

Mobiquity Technologies, Inc.  
Form 10-Q  
May 01, 2019

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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 MARCH 31, 2019**

**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.)

**35 Torrington Lane  
SHOREHAM, NY 11786**

(Address of principal executive offices)

**(516) 246-9422**

(Registrant's telephone number)

(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 April 25, 2019, the registrant had a total of 676,126,000 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 Technology, Inc.

Condensed Consolidated Balance Sheets

	March 31, 2019 (unaudited)	December 31, 2018
Assets		
Current Assets		
Cash and cash equivalents	\$890,846	\$624,338
Accounts receivable, net	2,275,967	2,479,363
Prepaid expenses and other current assets	11,700	11,700
Related Party receivable	20,000	-
Total Current Assets	3,198,513	3,115,401
Property and equipment, net	17,610	6,662
Intangibles assets, net	9,158,035	9,250,852
Other assets		
Security deposits	9,000	9,000
Member's Loan	163,533	131,649
Investment in corporate stock	5,824,167	4,284,444
Total Assets	\$18,370,858	\$16,798,008
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$995,774	\$1,255,437
Accrued expenses	1,029,662	975,359
Note payables	150,000	150,000
Total Current Liabilities	2,175,436	2,380,796
Long term portion convertible notes, net	-	-

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Total Liabilities	2,175,436	2,380,796
Stockholders' Deficit		
AAA Preferred stock; 5,000,000 authorized; \$0.0001 par value 949,232 and 1,090,588 shares issued and outstanding at March 31, 2019 and December 31, 2018	9,596,827	11,552,513
AAAA Preferred Stock; \$.0001 par value; 1,250 shares authorized 800 and 800 shares issued and outstanding at March 31, 2019 and December 31, 2018	8,000	8,000
Preferred stock Series C; \$.0001 par value; 1,500 shares authorized 1,500 and 1,500 issued and outstanding at March 31, 2019 and December 31, 2018	15,000	15,000
Common stock: 2,000,000,000 and 900,000,000 shares authorized; \$.0001 par value 673,221,930 and 629,066,933 shares issued and outstanding at March 31, 2019 and December 31, 2018	67,337	62,922
Additional paid in capital	136,829,308	129,223,402
Subscription receivable	(917,500 )	–
Accumulated deficit	(128,699,603)	(127,108,103)
Total Stockholders' Equity (Deficit)	7,302,542	2,201,221
Non-controlling interest	(703,947 )	663,478
Total Liabilities and Stockholders' Equity	\$ 18,370,858	\$ 16,798,008

See notes to condensed consolidated financial statements

Mobiquity Technology, Inc.

## Condensed Consolidated Statements of Operations

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>(Unaudited)</b>	
	2019	2018
Revenues-Service	1,597,220	38,703
	1,597,220	38,703
Cost of Revenues-Service	912,175	61,117
	912,175	61,117
Gross Profit (Loss)	685,045	(22,414 )
Operating Expenses		
Selling, general and administrative	5,181,721	891,004
Total Operating Expenses	5,181,721	891,004
Loss from operations	(4,496,676 )	(913,418 )
Other Income (Expenses)		
Interest Expense	(1,973 )	(546,012 )
Change in derivative liability	-	(8,983,210 )
Unrealized holding gains arising during period	1,539,723	-
Initial derivative expense	-	(244,906 )
Total Other Income (Expense)	1,537,750	(9,774,128 )
Loss from continuing operations	(2,958,926 )	(10,687,546 )
Less net gain attributable to non-controlling interests	(14,262 )	-
Net Comprehensive Loss	(2,973,188 )	(10,687,546 )
Net Loss Per Common Share:		
For continued operations	(0.00 )	(0.05 )
Basic Diluted	(0.00 )	(0.05 )
Weighted Average Common Shares Outstanding		
Basic and Diluted	644,904,813	198,883,933

See notes to condensed consolidated financial statements





Mobiquity Technology, Inc.

## Condensed Consolidated Statements of Cash Flows

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>(Unaudited)</b>	
	2019	2018
Cash Flows from Operating Activities:		
Net loss	(2,958,926)	(10,687,546)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	471	–
Allowance for uncollectible receivables	–	–
Amortization- Intangible Assets	92,817	4,900
Amortization- Debt discount	–	336,843
Common stock issued for incentives	–	31,375
Change in derivatives	–	8,983,210
Stock-based compensation	–	327,405
Initial derivative expense	–	244,906
Changes in operating assets and liabilities		
Accounts receivable	203,396	(11,855 )
Prepaid expenses and other assets	(20,000 )	17,638
Accounts payable	(259,663 )	(204,841 )
Accrued expenses and other current liabilities	52,330	35,002
Accrued interest	1,973	177,637
Total Adjustments	71,324	9,942,220
Net Cash in Operating activities	(2,887,602)	(745,326 )
Cash Flows from Investing Activities		
Purchase of property and equipment	(11,419 )	–
Net cash used in Investing Activities	(11,419 )	–
Cash Flows from Financing Activities		
Proceeds from the issuance of notes, net	–	898,500
Issuance of warrants	3,745,749	–
Warrants converted to common	(72 )	–
Purchase of common stock	1,879,000	–
Common stock issued for services	29,958	–
Subscription receivable	(917,500 )	–
Cash received from bank notes	–	66,500
Cash paid on bank notes	(31,883 )	(121,044 )
Net Cash Provided by financing Activities	4,705,252	843,956
Net change in Cash and Cash Equivalents	1,806,231	98,630

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Cash and Cash Equivalents, Beginning of period	624,338	56,470
Unrealized holding loss on securities	(1,539,723)	—
Cash and Cash Equivalents, end of period	890,846	155,100
Supplemental Disclosure Information		
Cash paid for interest	—	—
Cash paid for taxes	—	—
Non-cash Disclosures:		
Common Stock Issued for interest	—	31,375
Recognition of debt discount	—	748,931

See notes to condensed consolidated financial statements

**MOBIQUITY TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**THREE MONTHS ENDED MARCH 31, 2019 AND 2018**  
**(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. Ace Marketing, its legacy marketing and promotions business was successfully sold on October 1, 2017, allowing us to focus our full attention to Mobiquity Networks.

Mobiquity Technologies, Inc., a New York corporation (the “Company”), is the parent company of its operating subsidiary; Mobiquity Networks, Inc. (“Mobiquity Networks”). The Company’s wholly-owned subsidiary, Mobiquity Networks has evolved and grown from a mobile advertising technology company focused on driving Foot-traffic throughout its indoor network, into a next generation location data intelligence company. Mobiquity Networks provides precise unique, at-scale location data and insights on consumer’s real-world behavior and trends for use in marketing and research. With its combined first party location data via its advanced SDK and its various exclusive data sets; Mobiquity Networks provides one of the most accurate and scaled solution for mobile data collection and analysis, utilizing multiple geo-location technologies. Mobiquity Networks is seeking to implement several new revenue streams from its data collection and analysis, including, but not limited to; Advertising, Data Licensing, Footfall Reporting, Attribution Reporting, Real Estate Planning, Financial Forecasting and Custom Research.

*Merger*

Mobiquity entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Glen Eagles Acquisition LP (“GEAL”) (which owns 165,000,000 shares of common stock of Mobiquity, equivalent to approximately 29.6% of the outstanding shares), AVNG Acquisition Sub, LLC (“Merger Sub”) and Advangelists, LLC (“Advangelists”) on November 20, 2018 which provided for Merger Sub to merge into Advangelists, with Advangelists as the surviving company following the merger. The description of the Merger Agreement in this Report and in the Previous 8-K is not complete and is subject to, and qualified in its entirety by, the full text of the Merger Agreement, a copy of which is attached to

this Report as Exhibit 2.1, the terms of which are incorporated herein by reference.

On December 6, 2018, Mobiquity and the other parties to the Merger Agreement entered into the First Amendment to Agreement and Plan of Merger (the "Amendment") which amended the Merger Agreement as follows:

The number of warrants to purchase shares of Mobiquity's common stock issuable as part of the merger consideration was changed from 90,000,000 shares to 107,753,750 shares, and the exercise price of the warrants was changed from \$0.09 per share to \$0.14 per share; and

The number of shares of Gopher Protocol Inc.'s common stock to be transferred by Mobiquity as part of the merger consideration changed from 11,111,111 to 9,209,722 shares.

Under the Merger Agreement and the Amendment, in consideration for the Merger:

Mobiquity issued warrants for 107,753,750 shares of Mobiquity common stock at an exercise price of \$0.14 per share, and, subject to the vesting threshold described below, Mobiquity transferred 9,209,722 shares of Gopher Protocol, Inc. common stock, to the pre-merger Advangelists members. The Gopher common stock was unvested at the time of transfer subject to vesting in February 2019 only if Advangelists' combined revenues for the months of December 2018 and January 2019 were at least \$250,000. The vesting threshold was met.

GEAL paid the pre-merger Advangelists members \$10 million in cash. \$500,000 was paid at closing and \$9,500,000 will be paid under a promissory note that was issued at closing, in 19 monthly installments of \$500,000 each, commencing on January 6, 2019.

The foregoing descriptions of the Amendment and the warrants are not complete and are subject to, and qualified in its entirety by, (i) the full text of the Merger Agreement and the Amendment, which are denoted as Exhibit 2.1 and Exhibit 2.2 to this Report, and (ii) the full text of the warrants, the form of which is denoted as Exhibit 10.1 to this Report; the terms of both of which are incorporated into this Report by reference.

The transactions contemplated by the Merger Agreement were consummated on December 7, 2018 upon the filing of a Certificate of Merger by Advangelists. As a result of the merger, Mobiquity owns 48% and GEAL owns 52% of Advangelists; and Mobiquity is the sole manager of, and controls, Advangelists.

As a result of Mobiquity having 100% control over Advangelists ASC 810-10-05-3 states “that for LLCs with managing and non-managing members, a managing member is the functional equivalent of a general partner and a nonmanaging member is the functional equivalent of a limited partner. In this case, a reporting entity with an interest in an LLC (which is not a VIE) would likely apply the consolidation model for limited partnerships if the managing member has the right to make the significant operating and financial decisions of the LLC.” In This case Mobiquity has the right to make the significant operating and financial decisions of Advangelists resulting in consolidation of Advangelists. As a result, the Pro Forma’s are attached as if consolidated.

Management has plans to address the Company’s financial situation as follows:

In the near term, management plans to continue to focus on raising the funds necessary to implement the Company’s business plan related to technology. Management will continue to seek out equity and/or debt financing to obtain the capital required to meet the Company’s financial obligations. There is no assurance, however, that lenders and investors will continue to advance capital to the Company or that the new business operations will be profitable. The possibility of failure in obtaining additional funding and the potential inability to achieve profitability raises doubts about the Company’s ability to continue as a going concern.

In the long term, management believes that the Company’s projects and initiatives will be successful and will provide cash flow to the Company that will be used to finance the Company’s future growth. However, there can be no assurances that the Company’s efforts to raise equity and debt at acceptable terms or that the planned activities will be successful, or that the Company will ultimately attain profitability. The Company’s long-term viability depends on its ability to obtain adequate sources of debt or equity funding to meet current commitments and fund the continuation of its business operations, and the ability of the Company to achieve adequate profitability and cash flows from operations to sustain its operations.

**PRINCIPLES OF CONSOLIDATION** - The accompanying condensed consolidated financial statements include the accounts of Mobiquity Technologies, Inc., formerly known as Ace Marketing & Promotions, Inc., and its wholly owned subsidiary, Mobiquity Networks, Inc. and its 48% owned subsidiary, Advangelists, LLC. All intercompany accounts and transactions have been eliminated in consolidation.

The Condensed Consolidated Balance Sheets as of March 31, 2019, the Condensed Consolidated Statements of Operations for the three months ended March 31, 2019 and 2018 and the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2019 and 2018 have been prepared by us without audit, and in accordance with the requirements of Form 10-Q and, therefore, they do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America. In our opinion, the accompanying unaudited condensed financial statements contain all adjustments necessary to present fairly in all material respects our financial position as of March 31, 2019, results of operations for the three months ended March 31, 2019 and 2018 and cash flows for the three months ended March 31, 2019 and 2018. All such adjustments are of a normal recurring nature. The results of operations and cash flows for the three months ended March 31, 2019 are not necessarily indicative of the results to be expected for the full year. We have evaluated subsequent events through the filing of this Form 10-Q with the SEC and determined there have not been any events that have occurred that would require adjustments to our unaudited Condensed Consolidated Financial Statements.

**ESTIMATES** - The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

## FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company measures assets and liabilities at fair value based on an expected exit price as defined by the authoritative guidance on fair value measurements, which represents the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level.

The following are the hierarchical levels of inputs to measure fair value:

- Level 1 - Observable inputs that reflect quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Inputs reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Unobservable inputs reflecting the Company's assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The carrying amounts of the Company's financial assets and liabilities, such as cash, prepaid expenses, other current assets, accounts payable & accrued expenses, certain notes payable and notes payable - related party, approximate their fair values because of the short maturity of these instruments.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Fair value of derivatives	\$ -	\$ -	\$ -	\$ -

## EMBEDDED CONVERSION FEATURES

The Company evaluates embedded conversion features within convertible debt under ASC 815 "Derivatives and Hedging" to determine whether the embedded conversion feature(s) should be bifurcated from the host instrument and accounted for as a derivative at fair value with changes in fair value recorded in earnings. If the conversion feature does not require derivative treatment under ASC 815, the instrument is evaluated under ASC 470-20 "Debt with Conversion and Other Options" for consideration of any beneficial conversion feature.



## DERIVATIVE FINANCIAL INSTRUMENTS

The Company has financial instruments that are considered derivatives or contain embedded features subject to derivative accounting related to 22 convertible notes issued totaling \$4,234,000 which included a ratchet provision in the conversion price of \$.02 or \$.30 or \$.035 or a price equal to the last equity transaction completed by the Company as part of a subscription agreement. The notes have maturity dates ranging from February 11, 2018 –July 31, 2018. The Company also has financial instruments that are considered derivatives or contain embedded features subject to derivative accounting related to 3,200,000 warrants which included a ratchet provision in the conversion price of \$.50 as part of a conversion of preferred AAA shares, and 1,000,000 warrants which included a ratchet provision in the conversion price of \$.055 as part of a placement fee related to a note. Embedded derivatives are valued separately from the host instrument and are recognized as derivative liabilities in the Company's balance sheet. The Company measures these instruments at their estimated fair value and recognizes changes in their estimated fair value in results of operations during the period of change. All notes were extinguished on November 30, 2018 ending the derivative functions due to sequencing under ASC 815-40. The Company has estimated the fair value of these embedded derivatives for convertible debentures and associated warrants using a multinomial lattice model as of December 31, 2018. The fair values of the derivative instruments are measured each quarter, which resulted in a loss of \$8,299,622 and derivative expense of \$509,729 during the year ended December 31, 2018. As of December 31, 2018, the fair market value of the derivatives aggregated \$0 using the following assumptions: estimated 0.08 to 4.8-year term, estimated volatility of 163.71% to 394.26%, and a discount rate of 0.00% to 2.83%. All derivative instruments have been liquidated during the fourth quarter of 2018.

**CASH AND CASH EQUIVALENTS** - The Company considers all highly liquid debt instruments with a maturity of three months or less, as well as bank money market accounts, to be cash equivalents. As of March 31, 2019, and December 31, 2018, the balances are \$890,846 and \$624,338, respectively.

**CONCENTRATION OF CREDIT RISK** - Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of trade receivables and cash and cash equivalents.

Concentration of credit risk with respect to trade receivables is generally diversified due to the large number of entities comprising the Company's customer base and their dispersion across geographic areas principally within the United States. The Company routinely addresses the financial strength of its customers and, as a consequence, believes that its receivable credit risk exposure is limited. Our current receivables at March 31, 2019 consist of 64% held by five of our largest customers, two of the customer's account for 46% of our receivables. Our March 31, 2018 receivables are all with five customers that constitute 75.79% of our sales. Two customers constitute 77.79% of our sales. Customer A percentage of sales was 53.12% and customer B was 24.67%.

The Company places its temporary cash investments with high credit quality financial institutions. At times, the Company maintains bank account balances, which exceed FDIC limits. As of March 31, 2019, and December 31, 2018, the Company exceeded FDIC limits by \$640,846 and \$374,338, respectively.

**REVENUE RECOGNITION** – On May 28, 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (“Topic 606”), to update the financial reporting requirements for revenue recognition. Topic 606 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The guidance is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to fulfill a contract. This guidance became effective for the Company beginning on January 1, 2018, and entities have the option of using either a full retrospective or a modified retrospective approach for the adoption of the new standard. The Company adopted this standard using the modified retrospective approach on January 1, 2018.

In preparation for adoption of the standard, the Company evaluated each of the five steps in Topic 606, which are as follows: 1) Identify the contract with the customer; 2) Identify the performance obligations in the contract; 3) Determine the transaction price; 4) Allocate the transaction price to the performance obligations; and 5) Recognize revenue when (or as) performance obligations are satisfied.

Reported revenue will not be affected materially in any period due to the adoption of ASC Topic 606 because: (1) the Company expects to identify similar performance obligations under Topic 606 as compared with deliverables and separate units of account previously identified; (2) the Company has determined the transaction price to be consistent; and (3) the Company records revenue at the same point in time, upon delivery of services, under both ASC Topic 605 and Topic 606, as applicable under the terms of the contract with the customer. Additionally, the Company does not expect the accounting for fulfillment costs or costs incurred to obtain a contract to be affected materially in any period due to the adoption of Topic 606.

There are also certain considerations related to accounting policies, business processes and internal control over financial reporting that are associated with implementing Topic 606. The Company has evaluated its policies, processes, and control framework for revenue recognition, and identified and implemented the changes needed in response to the new guidance.

Lastly, disclosure requirements under the new guidance in Topic 606 have been significantly expanded in comparison to the disclosure requirements under the current guidance, including disclosures related to disaggregation of revenue into appropriate categories, performance obligations, the judgments made in revenue recognition determinations, adjustments to revenue which relate to activities from previous quarters or years, any significant reversals of revenue, and costs to obtain or fulfill contract.

The Company generates revenue from service contracts with certain customers. These contracts are accounted for under the proportional performance method. Under this method, revenue is recognized in proportion to the value provided to the customer for each project as of each reporting date. We recognize revenues in the period in which the data transmission is provided to the licensee.

**ALLOWANCE FOR DOUBTFUL ACCOUNTS** - Management must make estimates of the collectability of accounts receivable. Management specifically analyzes accounts receivable and analyzes historical bad debts, customer concentrations, customer credit-worthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. As of March 31, 2019, and December 31, 2018, allowance for doubtful accounts were \$80,600 and \$80,600, respectively.

**PROPERTY AND EQUIPMENT** - Property and equipment are stated at cost. Depreciation is expensed using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are being amortized using the straight-line method over the estimated useful lives of the related assets or the remaining term of the lease. The costs of additions and improvements, which substantially extend the useful life of a particular asset, are capitalized. Repair and maintenance costs are charged to expense. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the account and the gain or loss on disposition is reflected in operating income.

**LONG LIVED ASSETS** – In accordance with ASC 360, “*Property, Plant and Equipment*”, the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life. Recoverability is assessed based on the carrying amount of the asset and its fair value, which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value. The Company recognized no impairment losses for the period ended March 31, 2019.

**PATENTS and TRADEMARKS** - Patents and trademarks developed during the prior years were capitalized for the period of development and testing. Expenditures during the planning stage and after implementation have been expensed in accordance with ASC 985.

**ADVERTISING COSTS** - Advertising costs are expensed as incurred. For the three months ended March 31, 2019 and March 31, 2018, there were advertising costs of \$6,569 and \$0, respectively.

**ACCOUNTING FOR STOCK BASED COMPENSATION.** Stock based compensation cost is measured at the grant date fair value of the award and is recognized as expense over the requisite service period. The Company uses the Black-Sholes option-pricing model to determine fair value of the awards, which involves certain subjective assumptions. These assumptions include estimating the length of time employees will retain their vested stock options before exercising them (“expected term”), the estimated volatility of the Company’s common stock price over the expected term (“volatility”) and the number of options for which vesting requirements will not be completed (“forfeitures”). Changes in the subjective assumptions can materially affect estimates of fair value stock-based compensation, and the related amount recognized on the consolidated statements of operations. Refer to Note 7 “Stock Option Plans” in the Notes to Consolidated Financial Statements in this report for a more detailed discussion.

**BENEFICIAL CONVERSION FEATURES** - Debt instruments that contain a beneficial conversion feature are recorded as deemed interest to the holders of the convertible debt instruments. The beneficial conversion is calculated as the difference between the fair values of the underlying common stock less the proceeds that have been received for the debt instrument limited to the value received.

INCOME TAXES - Deferred income taxes are recognized for temporary differences between financial statement and income tax basis of assets and liabilities for which income tax or tax benefits are expected to be realized in future years. A valuation allowance is established to reduce deferred tax assets, if it is more likely than not, that all or some portion of such deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

#### RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842), which amended the existing accounting standards for lease accounting to increase transparency and comparability among organizations by requiring the recognition of right-of-use assets and lease liabilities on the balance sheet.

We adopted the standard effective January 1, 2019 and have elected to use January 1, 2019 as our date of initial application. Consequently, financial information will not be updated, and disclosures required under the new standard will not be provided for periods presented before January 1, 2019 as these prior periods conform to the Accounting Standards Codification 840. We elected the package of practical expedients permitted under the transition guidance within the new standard. By adopting these practical expedients, we were not required to reassess (1) whether an existing contract meets the definition of a lease; (2) the lease classification for existing leases; or (3) costs previously capitalized as initial direct costs. As of March 31, 2019 we are not a lessor or lessee under any lease arrangements.

ASC 606, Revenue from contracts with customers, the effective date for ASC 606 is for annual reporting periods beginning after December 15, 2017. It provides accounting guidance related to revenue from contracts with customers. The Guidance applies to all entities and to all customers. The accounting for ASC 606 will take effect for our company starting in January of 2018.

We have reviewed the FASB issued Accounting Standards Update ("ASU") accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. The Company has carefully considered the new pronouncements that alter previous generally accepted accounting principles and does not believe that any new or modified principles will have a material impact on the corporation's reported financial position or operations in the near term. The applicability of any standard is subject to the formal review of our financial management and certain standards are under consideration.

NOTE: 2 NET LOSS PER SHARE

Basic net loss per share is computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding. Diluted earnings per share reflect, in periods in which they have a dilutive effect, the impact of common shares issuable upon exercise of stock options. The number of common shares potentially issuable upon the exercise of certain options and warrants that were excluded from the diluted loss per common share calculation was approximately 338,943,837 because they are anti-dilutive, as a result of a net loss for the three months ended March 31, 2019.

#### NOTE 3: GOODWILL AND INTANGIBLE ASSETS

Goodwill was generated through acquiring a 48% interest in Advangelists, LLC. As the total consideration paid exceeded the fair value of the net assets acquired.

The Company tests goodwill for impairment at least annually on December 31<sup>st</sup> and whenever events or circumstances change that indicate impairment may have occurred. A significant amount of judgement is involved in determining if an indicator of impairment has occurred. Such indicators may include, among others: a significant decline in the Company's expected future cash flows; a significant adverse change in legal factors or in the business climate; unanticipated competition; and slower growth rates. Any adverse change in these factors could have a significant impact on the recoverability of goodwill and the Company's consolidated financial results.

The Company tests goodwill by estimating fair value using a Discounted Cash Flow (“DCF”) model. The key assumptions used in the DCF model to determine the highest and best use of estimated future cash flows include revenue growth rates and profit margins based on internal forecasts, terminal value and an estimate of a market participant’s weighted-average cost of capital used to discount future cash flows to their present value. There were no impairment charges during the three months ended March 31, 2019.

#### Intangible Assets

At March 31, 2019 and December 31, 2018, definite-lived intangible assets primarily consist of customer relationships which are being amortized over their estimated useful lives of five years.

The Company periodically evaluates the reasonableness of the useful lives of these assets. Once these assets are fully amortized, they will be removed from the accounts. These assets are reviewed for impairment or obsolescence when events or changes in circumstances indicate that the carrying amount may not be recoverable. If impaired, intangible assets are written down to fair value based on discounted cash flows or other valuation techniques. The Company has no intangibles with indefinite lives.

#### NOTE 4: CONVERTIBLE DEBT AND DERIVATIVE LIABILITIES

##### Summary of Convertible Promissory Notes:

	<b>March 31, 2019</b>	<b>December 31, 2018</b>
CAVU Notes, net	\$ 100,000	\$ 100,000
Berg Notes (a)	50,000	50,000
Total Debt	150,000	150,000
Current portion of debt	150,000	150,000
Long-term portion of debt	\$–	\$–

(a)



Between August and December 2015, the Company borrowed \$3,675,000 from accredited investors. These loans are due and payable the earlier of December 31, 2016 or the completion of an equity financing of at least \$2,500,000. Upon the sale of the unsecured promissory notes, the Company issued \$1 of principal, one share of common stock and a warrant to purchase one share of common stock at an exercise price of \$0.40 per share through August 31, 2017. Accordingly, an aggregate of 3,675,000 shares of common stock and warrants to purchase a like amount were issued in the last six months of 2015. Each noteholder has the right to convert the principal of their note and accrued interest thereon at a conversion price of \$0.30 per share or at the noteholder's option, into equity securities of the Company on the same terms as the last equity transaction completed by the Company prior to each respective conversion date. All other notes have been converted to equity.

In the first quarter of 2018, the Company entered into agreements to provide \$1,000,000 of short term secured debt financing in four monthly tranches. Dr. Gene Salkind made these investments and he would become a director of the Company on January 1, 2019. The Company will issue in connection with each tranche, a six-month secured convertible promissory note. In connection with this transaction, the Company agreed to issue an origination fee of 1,000,000 shares of restricted common stock. Alexander Capital L.P. acted as Placement Agent and Advisor for this transaction. Each of these new notes are on the terms of the Company's 10% Senior Secured debt.

In the second quarter of 2018, the Company borrowed \$375,000, including \$125,000 from Thomas Arnost, Chairman, and \$250,000 from two non-affiliated persons. The investors received 3,500,000 shares of common stock each as an origination fee and in lieu of interest. During the fourth quarter 2018 the notes were converted to equity.

A recap of the derivative instruments is as follows:

Derivative Liability 2018	
Beginning balance	\$(666,123)
New Issuances	–
Discount on new derivative in excess of note face value	–
Effect on debt extinguishment	666,123
Ending balance	\$–

NOTE 5: STOCKHOLDERS' EQUITY (DEFICIT)

Shares issued for services

During the quarter ended March 31, 2019, the Company issued 158,900 shares of common stock, at \$0.17 to \$0.22 per share for \$29,942 in exchange for services rendered. During the quarter ended March 31, 2018 no shares were issued.

Shares issued for Original Interest Discount

No shares were issued during the quarter ended March 31, 2019. During the quarter ended March 31, 2018, the Company issued 1,000,000 shares of common stock at a price per share between \$0.03 and \$0.04 for original issue discount on receipt of \$1,000,000 in 10% secured convertible promissory notes.

Shares issued for interest

During the quarters ended March 31, 2019 and March 31, 2018, no shares were issued for interest.

In the first quarter of 2019, five holders of our Series AAA Preferred Stock converted 141,356 shares to 16,135,600 shares of our common stock and 16,135,600 warrants at an exercise price of \$0.05 per share with an expiration date of December 31, 2019. No conversions took place during the first quarter of 2018

During the quarter ended March 31, 2019, 1,160,000 warrants were converted in a cashless exercise transaction submitted to the Company for 716,944 shares of common stock. No shares were exchanged during the quarter ended March 31, 2018.

In the first quarter of 2019, the Company received equity subscription agreements totaling \$1,921,500, net, which include warrant coverage, at an exercise price between \$0.06 and \$0.12 with an expiration date of September 30, 2023. The Company issued 27,143,553 shares of common stock and 10,364,583 warrants in connection with these transactions. No equity subscription agreements occurred during the first quarter of 2018.

#### NOTE 6: STOCK BASED OPTIONS AND WARRANTS COMPENSATION

The Company's results for the quarters ended March 31, 2019 and 2018 include employee share-based compensation expense totaling \$3,745,677 and \$327,405, respectively. Such amounts have been included in the Statements of Operations within selling, general and administrative expenses. No income tax benefit has been recognized in the statement of operations for share-based compensation arrangements due to a history of operating losses.

The following table summarizes stock-based compensation expense for the quarters ended March 31, 2019 and 2018:

	Quarters Ended March	
	31, 2019	2018
Employee stock-based compensation - option grants	\$—	\$273,945
Employee stock-based compensation-stock grants	—	—
Non-Employee stock-based compensation - option grants	—	53,460
Non-Employee stock-based compensation-stock grants	—	—
Non-Employee stock-based compensation-stock warrant	3,745,677	—
	\$3,745,677	\$327,405

#### NOTE 7: STOCK OPTION PLANS

During Fiscal 2005, the Company established, and the stockholders approved, an Employee Benefit and Consulting Services Compensation Plan (the “2005 Plan”) for the granting of up to 2,000,000 non-statutory and incentive stock options and stock awards to directors, officers, consultants and key employees of the Company. On June 9, 2005, the Board of Directors amended the Plan to increase the number of stock options and awards to be granted under the Plan to 4,000,000. During Fiscal 2009, the Company established a plan of long-term stock-based compensation incentives for selected Eligible Participants of the Company covering 4,000,000 shares. This plan was adopted by the Board of Directors and approved by stockholders in October 2009 and shall be known as the 2009 Employee Benefit and Consulting Services Compensation Plan (the “2009 Plan”). In September 2013, the Company’s stockholders approved an increase in the number of shares covered by the 2009 Plan to 10,000,000. In February 2015, the Board approved, subject to stockholder approval within one year, an increase in the number of shares under the 2009 Plan to 20,000,000 shares; however, stockholder approval was not obtained within the requisite one year and the anticipated increase in the 2009 Plan was canceled. In the first quarter of 2016, the Board approved, and stockholders ratified a 2016 Employee Benefit and Consulting Services Compensation Plan covering 10,000,000 shares (the “2016 Plan”) and approving moving all options which exceeded the 2009 Plan limits to the 2016 Plan. In December 2018, the Board of Directors adopted and in February 2019, the stockholders ratified the 2018 Employee Benefit and Consulting Services Compensation Plan covering 30,000,000 shares (the “2018 Plan”). On April 2, 2019, the Board approved the “2019 Plan” identical to the 2018 Plan, except that the 2019 Plan covers 60,000,000 shares. The 2019 Plan required stockholder approval by April 2, 2020 in order to be able to grant incentive stock options under the 2019 Plan. The 2005, 2009, 2016, 2018 and 2019 plans are collectively referred to as the “Plans.”

All stock options under the Plans are granted at or above the fair market value of the common stock at the grant date. Employee and non-employee stock options vest over varying periods and generally expire either 5 or 10 years from the grant date. The fair value of options at the date of grant was estimated using the Black-Scholes option pricing model. For option grants, the Company will take into consideration payments subject to the provisions of ASC 718 “Stock Compensation”, previously Revised SFAS No. 123 “Share-Based Payment” (“SFAS 123 (R)”). The fair values of these restricted stock awards are equal to the market value of the Company’s stock on the date of grant, after taking

into certain discounts. The expected volatility is based upon historical volatility of our stock and other contributing factors. The expected term is based upon observation of actual time elapsed between date of grant and exercise of options for all employees. Previously, such assumptions were determined based on historical data. The weighted average assumptions made in calculating the fair values of options granted during the years ended December 31, 2018 and 2017 are as follows:

	Three Months Ended	
	March 31,	
	2019	2018
Expected volatility	426.76%	173.00%
Expected dividend yield	–	–
Risk-free interest rate	2.53%	2.43%
Expected term (in years)	5	5

	Share	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding, January 1, 2019	42,000,000	\$ 0.10	4.38	2,981,875
Granted	1,700,000	.17		17,000
Exercised	—	—	—	—
Cancelled / Expired	(50,000 )	—	—	—
Outstanding, March 31, 2019	43,650,000	\$ 0.09	3.97	4,461,875
Options exercisable, March 31, 2019	43,650,000	\$ 0.09	3.97	4,461,875

The weighted-average grant-date fair value of options granted during the years ended March 31, 2019 and 2018 was \$0.17 and \$0.05, respectively. The aggregate intrinsic value of options outstanding and options exercisable at March 31, 2019 and 2018 is calculated as the difference between the exercise price of the underlying options and the market price of the Company's common stock for the shares that had exercise prices, that were lower than the \$0.18 closing price of the Company's common stock on March 31, 2019.

As of March 31, 2019, the fair value of unamortized compensation cost related to unvested stock option awards was zero.

The option information provided above includes options granted outside of the Plans, which total 2,075,000 as of March 31, 2019.

The weighted average assumptions made in calculating the fair value of warrants granted during the quarters ended March 31, 2019 and 2018 are as follows:

	Quarters Ended March 31,	
	2019	2018
Expected volatility	298.53%	0.00%
Expected dividend yield	—	—
Risk-free interest rate	2.44%	0.00%
Expected term (in years)	5	0.00

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	Share	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding, January 1, 2019	175,526,201	\$ 0.14	8.37	\$1,504,784
Granted	25,340,184	0.08	8.22	2,510,703
Exercised	–	–	–	–
Cancelled/Expired	–	–	–	–
Outstanding, March 31, 2019	200,866,385	\$ 0.13	8.09	\$10,501,568
Warrants exercisable, March 31, 2019	200,866,385	\$ 0.13	8.09	\$10,501,568

NOTE 8: COMMITMENTS AND CONTINGENCIES

*COMMITMENTS –*

In March 2014, we entered into a month-to-month lease agreement for approximately 400 square feet of office space located in Manhattan, NY at a monthly cost of \$3,700. In May of 2015 we moved to a larger location with the same landlord on a month to month basis for \$4,700 each month. In 2017 the Company is leasing on a month-to-month basis two fully furnished executive suites in Manhattan at a monthly cost of approximately \$6,700. These executive suites are located at 85 Broadway, 16<sup>th</sup> Floor, Suites 16-035 and 16-040, New York, NY 10010. In 2018, the Company is presently utilizing the office space of its Chief Financial Officer as its principal executive office located at 35 Torrington Lane, Shoreham, NY 11786. The Company is leasing on a month-to-month basis a fully furnished executive suite in Manhattan at a monthly cost of approximately \$9,000. The executive suite is located at 61 Broadway, 11<sup>th</sup> Floor, Suite 1105, New York, NY 10006.

There are currently no minimum future rentals under non-cancelable lease commitments.

Rent expense was approximately \$30,904 and \$9,000 for the quarters ended March 31, 2019 and 2018, respectively,

Consulting Agreements

Upon consummation of the Merger, Mobiquity entered into consulting agreements (the “Consulting Agreements”) with certain employees and contractors of Advangelists (the “Consultants”), pursuant to which Mobiquity (i) issued to the Consultants warrants to purchase an aggregate of 22,246,250 shares of its common stock and (ii) agreed to transfer to the Consultants an aggregate of 1,901,389 shares of common stock of Gopher Protocol Inc. The terms of the Consultant’s warrants are substantially similar to the terms of the warrants issued in the merger. The foregoing description of the Consulting Agreements are not complete and is subject to, and qualified in its entirety by, the full text of form of Consulting Agreement, a copy of which is denoted as Exhibit 10.1 to this Report, the terms of which are incorporated into this Report by reference.

Transactions with major customers



During the quarter ended March 31, 2019, five customers accounted for approximately 64% of revenues and for the quarter ended March 31, 2018, two customers accounted for 78% our revenues.

NOTE 8: SUBSEQUENT EVENTS

In April of 2019, the Company received an aggregate of \$220,000 through the sale of common stock for a total of 2,200,000 shares of common stock were issued in these transactions.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **FORWARD-LOOKING STATEMENTS**

The information contained in this Form 10-Q and documents incorporated herein by reference are intended to update the information contained in the Company's Form 10-K for its fiscal year ended December 31, 2018 which includes our audited financial statements for the year ended December 31, 2018 and such information presumes that readers have access to, and will have read, the "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors" and other information contained in such Form 10-K and other Company filings with the Securities and Exchange Commission ("SEC").

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve risks and uncertainties, and actual results could be significantly different than those discussed in this Form 10-Q. Certain statements contained in Management's Discussion and Analysis, particularly in "Liquidity and Capital Resources," and elsewhere in this Form 10-Q are forward-looking statements. These statements discuss, among other things, expected growth, future revenues and future performance. Although we believe the expectations expressed in such forward-looking statements are based on reasonable assumptions within the bounds of our knowledge of our business, a number of factors could cause actual results to differ materially from those expressed in any forward-looking statements, whether oral or written, made by us or on our behalf. The forward-looking statements are subject to risks and uncertainties including, without limitation, the following: (a) changes in levels of competition from current competitors and potential new competition, (b) possible loss of customers, and (c) the company's ability to attract and retain key personnel, (d) The Company's ability to manage other risks, uncertainties and factors inherent in the business and otherwise discussed in this 10-Q and in the Company's other filings with the SEC. The foregoing should not be construed as an exhaustive list of all factors that could cause actual results to differ materially from those expressed in forward-looking statements made by us. All forward-looking statements included in this document are made as of the date hereof, based on information available to the Company on the date thereof, and the Company assumes no obligation to update any forward-looking statements.

### **Company Overview**

Mobiquity Technologies, Inc., a New York corporation (the "Company") owns 48% of Advangelists, LLC and manages the remaining 52% owned by Glen Eagles Acquisition LP. Accordingly, since Mobiquity is the sole manager and controls Advangelists, the results of operations of Advangelists are shown herein on a consolidated basis. The Company also owns 100% of Mobiquity Networks, Inc.

Advangelists is a developer of advertising and marketing technology focused on the creation, automation, and maintenance of an advertising technology operating system (or ATOS). Advangelists' ATOS platform blends artificial intelligence (or AI) and machine learning (ML) based optimization technology for automatic ad serving that manages and runs digital advertising campaigns.

Mobiquity Networks is a next generation location data intelligence company. Mobiquity Networks provides precise unique, at-scale location-based data and insights on consumer's real-world behavior and trends for use in marketing and research. We provide accurate and precise location data on approximately fifty (50,000,000) million mobile devices to help marketers and researchers better understand consumer's real-world behavior and trends. Our data is supplied directly from our app partners or direct server-to-serve feeds. Data provided by Mobiquity Networks is deterministic with a high degree of accuracy and precision.

### **Critical Accounting Policies**

*Revenue Recognition* –The Company recognized revenue on arrangements in accordance with FASB Codification Topic 606, “Revenue from Contracts with Customers” (“ASC Topic 606”). Under ASC Topic 606, revenue represents amounts earned for data licensing arrangements consisting of flat fee, per use basis or revenue share. Licensee is sent data on a daily basis, has use of data for a period of time based on the contract life between one month to one year. Revenue is recognized with the billing of an advertising contract or data sale. The customer signs a contract directly with us for an advertising campaign with mutually agreed upon term and is billed on the start date of the advertising campaign, which are normally in short duration periods. The second type of revenue is through the licensing of our data. Revenue from data can occur in two ways; the first is a direct feed, which is billed at the end of each month. The second way is through the purchasing of audience segments. When an audience segment is purchased, we bill the buyer upon delivery, which is usually 1-2 days for the order date.

*Allowance for Doubtful Accounts.* We are required to make judgments based on historical experience and future expectations, as to the realizability of our accounts receivable. We make these assessments based on the following factors: (a) historical experience, (b) customer concentrations, customer credit worthiness, (d) current economic conditions, and (e) changes in customer payment terms.

*Accounting for Stock Based Compensation.* Stock based compensation cost is measured at the grant date fair value of the award and is recognized as expense over the requisite service period. The company uses the Black-Sholes option-pricing model to determine fair value of the awards, which involves certain subjective assumptions. These assumptions include estimating the length of time employees will retain their vested stock options before exercising them (“expected term”), the estimated volatility of the company’s common stock price over the expected term (“volatility”) and the number of options for which vesting requirements will not be completed (“forfeitures”). Changes in the subjective assumptions can materially affect estimates of fair value stock-based compensation, and the related amount recognized on the consolidated statements of operations.

## **Plan of Operation**

Mobiquity has hired several new sales and sales support individuals in the first quarter of 2019 to help generate additional revenue through the use of the Advangelists platform. Mobiquity’s sales team will focus on Advertising Agencies, Brands and publishers to help increase both supply and demand across the Advangelists platform. The Advangelists platform creates three revenue streams for Mobiquity. The first is licensing the Advangelists platform as a white-label product for use by Advertising Agencies, DSP’s and Brands. Under the White-Label scenario, the user licenses the technology and is responsible for running its own business operations and is billed a percentage of volume run through the platform. The second revenue stream is a managed services model, in which, the user is billed a higher percentage of revenue run through the platform, but all services are managed by the Mobiquity/Advangelists team. The third revenue model is a seat model, whereas the user is billed a percentage of revenue run through the platform and business operations are shared between the user and the Mobiquity/Advangelists team. The goal of the sales team is to inform potential users of the benefits in efficiency and effectiveness of utilizing the end-to-end, fully integrated ATOS created by Advangelists.

Mobiquity Networks derives its revenue utilizing the revenue streams mentioned above. All the products used to derive revenue for the Company are reliant on the collection of data. To achieve management’s revenue goals moving forward, we have developed a strategy to increase the two main driving forces behind our data collection. One strategy is to increase the total number of users we see on a monthly basis (“MAU”), and the second strategy is to increase the total number of locations (Places) available to see our MAU’s over the same time period. We are currently seeing over 50,000,000 unique mobile devices on a monthly basis. To continue to grow the total number of unique devices we can see on a monthly basis, we need to increase our partnerships. We believe our unique offering to potential partners gives us a competitive advantage over others in the industry. The task of partnering to increase MAU’s is handled internally by our business development team.

As of April 2019, we had approximately 5,000,000 Places in our proprietary Places database. We have been able to steadily increase the number of locations available in our Places database through the use of both open source and proprietary technologies. The task of growing our Places database is handled by our internal technology team. The Company currently utilizes both internal and outsourced resources to market and sell its product offerings.

## Results of Operations

### *Quarter Ended March 31, 2019 versus Quarter Ended March 31, 2018*

The following table sets forth certain selected condensed statement of operations data for the periods indicated in dollars. In addition, we note that the period-to-period comparison may not be indicative of future performance.

	Quarter Ended	
	March 31, 2019	March 31, 2018
Revenue	\$1,597,220	\$38,703
Cost of Revenues	(912,175 )	(61,117 )
Gross Income (Loss)	685,045	(22,414 )
Selling, General and Administrative Expenses	5,181,721	891,004
Loss from operations	(4,496,676)	(913,418)

We generated revenues of \$1,597,220 in the first quarter of 2019 as compared to \$38,703 in the same period for fiscal 2018, a change in revenues of \$1,558,517. In 2019, with the acquisition of Advangelists LLC we have implemented several new revenue streams from data collection and analysis including, but not limited to; Advertising, Data Licensing, Footfall Reporting, Attribution Reporting, Real Estate Planning, Financial Forecasting and Custom Research.

Cost of revenues was \$912,175 or 57.1% of revenues in the first quarter of 2019 as compared to 61,117 or 157.9% of revenues in the same fiscal period of fiscal 2018. Cost of revenues include web services for storage of our data and web engineers who are building and maintaining our platforms. The generated savings, on a percentage basis, arise with our increased sales. Our ability to capture and store data for sales does not translate to increased cost of sales.

Gross Income (loss) was \$685,045 or 42.9% of revenues for the first quarter of 2019 as compared to \$(22,414) in the same fiscal period of 2018 or 57.9% of revenues. As revenues from the use of our technologies increases, it is expected that our margins will increase significantly.

Selling, general, and administrative expenses were \$5,181,721 for the first quarter of fiscal 2019 compared to \$891,004 in the comparable period of the prior year, an increase of approximately \$4,290,717. Such operating cost increases include payroll and related expenses, professional (consulting) and public awareness fees, and non-cash warrant expense of \$3,745,749.

The net loss from operations for the first quarter of fiscal 2019 was \$4,496,676 as compared to \$913,418 for the comparable period of the prior year. The continuing operating loss is attributable to the focused effort in creating the infrastructure required to move forward with our Mobiquity and Advangelists network business.

No benefit for income taxes is provided for in the reported periods due to the full valuation allowance on the net deferred tax assets. Our ability to be profitable in the future is dependent upon the successful introduction and usage of our data collection and analysis including Advertising, Data Licensing, Footfall Reporting, Attribution Reporting, Real Estate Planning, Financial Forecasting and Custom Research services.

### **Liquidity and Capital Resources**

The Company had cash and cash equivalents of \$890,846 at March 31, 2019. Cash used in operating activities for the three months ended March 31, 2019 was \$5,967,048. This resulted primarily from a net loss of \$4,498,649, offset by a

decrease in accounts payable of \$259,663, a decrease in accounts receivable of \$203,396, increase in accrued expenses and other current liabilities of \$52,330, the non-cash change in corporate stock valuation of \$1,539,723. Net cash was provided by financing activities of \$4,705,252 from the proceeds of the issuance of common stock \$1,879,000, subscription receivable of \$917,500 and the non-cash cost of issuance of warrants of \$3,745,749 for the quarter ended March 31, 2019.

The Company had cash and cash equivalents of \$155,100 at March 31, 2018. Cash used in operating activities for the three months ended March 31, 2018 was \$745,326. This resulted primarily from a net loss of \$10,687,546, offset by stock based payments of \$327,405 an increase in accounts receivable of \$11,855, a decrease in prepaid expenses and other assets of \$17,638, a decrease of accounts payable and accrued expenses of \$7,799, the non-cash items of the change in fair value of derivative liabilities of \$8,983,210, derivative expense of \$244,906, the amortization of discount on convertible debt of \$336,843, and stock, incentive expensed of \$31,375. Net cash was provided by financing activities of \$843,956 from the proceeds of the issuance of notes, net \$898,500 for the quarter ended March 31, 2018.

Our company commenced operations in 1998 and was initially funded by our three founders, each of whom has made demand loans to our company that have been repaid. Since 1999, we have relied on equity financing and borrowings from outside investors to supplement our cash flow from operations and expect this to continue in 2019 and beyond until cash flow from our proximity marketing operations become substantial.

#### Recent Financings

We have completed various financings as described as described under the Notes to Consolidated Financial Statements.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk is interest rate risk associated with our short-term money market investments. The Company does not have any financial instruments held for trading or other speculative purposes and does not invest in derivative financial instruments, interest rate swaps or other investments that alter interest rate exposure. The Company does not have any credit facilities with variable interest rates.

### **ITEM 4. CONTROLS AND PROCEDURES**

We maintain disclosure controls and procedures, which are designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our CEO and CFO, an evaluation was performed on the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this quarterly report. Based on that evaluation, our management, including our CEO and CFO, concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report.

There were no changes in the Company's internal controls over financial reporting during the most recently completed fiscal quarter that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.





**PART II. OTHER INFORMATION****ITEM 1. LEGAL PROCEEDINGS.**

As of the filing date of this Form 10-Q, we are not a party to any pending legal proceedings.

**ITEM 1A. RISK FACTORS**

As a Smaller Reporting Company as defined Rule 12b-2 of the Exchange Act and in item 10(f)(1) of Regulation S-K, we are electing scaled disclosure reporting obligations and therefore are not required to provide the information requested by this Item 1A. Nevertheless, reference is made to our Form 10-K for the fiscal year ended December 31, 2018 for a description of our risk factors.

**ITEM 2. CHANGES IN SECURITIES.**

(a) From January 1, 2019 through March 31, 2019, we had no sales or issuances of unregistered capital stock, except as referenced above and in the table below:

<b>Date of Sale</b>	<b>Title of Security</b>	<b>Number Sold</b>	<b>Consideration Received and Description of Underwriting or Other Discounts to Market Price or Convertible Security, Afforded to Purchasers</b>	<b>Exemption from Registration Claimed</b>	<b>If Option, Warrant or Convertible Security, terms of exercise or conversion</b>
Jan. – March 2019	Common Stock	23,266,930 shares; 16,135,600 warrants	\$449,000	Section (a)(9)	Not applicable
Jan. – March 2019	Common Stock and Warrants	20,729,167 shares and 10,364,583 warrants sold upon conversion of preferred stock and cashless exercise of warrants	\$1,462,500 received, \$162,500 in commissions	Rule 506	Each warrant exercise price from \$0.05 to \$0.12, expiration dates 12-31-2019 and 9-30-2023

In the three months ended March 31, 2019, there were no repurchases by the Company of its Common Stock.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES.**

Not applicable.

**ITEM 4. MINE SAFETY DISCLOSURES.**

Not applicable.

**ITEM 5. OTHER INFORMATION.**

Not applicable.

**ITEM 6. EXHIBITS.**

**Exhibit**

**Number Exhibit Title**

- 2.1 Agreement and Plan of Merger – Advangelists LLC (25)
- 2.2 First Amendment to Exhibit 2.1 (25)
- 3.1 Certificate of Incorporation filed March 26, 1998 (1)
- 3.2 Amendment to Certificate of Incorporation filed June 10, 1999 (1)
- 3.3 Amendment to Certificate of Incorporation approved by stockholders in 2005(1)
- 3.4 Amendment to Certificate of Incorporation dated September 11, 2008 (11)
- 3.5 Amendment to Certificate of Incorporation dated October 7, 2009 (11)
- 3.6 Amendment to Certificate of Incorporation dated May 18, 2012 (11)
- 3.7 Amendment to Certificate of Incorporation dated September 10, 2013 (17)
- 3.8 Amended By-Laws (1)
- 3.9 2014 Amendment to By-Laws (19)
- 3.10 Amendment to Certificate of Incorporation filed December 22, 2015 (23)
- 3.11 Amendment to Certificate of Incorporation dated March 24, 2016 (21)
- 3.12 Amendment to Certificate of Incorporation (22)
- 3.13 Amendment to Certificate of Incorporation – September 2018 (26)
- 3.14 Amendment to Certificate of Incorporation – February 2019 (26)
- 3.15 Amendment to Certificate of Incorporation – December 17, 2018 (26)
- 3.16 Amendment to Certificate of Incorporation –December 4, 2018 (26)
- 4.1 Registration Rights Agreement (18)
- 10.1 Employment Agreement - Michael Trepeta (2)
- 10.2 Employment Agreement - Dean Julia (2)
- 10.3 Amendments to Employment Agreement - Michael Trepeta (5) (7)
- 10.4 Amendments to Employment Agreement - Dean L. Julia (5) (7)
- 10.5 Amendment to Exhibits 10.3 and 10.4 dated April 7, 2010 (10)
- 10.6 Amendment to Employment Agreement – Dean L. Julia (11)
- 10.7 Amendment to Employment Agreement – Michael D. Trepeta (11)
- 10.8 Amendment to Dean L. Julia’s Employment Agreement (16)
- 10.9 Amendment to Michael D. Trepeta’s Employment Agreement (16)
- 10.10 Employment Agreement – Sean Trepeta (19)
- 10.11 Employment Agreement – Paul Bauersfeld (19)
- 10.12 Employment Agreement – Thomas Arnost (20)
- 10.13 Separation Agreement with Michael D. Trepeta (24)
- 10.14 Form of Consulting Agreement and Form of Warrant to purchase common stock – (25)
- 10.15 Employment Agreement dated April 2, 2019 – Dean L. Julia (\*)
- 10.16 Employment Agreement dated April 2, 2019 – Sean Trepeta (\*)
- 10.17 Employment Agreement dated April 2, 2019 – Paul Bauersfeld (\*)
- 10.18 Employment Agreement dated December 7, 2018 – Deepanker Katyal (\*)
- 11.1 Statement re: Computation of per share earnings. See Statement of Operations and Notes to Financial Statements
- 14.1 Code of Ethics/Code of Conduct (Incorporated by reference to Form 10-K for the year ended December 31, 2014)

- 21.1 Subsidiaries of the Issuer (26)
- 31.1 Rule 13a-14(a) Certification in accordance with Section 302 of the Sarbanes-Oxley Act of 2002 (\*)
- 31.2 Rule 13a-14(a) Certification in accordance with Section 302 of the Sarbanes-Oxley Act of 2002 (\*)
- 32.1 Certification pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (\*)
- 32.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (\*)

- 99.1 2005 Employee Benefit and Consulting Services Compensation Plan (2)
  - 99.2 Amendment to 2005 Plan (4)
  - 99.3 2009 Employee Benefit and Consulting Services Compensation Plan (3)
  - 99.4 2018 Employee Benefit and Consulting Services Compensation Plan. (Incorporated by reference to Definitive Proxy Statement filed with the SEC on January 11, 2019.)
  - 101.INS XBRL Instance Document \*
  - 101.SCH Document, XBRL Taxonomy Extension \*
  - 101.CAL Calculation Linkbase, XBRL Taxonomy Extension Definition \*
  - 101.DEF Linkbase, XBRL Taxonomy Extension Labels \*
  - 101.LAB Linkbase, XBRL Taxonomy Extension \*
  - 101.PRE Presentation Linkbase \*
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\* Filed herewith.

- (1) Incorporated by reference to Registrant's Registration Statement on Form 10-SB as filed with the Commission on February 10, 2005.
- (2) Incorporated by reference to Registrant's Registration Statement on Form 10-SB/A filed with the Commission March 21, 2005.
- (3) Incorporated by reference to Form 10-K filed for the fiscal year ended December 31, 2009.
- (4) Incorporated by reference to the Registrant's Form 10-QSB/A filed with the Commission on August 15, 2005.
- (5) Incorporated by reference to the Registrant's Form 10-KSB for its fiscal year ended December 31, 2005.
- (6) Left blank intentionally.
- (7) Incorporated by reference to the Registrant's Form 8-K dated September 21, 2007.
- (8) Left blank intentionally.
- (9) Left blank intentionally.
- (10) Incorporated by reference to the Registrant's Form 10-Q for the quarter ended June 30, 2011.
- (11) Incorporated by reference to the Registrant's Form 10-K for its fiscal year ended December 31, 2012.
- (12) Left blank intentionally.
- (13) Left blank intentionally.
- (14) Left blank intentionally.
- (15) Left blank intentionally.
- (16) Incorporated by reference to Form 8-K filed June 6, 2013.
- (17) Left blank intentionally.
- (18) Left blank intentionally.
- (19) Incorporated by reference to Form 8-K filed with the SEC on December 24, 2014.
- (20) Incorporated by reference to Form 8-K dated December 19, 2014.
- (21) Incorporated by reference to Form 8-K dated March 24, 2016.
- (22) Incorporated by reference to Form 8-K dated March 1, 2017.
- (23) Incorporated by reference to Form 10-K for the fiscal year ended December 31, 2015.
- (24) Incorporated by reference to Form 10-K for the fiscal year ended December 31, 2016.
- (25) Incorporated by reference to Form 8-K dated December 11, 2018.
- (26) Incorporated by reference to Form 10-K for the fiscal year ended December 31, 2018.



**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MOBIQUITY  
TECHNOLOGIES, INC.

Date: May 1, 2019 By: /s/ Dean L. Julia  
Dean L. Julia,  
Principal Executive Officer

Date: May 1, 2019 By: /s/ Sean McDonnell  
Sean McDonnell,  
Principal Financial Officer