

MOBIVITY HOLDINGS CORP.
Form 10-Q
August 13, 2015

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2015

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
(State or Other Jurisdiction of
Incorporation or Organization)

26-3439095
(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)

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

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Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

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

As of August 13, 2015, the registrant had 27,864,078 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

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
ASSETS		
Current assets		
Cash	\$3,173,639	\$848,230
Accounts receivable, net of allowance for doubtful accounts of \$39,254 and \$90,869, respectively	329,676	378,934
Other current assets	167,605	109,846
Total current assets	3,670,920	1,337,010
Goodwill	1,921,072	1,921,072
Intangible assets, net	2,278,881	2,010,952
Other assets	170,787	99,476
TOTAL ASSETS	\$8,041,660	\$5,368,510
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$537,685	\$412,551
Accrued and deferred personnel compensation	157,408	185,214
Deferred revenue and customer deposits	68,494	180,941
Derivative liabilities	49,474	42,659
Other current liabilities	86,463	43,525
Earn-out payable	838,000	840,000
Total current liabilities	1,737,524	1,704,890
Total liabilities	1,737,524	1,704,890
Commitments and Contingencies (See Note 10)		
Stockholders' equity		
Common stock, \$0.001 par value; 50,000,000 shares authorized; 27,864,063 and 22,748,193 shares issued and outstanding	27,864	22,748
Equity payable	100,862	100,862
Additional paid-in capital	68,260,823	62,565,974
Accumulated deficit	(62,085,413)	(59,025,964)
Total stockholders' equity	6,304,136	3,663,620
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$8,041,660	\$5,368,510

See accompanying notes to condensed consolidated financial statements (unaudited).

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Mobivity Holdings Corp.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three months ended June		Six months ended June 30,	
	2015	30, 2014	2015	2014
Revenues				
Revenues	\$ 1,091,245	\$ 1,109,891	\$ 2,031,417	\$ 2,013,106
Cost of revenues	270,038	258,340	533,952	519,234
Gross margin	821,207	851,551	1,497,465	1,493,872
Operating expenses				
General and administrative	1,046,839	854,438	2,208,226	1,984,389
Sales and marketing	797,329	954,561	1,890,228	1,895,646
Engineering, research, and development	201,562	383,865	315,706	681,798
Depreciation and amortization	82,740	115,881	138,486	183,964
Total operating expenses	2,128,470	2,308,745	4,552,646	4,745,797
Loss from operations	(1,307,263)	(1,457,194)	(3,055,181)	(3,251,925)
Other income/(expense)				
Interest income	492	171	547	1,902
Interest expense	-	(854)	-	(1,680)
Change in fair value of derivative liabilities	(25,140)	27,713	(6,815)	57,792
Gain on adjustment in contingent consideration	2,000	-	2,000	-
Total other income/(expense)	(22,648)	27,030	(4,268)	58,014
Loss before income taxes	(1,329,911)	(1,430,164)	(3,059,449)	(3,193,911)
Income tax expense	-	-	-	-
Net loss	\$ (1,329,911)	\$ (1,430,164)	\$ (3,059,449)	\$ (3,193,911)
Net loss per share - basic and diluted	\$ (0.05)	\$ (0.06)	\$ (0.12)	\$ (0.16)
Weighted average number of shares during the period - basic and diluted	26,385,601	22,237,762	24,713,302	19,877,470

See accompanying notes to condensed consolidated financial statements (unaudited).

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

	Common Stock		Equity	Additional	Accumulated	Total
	Shares	Dollars	Payable	Paid-in	Deficit	Stockholders'
				Capital		Equity
						(Deficit)
Balance, December 31, 2014	22,748,193	\$22,748	\$100,862	\$62,565,974	\$(59,025,964)	\$ 3,663,620
Issuance of common stock for financing, net of transaction costs of \$234,500	4,805,000	4,805		4,565,695		4,570,500
Issuance of common stock for services	310,870	311		362,690		363,001
Stock based compensation				766,464		766,464
Net loss					(3,059,449)	(3,059,449)
Balance, June 30, 2015	27,864,063	\$27,864	\$100,862	\$68,260,823	\$(62,085,413)	\$ 6,304,136

See accompanying notes to condensed consolidated financial statements (unaudited).

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Mobivity Holdings Corp.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six months ended June 30,	
	2015	2014
OPERATING ACTIVITIES		
Net loss	\$ (3,059,449)	\$ (3,193,911)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	4,111	35,057
Common stock issued for services	363,001	-
Stock-based compensation	766,464	577,871
Depreciation and amortization expense	138,486	183,963
Change in fair value of derivative liabilities	6,815	(57,792)
Gain on adjustment in contingent consideration	(2,000)	-
Increase (decrease) in cash resulting from changes in:		
Accounts receivable	45,147	(96,782)
Other current assets	(57,759)	13,755
Other assets	(25,107)	-
Accounts payable	125,134	82,690
Accrued interest	-	1,680
Accrued and deferred personnel compensation	(27,806)	17,159
Deferred revenue and customer deposits	(112,447)	(87,882)
Other liabilities	42,938	(10,016)
Net cash used in operating activities	(1,792,472)	(2,534,208)