

May 16, 2022



# Mobivity Announces First Quarter 2022 Financial Results

PHOENIX, May 16, 2022 (GLOBE NEWSWIRE) -- Mobivity Holdings Corp. (OTCQB:MFON), maker of the award-winning Recurrency platform that increases customer engagement through mobile messaging and personalized digital offers, and drives digital transformation for brands, today announced financial results for the first quarter ("Q1") ending March 31, 2022.

## First Quarter 2022 Financial Highlights

- Revenues of \$2.0 million compared to \$2.5 million in Q1 2021. The year-over-year decrease in revenue was primarily due to the restructuring of a large customer contract due to COVID related changes in their business.
- Gross margin of 42.1% compared to 57.6% in Q1 2021. The decrease in gross margin was primarily due to the restructuring of the aforementioned large customer contract.
- Net loss was \$1.9 million compared to \$1.7 million in Q1 2021.
- Cash and cash equivalents totalled \$1.5 million compared to \$735,000 at December 31, 2021.
- Sequentially, revenue for the first quarter of 2022 was up 8% over the fourth quarter of 2021 on a comparative basis, excluding accounting deductions taken in the fourth quarter.
- Adjusted EBITDA, excluding certain non-cash expenses, was \$1.3M for Q1, 2022.

## First Quarter 2022 Business Highlights

- Launched innovative in-game rewards programs with leading QSR and convenience store brands across several popular mobile games.
- Executed the QSR industry's first mobile game promotion uniquely combining SMS text message marketing and digital coupon codes.
- Developed three partnerships in the gaming industry spanning both mobile and console-based gaming platforms.

Dennis Becker, Mobivity Chairman and CEO, commented, "During the first quarter, our team successfully executed several programs targeting the massive market opportunity to connect millions of consumers with everyday retail food and convenience brands through the gaming, streaming and other digital activities they are already engaged in. We are encouraged by the early results of these programs, which importantly, are scalable, leverage our existing products and technologies and are characterized by a highly attractive economic model. Demand for real-world incentives for digital activities is robust, and we have a healthy pipeline of new gaming partners, game titles and foodservice and convenience brands that we believe can mutually benefit from our technologies. Our platform can serve as a critical bridge between the digital and real worlds for consumers and merchants highlighting the exciting potential for our business."

## Consolidated Financial Summaries

(In thousands)	Three months ended March 31,			
	2022	2021	\$	%
Revenue	\$ 2,030	\$ 2,458	\$ (428)	(17.4%)
Gross profit	\$ 855	\$ 1,416	\$ (561)	(39.6%)
<i>Gross margin</i>	42.1%	57.6%		(1,550) bps
Operating Expenses	\$ 2,631	\$ 2,918	\$ (287)	(26.9%)
Loss from Operations	\$ (1,777)	\$ (1,661)	\$ 116	(16.0%)
Net loss	\$ (1,946)	\$ (1,703)	\$ (243)	(8.4%)
Adjusted EBITDA *	\$ (1,314)	\$ (1,339)	\$ 25	1.9%

### Conference Call

Date: Monday, May 16, 2022

Time: 4:30 P.M. Eastern Time (ET)

Dial in Number for U.S. Callers: 1-877-407-0789

Dial in Number for International Callers: 1-201-689-8562

Please Reference Conference ID: 13729704

The call will also be accompanied live by webcast over the Internet and accessible at <https://event.choruscall.com/mediaframe/webcast.html?webcastid=pDzR4icT>.

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

A replay will be available for two weeks starting on May 16, 2022 at approximately 7:30 P.M. ET. To access the replay, please dial 1-844-512-2921 in the U.S. and 1-412-317-6671 for international callers. The conference ID# is 13729704. The replay will also be available on the Company's website under the [investor relations section](#).

### Non-GAAP Measurements

This press release includes certain financial information which constitutes "non-GAAP financial measures" as defined by the SEC. A full reconciliation of the non-GAAP measures to GAAP can be found in the tables of today's press release. Non-GAAP adjusted net income is supplemental to results presented under accounting principles generally accepted in the United States of America ("GAAP") and may not be comparable to similarly titled measures presented by other companies. These non-GAAP measures are used by management to facilitate period-to-period comparisons and analysis of Mobivity's operating performance and liquidity. Management believes these non-GAAP measures are useful to investors in trending, analyzing and benchmarking the performance and value of Mobivity's business. These non-GAAP measures should be considered in addition to, but not as a substitute for, other similar measures reported in accordance with GAAP.

### About Mobivity

Brick and mortar stores struggle to manage customer connections in a digital world. Mobivity provides a platform to connect national restaurants, retailers, personal care brands, and their partners with customers to increase retention, visits, and spend. Mobivity's Recurrency platform increases customer engagement and frequency by capturing detailed POS

transaction data, analyzing customer habits, and motivating customers and employees through data-driven messaging applications and rewards. For more information about Mobivity, visit [mobivity.com](http://mobivity.com) or call (877) 282-7660.

### Forward Looking Statement

This press release contains forward-looking statements concerning Mobivity Holdings Corp. within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those forward-looking statements include statements regarding the benefits of recent additions to the Company's management team; the Company's expectations for the growth of the Company's operations and revenue; and the advantages and growth prospects of the mobile marketing industry. Such statements are subject to certain risks and uncertainties, and actual circumstances, events or results may differ materially from those projected in such forward-looking statements. Factors that could cause or contribute to differences include, but are not limited to, our ability to successfully integrate our recent additions to management; our ability to develop the sales force required to achieve our development and revenue goals; our ability to raise additional working capital as and when needed; changes in the laws and regulations affecting the mobile marketing industry and those other risks set forth in Mobivity Holdings Corp.'s annual report on Form 10-K for the year ended December 31, 2020 filed with the SEC on March 30, 2021 and subsequently filed quarterly reports on Form 10-Q. Mobivity Holdings Corp. cautions readers not to place undue reliance on any forward-looking statements. Mobivity Holdings Corp. does not undertake, and specifically disclaims any obligation to update or revise such statements to reflect new circumstances or unanticipated events as they occur.

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### Mobivity Holdings Corp. Condensed Consolidated Balance Sheets

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 1,455,147	\$ 735,424
Accounts receivable, net of allowance for doubtful accounts of \$53,514 and \$56,340, respectively	491,004	578,303
Other current assets	333,207	227,458
<b>Total current assets</b>	<b>2,279,358</b>	<b>1,541,185</b>
Goodwill	411,183	411,183
Right to use lease assets	1,132,317	1,187,537
Intangible assets, net	1,015,690	1,124,720
Other assets	157,366	173,325
<b>TOTAL ASSETS</b>	<b>\$ 4,995,914</b>	<b>\$ 4,437,950</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 3,503,464	\$ 3,823,909
Accrued interest	305,364	172,239

Accrued and deferred personnel compensation	292,430	495,533
Deferred revenue and customer deposits	173,379	377,170
Related party notes payable	1,479,167	819,531
Notes payable, net - current maturities	41,577	69,052
Operating lease liability	237,761	229,240
Other current liabilities	—	9,071
<b>Total current liabilities</b>	<b>6,033,142</b>	<b>5,995,745</b>
<b>Non-current liabilities</b>		
Related party notes payable, net - long term	1,857,079	2,498,711
Notes payable, net - long term	61,794	39,086
Operating lease liability	1,127,670	1,188,589
<b>Total non-current liabilities</b>	<b>3,046,543</b>	<b>3,726,386</b>
<b>Total liabilities</b>	<b>9,079,685</b>	<b>9,722,131</b>
<b>Stockholders' equity (deficit)</b>		
Common stock, \$0.001 par value; 100,000,000 shares authorized; 58,598,885 and 55,410,695, shares issued and outstanding	58,599	55,411
Equity payable	100,862	100,862
Additional paid-in capital	105,590,137	102,446,921
Accumulated other comprehensive income (loss)	(64,983)	(52,088)
Accumulated deficit	(109,768,386)	(107,835,287)
<b>Total stockholders' equity (deficit)</b>	<b>(4,083,771)</b>	<b>(5,284,181)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 4,995,914</b>	<b>\$ 4,437,950</b>

See accompanying notes to consolidated financial statements.

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

	Three Months Ended March 31,	
	2022	2021
<b>Revenues</b>		
Revenues	\$ 2,029,569	\$ 2,457,590
Cost of revenues	1,174,948	1,041,795
<b>Gross profit</b>	854,621	1,415,795
<b>Operating expenses</b>		
General and administrative	1,207,176	1,289,370
Sales and marketing	597,501	896,750
Engineering, research, and development	702,223	723,950
Impairment of intangible asset	—	8,286
Depreciation and amortization	124,312	158,227
<b>Total operating expenses</b>	2,631,212	3,076,583
<b>Loss from operations</b>	<b>(1,776,591)</b>	<b>(1,660,788)</b>
<b>Other income/(expense)</b>		
Interest income	—	5
Interest expense	(159,827)	(32,516)
Foreign currency gain (loss)	3,319	(474)
<b>Total other income/(expense)</b>	<b>(156,508)</b>	<b>(32,985)</b>
<b>Loss before income taxes</b>	<b>(1,933,099)</b>	<b>(1,693,773)</b>
Income tax expense	—	—
<b>Net loss:</b>	<b>(1,933,099)</b>	<b>(1,693,773)</b>
<b>Other comprehensive loss, net of income tax</b>		
Foreign currency translation adjustments	(12,895)	(9,678)

<b>Comprehensive loss</b>	<b>\$ (1,945,944)</b>	<b>\$ (1,703,451)</b>
<b>Net loss per share:</b>		
<b>Basic and Diluted</b>	<b>\$ (0.03)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of shares:</b>		
<b>Basic and Diluted</b>	<b>57,233,309</b>	<b>55,410,695</b>

<b>(In thousands)</b>	<b>Three months ended March</b>	
	<b>2022</b>	<b>2021</b>
Net Loss	(\$1,946)	(\$1,694)
Stock Based Compensation	\$0	\$0
Depreciation and Amortization	\$124	\$158
Interest Expenses Net	(\$160)	(\$33)
Adjusted EBITDA	(\$1,982)	(\$1,568)



Source: Mobivity Holdings Corp.