

Mobiquity Technologies, Inc.
Form 10-Q
August 14, 2017

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**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2017

COMMISSION FILE NUMBER: 000-51160

MOBIQUITY TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

NEW YORK

11-3427886

(State of jurisdiction of Incorporation) (I.R.S. Employer Identification No.)

626 RXR Plaza

Uniondale, NY 11556

(Address of principal executive offices)

(516) 256-7766

(Registrant's telephone number)

**600 Old Country Road, Suite 541,
Garden City, NY 11530**

(Former name, address and fiscal year, if changed since last report)

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 checkmark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the 12 preceding months (or such shorter period that the registrant was required to submit and post such file).

Yes 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. (Check one)

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth 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

As of August 10, 2017, the registrant had a total of 192,421,390 shares of Common Stock outstanding.

MOBIQUITY TECHNOLOGIES, INC.

FORM 10-Q QUARTERLY REPORT

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Part I - FINANCIAL INFORMATION**Item 1. Financial Statements****MOBIQUITY****TECHNOLOGIES, INC.**

Condensed Consolidated Balance Sheets

	June 30, 2017 Unaudited	December 31, 2016 Audited
Assets		
Current Assets:		
Cash and cash equivalents	\$306,259	\$213,184
Accounts receivable, net	383,604	298,928
Inventory, net	66,142	79,291
Prepaid expenses and other current assets	10,367	38,929
Total Current Assets	766,372	630,332
Property and equipment, net	2,748	15,392
Intangible assets, net	22,817	37,117
Other assets	17,385	43,332
Total Assets	\$809,322	\$726,173
Liabilities and Stockholders' Deficit		
Current Liabilities:		
Accounts payable	\$743,008	\$914,697
Accrued expenses	660,418	1,161,628
Derivative liability	1,614,729	350,700
Convertible promissory notes, net	1,083,907	10,832,275
Total Current Liabilities	4,102,062	13,259,300
Total Liabilities	4,102,062	13,259,300
	11,854,062	-

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AAA Preferred Stock, \$.0001 par value; 5,000,000 shares authorized 1,117,588 and zero shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively

Stockholders' Deficit:

Preferred Stock, \$.0001 par value; 5,000,000 shares authorized, zero and 240,000 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	–	25
Common stock, \$.0001 par value; 900,000,000 and 500,000,000 shares authorized; 192,421,390 and 99,020,103 shares issued and outstanding at June 30, 2017, and December 31, 2016, respectively	19,253	9,913
Additional paid-in capital	44,119,565	38,652,075
Accumulated other comprehensive income (loss)	–	(13,047)
Accumulated deficit	(59,285,620)	(51,182,093)
Total Stockholders' Deficit	(15,146,802)	(12,533,127)
Total Liabilities and Stockholders' Deficit	\$ 809,322	\$ 726,173

See notes to condensed consolidated financial statements.

MOBIQUITY**TECHNOLOGIES, INC.**

Condensed Consolidated Statements of Operations

	Three Months Ended June 30, (Unaudited)		Six Months Ended June 30, (Unaudited)	
	2017	2016	2017	2016
Revenues				
Product revenue	\$750,304	\$584,740	\$1,102,636	\$1,042,790
Service revenue	100,204	11,750	181,991	70,932
	850,508	596,490	1,284,627	1,113,722
Cost of Revenues				
Cost of product revenue	570,046	394,065	904,322	773,880
Cost of service revenue	309,739	–	406,031	88,310
	879,785	394,065	1,310,353	862,190
Gross Profit	(29,277)	202,425	(25,726)	251,532
Operating Expenses:				
Selling, general and administrative	1,606,184	2,255,983	3,466,379	4,870,755
Total Operating Expenses	1,606,184	2,255,983	3,466,379	4,870,755
Loss from Operations	(1,635,461)	(2,053,558)	(3,492,105)	(4,619,223)
Other Income (Expense):				
Interest expense	(758,492)	(792,478)	(1,892,426)	(1,422,505)
Gain/(Loss) on Derivative Instrument	1,006,309	537,497	1,284,031	756,835
Initial derivative expense	(181,265)	(565,780)	(1,284,704)	(565,780)
Gain/(Loss) on Settlement of Debt	–	–	(2,706,197)	–
Impairment of intangible assets	–	–	(12,127)	–
Interest income	1	2	1	3
Total Other Income (Expense)	66,553	(820,759)	(4,611,422)	(1,231,447)
Net Loss	(1,568,908)	\$(2,874,317)	(8,103,527)	\$(5,850,670)
Other Comprehensive (Loss)	–	(747)	(13,047)	(20,789)
Net Comprehensive Loss	\$(1,568,908)	\$(2,875,064)	\$(8,090,480)	\$(5,871,459)

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Net Loss Per Common Share:

Basic and Diluted	\$ (0.01)	\$ (0.04)	\$ (0.05)	\$ (0.07)
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Weighted Average Common Shares Outstanding:

Basic and Diluted	191,606,473	80,138,462	170,802,429	79,660,300
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See notes to condensed consolidated financial statements.

MOBIQUITY**TECHNOLOGIES, INC.**

Consolidated Statements of Cash Flows

Six Months Ended June 30,	2017	2016
	Unaudited	Unaudited
Cash Flows from Operating Activities:		
Net loss	\$(8,103,527)	\$(5,850,670)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation Expense	6,451	70,513
Amortization - Intangible Assets	14,300	14,300
Amortization - Debt discount	1,363,013	1,190,909
Stock-based compensation	425,358	349,409
Common stock issued for services	314,310	122,750
Initial derivative expense	1,284,704	565,780
Gain on change in derivative	(1,284,031)	(756,835)
Gain on settlement of debt	2,706,197	–
Loss on disposal of assets	12,241	–
Expenses paid from note	567,737	–
Changes in operating assets and liabilities:		
Accounts receivable	(84,676)	93,729
Inventory	13,149	19,807
Prepaid expenses and other assets	48,461	388,890
Accounts payable	(163,310)	18,198
Accrued expenses and other current liabilities	361,064	162,588
Total adjustments	5,584,968	2,240,038
Net Cash Used in Operating Activities	(2,518,559)	(3,610,632)
Cash Flows from Investing Activities:		
Purchase of property and equipment	–	(173,940)
Loss on disposition of fixed assets	–	–
Net Cash Used in Investing Activities	–	(173,940)
Cash Flows from Financing Activities:		
Proceeds from the issuance of notes	1,735,000	1,580,626
Proceeds from issuance of common stock	311,250	–
Proceeds received from exercising warrants	95,834	–
Proceeds from the collection of stock subscription receivable	456,503	–
Proceeds from the issuance of preferred stock	–	400,000
Net Cash Provided by Financing Activities	2,598,587	1,980,626

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Net Change in Cash and Cash Equivalents	80,028	(1,803,946)
Cash and Cash Equivalents, beginning of period	213,184	2,044,662
Change in foreign currency	13,047	(20,790)
Cash and Cash Equivalents, end of period	\$306,259	\$219,926

Supplemental Disclosure Information:

Cash paid for interest	\$3,140	\$50,150
Cash paid for taxes	\$-	\$-

Non-cash Disclosures:

Common Stock issued for interest	-	\$62,215
Original debt discount against derivative liabilities	\$1,600,000	\$1,025,000
Conversion of note and interest into AAA Preferred and Common Stock	\$12,791,476	\$-
Original issue discount against convertible notes	\$294,939	\$-

See notes to condensed consolidated financial statements.

MOBIQUITY TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2017 AND 2016
(UNAUDITED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS – On September 10, 2013, Mobiquity Technologies, Inc. changed its name from Ace Marketing & Promotions, Inc. “the Company” or “Mobiquity”). We operate through two wholly-owned U.S. subsidiaries, namely, Mobiquity Networks, Inc. and Ace Marketing & Promotions, Inc. Mobiquity Networks owns 100% of Mobiquity Wireless S.L.U, a company incorporated in Spain. This corporation had an office in Spain to support our U.S. operations, which office was closed in the fourth quarter of 2016.

We operate a national location-based mobile advertising network that has developed a consumer-focused proximity network which we believe is unlike any other in the United States. Our integrated suite of proprietary location based mobile advertising technologies allows clients to execute more personalized and contextually relevant experiences, driving brand awareness and incremental revenue.

Mobiquity Technologies, Inc., a New York corporation (OTCQB: MOBQ). Through its wholly-owned subsidiary, Mobiquity Networks, Inc. has evolved and grown from a mobile advertising technology company focused on Driving Awareness and Foot-traffic throughout its indoor mall-based beacon network, into a next generation mobile location data and marketing company. The Company provides precise unique, at-scale location based data and insights on consumer’s real world behavior and trends for use in marketing and research. With our combined exclusive data sets of shopping malls, premium outlets and cinemas beacon data, and first party location data via our advanced Software Development Kit (SDK) utilizing multiple geo-location technologies; Mobiquity Networks provides one of the most accurate and scaled solution for mobile data collection and analysis. This should create several additional revenue streams, including, but not limited to; Push Notification Campaigns, Re-targeting Campaigns, Data Provision, Audience Profiles, Attribution Reporting and Custom Research.