly financial statements with Compliance Certificate	Quarterly within 45 days	Yes No
Quarterly A/R Aging Report	Quarterly within 45 days	Yes No
Annual financial statement (CPA Audited)	FYE within 180 days	Yes No
Parent 10-Q, 10-K and 8-K	Within 5 days after filing with SEC	Yes No
Annual Budget	Prior to 30 days before start of fiscal year	Yes No
Board-approved projections	To the extent available and upon request of Bank	Yes No

Financial Covenant		Complies
Maintain at all times (measured and tested quarterly)*		
Maximum Term Loan Balance		
(1) Term Loan Balance	$	
(2) Cash	$	
(3) Permitted Receivables	$	
(4) 80% of (3)	$	
(5) Sum of (2) and (4)	$	
Does (5) exceed (1)		Yes No

**As set forth in Section 6.7(a) of the Loan and Security Agreement*

EXHIBIT B TO AMENDMENT

EXHIBIT C

QUARTERLY A/R AGING REPORT

Company Name: Mobivity, Inc.
Report Name: Customer Aging Report (USD - Exchange As Of [___])
As of Date: [___]
Created On: [___]
Location: MFON—Mobivity, Inc.

Based on: Due Date As of Date: 06/30/2020

Customer ID	Customer Name	Invoice	GL Posting Date	Invoice Date	Due Date	Txn Currency	Txn amount	Days aged	-0	1-30	31-60	61-90	91-120	121-	Total
[__]	[__]	[__]	[__]	[__]	[__]	USD	[__]	[__]	[__]	[__]	[__]	[__]	[__]	[__]	[__]
Total for [__]									[__]	[__]	[__]	[__]	[__]	[__]	[__]

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Rule 13a-14(a) adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Dennis Becker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mobivity Holdings Corp. for the quarter ended September 30, 2020;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2020

By: */s/ Dennis Becker*
Dennis Becker
Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Rule 13a-14(a) adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Lynn Tiscareno, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mobivity Holdings Corp. for the quarter ended September 30, 2020;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2020

By: */s/ Lynn Tiscareno*
Lynn Tiscareno
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Mobivity Holdings Corp., a Nevada corporation (the "Company"), for the period ended September 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Dennis Becker, Chief Executive Officer of the Company, and Lynn Tiscareno, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: November 9, 2020

/s/ Dennis Becker
Dennis Becker
Chairman and Chief Executive Officer
(Principal Executive Officer)

/s/ Lynn Tiscareno
Lynn Tiscareno
Chief Financial Officer
(Principal Financial and Accounting Officer)