

# SECURITIES & EXCHANGE COMMISSION EDGAR FILING

## Mobiquity Technologies, Inc.

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MOBIQUITY TECHNOLOGIES, INC.  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020  
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 or organization)	(I.R.S. Employee Identification Number)
35 Torrington Lane Shoreham, NY	11786
(Address of principal executive offices)	(Zip Code)
Registrant's telephone number, including area code:	(516) 246-9422

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

Title of each class	Name of each exchange on which registered
N/A	N/A

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

Common Stock, \$.0001 Par Value  
(Title of each class)

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No  x

Check whether the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.  o

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

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

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	<input type="radio"/> o	Accelerated filer	<input type="radio"/> o
Non-accelerated filer	<input checked="" type="radio"/> x	Smaller reporting company	<input checked="" type="radio"/> x
Emerging growth company	<input type="radio"/> o		

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  o No  x

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).  □

As of June 30, 2020, the number of shares of Common Stock held by non-affiliates was approximately 1,236,190 shares based upon 2,421,329 post-split shares of Common Stock outstanding. The approximate market value based on the last sale (i.e. \$8.00 per share as of June 30, 2020) of the Company's Common Stock held by non-affiliates was approximately \$9,889,500.

The number of shares outstanding of the Registrant's Common Stock as of March 21, 2021 was 2,897,687.

On September 9, 2020, the Company effected a one-for-400 reverse stock split. All share and per share amounts set forth herein give retroactive effect to such stock split unless the context indicates otherwise.

We believe this annual report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties and are based on the beliefs and assumptions of our management, based on information currently available to our management. When we use words such as "believes," "expects," "anticipates," "intends," "plans," "estimates," "should," "likely" or similar expressions, we are making forward-looking statements. Forward-looking statements include information concerning our possible or assumed future results of operations set forth under "Business" and/or "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Our future results and stockholder values may differ materially from those expressed in the forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict. Stockholders are cautioned not to put undue reliance on any forward-looking statements. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. For a discussion of some of the factors that may cause actual results to differ materially from those suggested by the forward-looking statements, please read carefully the information under "Risk Factors." In addition to the Risk Factors and other important factors discussed elsewhere in this annual report, you should understand that other risks and uncertainties and our public announcements and filings under the Securities Exchange Act of 1934, as amended could affect our future results and could cause results to differ materially from those suggested by the forward-looking statements.

*As used in this Form 10-K, the terms "we," "our," "us," "Mobiquity Technologies" or "the Company" refer to Mobiquity Technologies, Inc. and its subsidiaries, taken as a whole, unless the context otherwise requires it.*

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Item 1. BusinessIntroduction

Mobiquity Technologies, Inc., a New York corporation (the “Company”) owns 100% of Advangelists, LLC (“Advangelists”) and 100% of Mobiquity Networks, Inc. (“Mobiquity Network”) as wholly owned subsidiaries.

Advangelists Overview

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 inventory and campaigns.

The ATOS platform:

- creates an automated marketplace of advertisers and publishers on digital media outlets to host online auctions to facilitate the sale of digital advertising (known as digital real estate) targeted at users while engaged on their connected TV, laptop, tablet, desktop computer, mobile and OTT devices, and
- gives advertisers the capability to understand and interact with their audiences and engage them in a meaningful way by using ads in both image and video formats (known as rich media) to increase their awareness, customer base and foot traffic to their physical locations.

Advangelists’ marketplace engages with approximately 20 billion advertisement opportunities per day. Our sales and marketing strategy is focused on creating a de-fragmented operating system that makes it considerably more efficient and effective for advertisers and publishers to transact with each other. Our goal is to create a standardized and transparent medium.

Advangelists’ technology is proprietary and has all been developed internally. We own all of our technology.

Users of the ATOS platform get access to benefits including among other things:

- ease of set up
- targeting features based on audience profiles and location through an in-house data management platform (or DMP),
- Inventory management and yield optimization,
- support for all rich media creators’ ad tags,
- machine learning and AI powered optimization delivering greater than the average click through rate on ad links,

- support for third-party trackers and Custom Scripts for MOAT analytics, IAS, and forensics to enable independent verification by advertisers for transparency,
- detailed campaign wrap-up reporting that gives a breakdown on publishers, categories, demonstrations, and devices to better understand advertisement campaign performance,
- access to business intelligence via an analytics dashboard,
- advanced ad targeting,
- easy campaign uploading,
- automated performance optimization,
- real time reporting,
- fraud prevention tools, and
- 24x7 support, along with guided managed services to enable users to rapidly harness and operate all the features of the ATOS platform.

Our ATOS platform includes:

- Adserver,
- Demand Side Platform,
- Advertisement quality tools,
- Analytics dashboard,

- Avails Engine,
- Advertisement prediction and delivery tools,
- Supply quality tools,
- Private marketplace tools,

- Audience and location targeting,
- Wrap up reports,
- An Advertisement software development kit (or SDK), and
- Prebid adaptor.
- contextual targeting,
- identity graph capabilities,
- cookie syncing, and
- the updated version of our quality and security tools, among other things for our ATOS platform.

#### **Plan of Operation**

Mobiquity plans to hire several new sales and sales support individuals to help generate additional revenue through the use of the Advangelists platform. Mobiquity's sales team focuses 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, Brands and Publishers. 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.

#### **Intellectual Property**

Advangelists' technology is proprietary and has all been developed internally. We own our technology and protect it through trade secrets and each employee signing an agreement agreeing to keep the proprietary information confidential and assigning any improvements to the technology to Advangelists.

#### **Mobiquity Networks Overview**

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 data intelligence company. Mobiquity Networks provides precise unique, at-scale data and insights on consumer's real-world behavior and trends for use in marketing and research. Mobiquity Networks provides one of the most accurate and scaled solution for data collection and analysis, utilizing multiple technologies. Mobiquity Networks' technology allows for the ingestion and normalization of various data sources, such as location data, transactional data, and search data to reach the right target audience with the right message. Utilizing massively parallel cluster computing and machine learning algorithms and technology, Mobiquity Networks, makes available actionable data for marketers, researchers and application publishers through an automated platform. Mobiquity Networks is seeking to execute on several revenue streams from its data collection and analysis, including, but not limited to; Advertising, Data Licensing, Footfall Reporting, Attribution Reporting, and Custom Research.

### **Mobiquity Networks**

#### **Mobiquity Revenue Streams**

##### **Advertising**

Mobiquity's Audiences enables advertisers to create specific profiles based on user's real-world behaviors. Utilizing specific Point-of-Interest location data from over 16,000 individual brands to understand consumer behavior and affinity, the platform provides unparalleled accuracy and precision due to the volume of user data points and our understanding of path, speed, visitation, frequency and dwell time.

Use Cases for Mobiquity Audiences:

- Retrieve millions of existing profiles based on visitation to specific locations, brands and retailers;
- Includes brand affinity, presumed, home/work and pathing into your audiences;
- Create custom audiences or use our standard taxonomy, such as: brand loyalist, in-market buyers, and consumers within a defined zip code/DMA

### **Data Licensing**

Mobiquity's Location Data Feed provides clients with millions of unique devices and billions of associated data points.

With location data feeds, clients have access to:

- Data from tens of millions of devices;
- Scheduled feed by preference which can be real-time, daily or, monthly; and
- Includes data on operating system, timestamp, latitude, longitude and other relevant data.

### **Various Reports**

Footfall, attribution and customized reports provide clients with a deeper understanding of consumer behaviors, store location performance, new store site selection and marketing strategy.

Reports include:

- Campaign effectiveness, was an action taken post campaign;
- Visit analysis and trends by time day, week and month;
- Distance traveled from presumed home/work to brand locations;

- Performance, trends, and comparisons of store locations;
- Dwell time and frequency comparisons by store locations;
- Competitive analysis; Brand A versus Brand B;
- Locations visited before and after the desired points of interest("POI"); and
- Correlation between POIs visited and distance from other key locations

### **Uniqueness of Mobiquity Networks' data:**

- Massive Scale;
- Proprietary Places Database;
- Data Density;
- Spatial Precision;
- Verified Visits;
- Diverse Data; and
- Privacy Compliant.

### **Strategy**

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 or use of data. To achieve management's revenue goals moving forward, we have developed a strategy to increase the number of devices we see by increasing our direct relationships with publishers. 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 the number of devices we see is handled internally by our business development team.

In 2020, we had approximately 6,000,000 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.

### **Owner Proprietary Technology Platform**

Mobiquity Networks has developed a highly accurate and scalable proprietary cloud-based platform to allow millions of connected devices to easily and securely log billions of events per day and receive user notifications in real or near real-time.

Mobiquity Networks' platform analyzes a combination of raw location signal when collecting mobile data to identify user patterns in densely populated urban areas, indoor specific locations or desired points of interest. This data is additionally analyzed and enriched with how often users visit specific locations, and how much time they spend at each location. The resulting combined contextual data ensures clients receive highly accurate insights into consumers' offline behavior.

Mobiquity Networks' platform is hosted and managed on Amazon Web Service (AWS) and takes full advantage of open standards for processing, storage, security and big data technology. Specifically, the Mobiquity Networks platform uses the following AWS services: EC2, Lambda, Kafka, Kinesis, S3, Storm, Spark, Machine Learning, RDS, Redshift, Elastic Map Reduction, CloudWatch, DataBricks, and Elastic Search Service with built-in Kibana integration.

Mobiquity Networks' unique approach to validating mobile device location produces extremely precise and accurate location data.

The Mobiquity Networks' proprietary intelligence provides all the existing location manager functionality plus adds the following benefits:

- advanced location technology capabilities;
- automatic venue recognition;
- access to physical address and venue map database; and
- a detailed location analytics.

Mobiquity Networks has assembled a comprehensive database to convert geographical coordinates to a physical address in the real world. This database includes the street level venue storefronts and entrance for businesses in the U.S., addresses, building polygons, venue polygons, and other related points of interest information. Currently this database has approximately 6 million locations and continues to be populated thereby improving the platforms' algorithm for user accuracy.

Utilizing massively parallel cluster computing and machine learning algorithms and technology, Mobiquity Networks processes user dwell-time and frequency of visitation data within all location signals available to segment highly targetable audiences for marketing and research. This data processing provides valuable, actionable data for marketers, researchers and application publishers and made available through an automated platform.

The Mobiquity Networks platform automatically synchronizes audience data to various Data Management Providers (DMP), Demand Side Providers (DSP), trading desks and other partners using its marketplace connection application programmer interfaces (API).

Clients and Publishing partners are given access to a comprehensive dashboard to view mobile device traffic and audience information. This information can be both viewed and access via API to incorporate into internal client systems.

## **Governmental Regulations**

Federal, state and international laws and regulations govern the collection, use, retention, sharing and security of data that we collect. We strive to comply with all applicable laws, regulations, self-regulatory requirements and legal obligations relating to privacy, data protection and consumer protection, including those relating to the use of data for marketing purposes. As we develop and provide solutions that address new market segments, we may become subject to additional laws and regulations, which could create unexpected liabilities for us, cause us to incur additional costs or restrict our operations. From time to time, we may be notified of or otherwise become aware of additional laws and regulations that governmental organizations or others may claim should be applicable to our business. Our failure to anticipate the application of these laws and regulations accurately, or other failure to comply, could create liability for us, result in adverse publicity or cause us to alter our business practices, which could cause our net revenues to decrease, our costs to increase or our business otherwise to be harmed. See "Risk Factors."

We are subject to general business regulations and laws as well as regulations and laws specifically governing the internet, e-commerce and m-commerce in a number of jurisdictions around the world. Existing and future regulations and laws could impede the growth of the Internet, e-commerce, m-commerce or other online services. These regulations and laws may involve taxation, tariffs, privacy and data security, anti-spam, data protection, content, copyrights, distribution, electronic contracts, electronic communications and consumer protection. It is not clear how existing laws and regulations governing issues such as property ownership, sales and other taxes, libel and personal privacy apply to the Internet as the vast majority of these laws and regulations were adopted prior to the advent of the Internet and do not contemplate or address the unique issues raised by the Internet, e-commerce or m-commerce. It is possible that general business regulations and laws, or those specifically governing the Internet, e-commerce or m-commerce may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. See "Risk Factors."

## **Competition**

We compete in the data, marketing and research business and in all other facets of our business against small, medium and large companies throughout the United States. Some examples include companies such as Placed, Factual and Foursquare. Although we can give no assurance that our business will be able to compete against other companies with greater experience and resources, we believe we have a competitive advantage with our proprietary Places Database,

## Employees

As of March 21, 2021, we have 15 full time employees, including executive management, technical personnel, salespeople, and support staff employees. We also utilize several additional firms/persons who provide services to us on a non-exclusive basis as independent consultants.

## Item 1A. Risk Factors

*Investing in our common stock involves a high degree of risk. Before deciding to invest in our company or deciding to maintain or increase your investment, you should consider carefully the risks and uncertainties described below, together with all information in this Form 10-K, including our consolidated financial statements and related notes. If one or more of the following risks are realized, our business, financial condition, results of operations and prospects could be materially and adversely affected. In that event, the market price for our common stock could decline and you may lose your investment.*

## Risks Relating to our Business

### *Impacts of COVID-19 to Business and the general economy*

Since March 2020, COVID -19 has caused a material and substantial adverse impact on our general economy and our business operations. It has caused there to be a substantial decrease in our sales, cancellations of purchase orders and has resulted in accounts receivables not being timely paid as anticipated. Further, it has caused us to have concerns about our ability to meet our obligations as they become due and payable. In this respect, our business is directly dependent upon and correlates closely to the marketing levels and ongoing business activities of our existing clients. If material adverse developments in domestic and global economic and market conditions adversely affect our clients' businesses, such as COVID-19, our business and results of operations could (and in the case of COVID-19) equally suffer. Our results of operations are affected directly by the level of business activity of our clients, which in turn is affected by the level of economic activity in the industries and markets that they serve. COVID-19 future widespread economic slowdowns in any of these markets, particularly in the United States, may negatively affect the businesses, purchasing decisions and spending of our clients and prospective clients, and payment of accounts receivable due us, which could result in reductions in our existing business as well as our new business development and difficulties in meeting our cash obligations as they become due. In the event of continued widespread economic downturn caused by COVID-19, we will likely continue to experience a reduction in projects, longer sales and collection cycles, deferral or delay of purchase commitments for our data products, processing functionality, software systems and services, and increased price competition, all of which could substantially adversely affect revenue and our ability to remain a going concern.

In the event we remain a going concern, the impacts of the global emergence of Coronavirus disease (COVID-19) on our business, sources of revenues and then general economy, are currently not fully known. We are conducting business as usual with some modifications to employee work locations, and cancellation of certain marketing events, among other modifications. We lost a purchase order in excess of one million dollars with major US sports organization. We have observed other companies taking precautionary and preemptive actions to address COVID-19 and companies may take further actions that alter their normal business operations. We will continue to actively monitor the situation and may take further actions that alter our business operations as may be required by federal, state or local authorities or that we determine are in the best interests of our employees, customers, partners, suppliers and stockholders. It is not clear what the potential effects any such alterations or modifications may have on our business, including the effects on our customers and prospects, although we do anticipate it to continue to negatively impact our financial results during fiscal year 2021.

### **We can provide no assurance that Advangelists' business will be able to maintain a competitive technology advantage in the future.**

Advangelists' ability to generate revenues is based upon its proprietary intellectual property that we own and protect through trade secrets and agreements with our employees to maintain ownership of any improvements to our intellectual property. Advangelists' ability to generate revenues now and in the future is based upon maintaining a competitive technology advantage over its competition. We can provide no assurances that we will be able to maintain a competitive technology advance in the future over our competitors, which have significantly more experience and are better capitalized than us.

### **No assurances can be given that we will be able to keep up with a rapidly changing technology market or that we can prevent unauthorized access to our customer data.**

Failure to keep up with rapidly changing technologies and marketing practices could cause our products and services to become less competitive or obsolete, which could result in loss of market share and revenues. Advances in information technology are changing the way our clients use and purchase information products and services. Maintaining the technological competitiveness of our data products, processing functionality, software systems and services is key to our continued success. However, the complexity and uncertainty regarding the development of new technologies and the extent and timing of market acceptance of innovative products and services create difficulties in maintaining this competitiveness. Without the timely introduction of new products, services and enhancements, our products and services will become technologically or commercially obsolete over time, in which case our revenue and operating results would suffer. Consumer needs and the business information industry as a whole are in a constant state of change. Our ability to continually improve our current processes and products in response to changes in technology and to develop new products and services are essential in maintaining our competitive position and meeting the increasingly sophisticated requirements of our clients. If we fail to enhance our current products and services or fail to develop new products in light of emerging technologies and industry standards, we could lose clients to current or future competitors, which could result in impairment of our growth prospects and revenues. A significant breach of the confidentiality of the information we hold or of the security of our or our customers', suppliers', or

other partners' computer systems could be detrimental to our business, reputation and results of operations. Our business requires the storage, transmission and utilization of data. Although we have security and associated procedures, our databases may be subject to unauthorized access by third parties. Such third parties could attempt to gain entry to our systems for the purpose of stealing data or disrupting the systems. We believe we have taken appropriate measures to protect our systems from intrusion, but we cannot be certain that advances in criminal capabilities, discovery of new vulnerabilities in our systems and attempts to exploit those vulnerabilities, physical system or facility break-ins and data thefts or other developments will not compromise or breach the technology protecting our systems and the information we possess. Furthermore, we face increasing cyber security risks as we receive and collect data from new sources, and as we and our customers continue to develop and operate in cloud-based information technology environments. In the event that our protection efforts are unsuccessful, and we experience an unauthorized disclosure of confidential information or the security of such information or our systems are compromised, we could suffer substantial harm. Any breach could result in one or more third parties obtaining unauthorized access to our customers' data or our data, including personally identifiable information, intellectual property and other confidential business information. Such a security breach could result in operational disruptions that impair our ability to meet our clients' requirements, which could result in decreased revenues. Also, whether there is an actual or a perceived breach of our security, our reputation could suffer irreparable harm, causing our current and prospective clients to reject our products and services in the future and deterring data suppliers from supplying us data. Further, we could be forced to expend significant resources in response to a security breach, including repairing system damage, increasing cyber security protection costs by deploying additional personnel and protection technologies, and litigating and resolving legal claims, all of which could divert the attention of our management and key personnel away from our business operations. In any event, a significant security breach could materially harm our business, financial condition and operating results.

**The regulatory framework in which our Company operates is constantly evolving and privacy concerns could adversely affect our operation results.** The regulatory framework for privacy issues worldwide is currently evolving and is likely to remain uncertain for the foreseeable future. The occurrence of unanticipated events often rapidly drives the adoption of legislation or regulation affecting the use of data and the manner in which we conduct our business. Restrictions could be placed upon the collection, management, aggregation and use of information, which could result in a material increase in the cost of collecting certain kinds of data. In all of the non-U.S. locations in which we do business, legislation restricting the collection and use of personal data already exists or is presently contemplated. For example, on April 14, 2016, the European Parliament formally adopted the General Data Protection Regulation (the "GDPR"), which established a new framework for data protection in Europe when it became effective in May 2018. The GDPR imposes more stringent operational requirements for entities processing personal information, such as stronger safeguards for data transfers to countries outside the European Union ("EU"), reliance on express consent from data subjects (as opposed to assumed or implied consent), a right to require data processors to delete personal data, and stronger enforcement authorities and mechanisms. In the U.S., non-sensitive data about a consumer is generally usable under current rules and regulations so long as the person does not affirmatively "opt-out" of the collection of such data. In Europe, the reverse is true. If the European "opt-in" model adopted in the U.S. (see California Consumer Protection Act), less data could be available. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, standards and policies that are applicable to the businesses of our clients may limit the use and adoption of, and reduce the overall demand for, our platform. Privacy concerns, whether valid or not valid, may inhibit market adoption of our platform particularly in certain industries and foreign countries. Unfavorable publicity and negative public perception about our industry could adversely affect our business and operating results.

**Significant system disruptions, loss of data center capacity or interruption of telecommunication links could adversely affect our business and results of operations. The loss or prolonged absence of our highly trained and qualified personnel could adversely affect our operations.** Mobiquity Networks' platform is hosted and managed on Amazon Web Service (AWS) and takes full advantage of open standards for processing, storage, security and big data technology. Significant system disruptions, loss of data center capacity or interruption of telecommunication links could adversely affect our business and results of operations. Our business is heavily dependent upon highly complex data processing capability. The ability to protect these data centers against damage or interruption from fire, flood, tornadoes, power loss, telecommunications or equipment failure or other disasters and events beyond our control is critical to success. Such events could have a material adverse effect on our business, financial condition and operating results. Each of our business segments is subject to substantial competition from a diverse group of competitors. Each of our business segments faces significant competition in all its offerings and within each of its markets. The resources we allocate to each market in which we compete vary, as do the number and size of our competitors across these markets. These competitors may be in a better position to develop new products and pricing strategies that more quickly and effectively respond to changes in customer requirements in these markets. Such introduction of competent, competitive products, pricing strategies or other technologies by our competitors that are superior to or that achieve greater market acceptance than our products and services could adversely affect our business. Our failure to meet a client's expectations in any type of contract may result in an unprofitable engagement, which could adversely affect our operating results and result in future rejection of our products and services by current and prospective clients. The failure to recruit and retain qualified personnel could hinder our ability to successfully manage our business, which could have a material adverse effect on our financial position and operating results. Our growth strategy and future success depend in large part on our ability to attract and retain technical, client services, sales, consulting, research and development, marketing, administrative and management personnel. The complexity of our data products, processing functionality, software systems and services require highly trained professionals. While we presently have a sophisticated, dedicated and experienced team of associates who have a deep understanding of our business and in many cases have been with Mobiquity Technologies for years, the labor market for these individuals has historically been very competitive due to the limited number of people available with the necessary technical skills and understanding, compensation strategies, general economic conditions and various other factors. As the business information and marketing industries continue to become more technologically advanced, we anticipate increased competition for qualified personnel. The loss or prolonged absence of the services of highly trained personnel like the Company's current team of associates, or the inability to recruit and retain additional, qualified associates, could have a material adverse effect on our business, financial position or operating results.

**Processing errors or delays in completing service level requirements could result in loss of client confidence, harm to our reputation and negative financial consequences.** Processing errors, or significant errors and defects in our products, can be harmful to our business and result in increases in operating costs. Such errors may result in the issuance of credits to clients, re-performance of work, payment of damages, future rejection of our products and services by current and prospective clients and irreparable harm to our reputation. Likewise, the failure to meet contractual service level requirements or to meet specified goals within contractual timeframes could result in monetary penalties or lost revenue. Taken together, these issues could result in loss of revenue as service and support costs increase. Data suppliers may withdraw data that we have previously collected or withhold data from us in the future, leading to our inability to provide products and services to our clients, which could lead to a decrease in revenue and loss of client confidence. Much of the data that we use is licensed from third-party data suppliers, and we are dependent upon our ability to obtain necessary data licenses on commercially reasonable terms. We could suffer material adverse consequences if our data suppliers were to withhold their data from us. For example, data suppliers could withhold their data from us if there is a competitive reason to do so, if we breach our contract with a supplier, if they are acquired by one of our competitors, if legislation is passed restricting the use or dissemination of the data they provide or if judicial interpretations are issued restricting use of such data. Additionally, we could terminate relationships with our data suppliers if they fail to adhere to our data quality standards. If a substantial number of data suppliers were to withdraw or withhold their data from us, or if we sever ties with our data suppliers based on their inability to meet our data standards, our ability to provide products and services to our clients could be materially adversely impacted, which could result in decreased revenues. A failure in the integrity or a reduction in the quality of our data could harm our brand and result in a loss of revenue and an increase in legal claims. The reliability of our solutions depends upon the integrity and quality of the data in

our database. A failure in the integrity of our database, whether inadvertently or through the actions of a third party, or a reduction in the quality of our data could harm us by exposing us to client or third-party claims or by causing a loss of client confidence in our solutions. We may experience an increase in risks to the integrity of our database and quality of our data as we move toward real-time, non-identifiable, consumer-powered data through our Platform. We must continue to invest in our database to improve and maintain the quality, timeliness and coverage of the data if we are to maintain our competitive position. Failure to do so could result in significant harm to our reputation and growth prospects, as well as a loss of revenue.

**Dependence on Contracts.** The loss of a contract upon which we rely for a significant portion of our revenues could adversely affect our operating results. In addition, our contracts contain provisions allowing the client to terminate prior to the end of the term upon giving advance notice. Even if renewed by these clients, the terms of the renewal contracts may not have a term as long as, or may otherwise be on terms less favorable than, the original contract. Revenue from clients with long-term contracts is not necessarily “fixed” or guaranteed as portions of the revenue from these clients is volume driven. Therefore, we must engage in continual sales efforts to maintain revenue and future growth with all our clients’ or our operating results will suffer. If a significant client fails to renew a contract or renews the contract on terms less favorable to us than before, our business could be negatively impacted if additional business were not obtained to replace or supplement that which was lost.

**Quarterly revenue predictions are difficult to predict.** When purchasing our products and services, our clients and prospects are often faced with a significant commitment of capital, the need to integrate new software and/or hardware platforms and other changes in company-wide operational procedures, all of which result in cautious deliberation and evaluation by prospective clients, longer sales cycles and delays in completing transactions. Additional delays result from the significant up-front expenses and substantial time, effort and other resources necessary for our clients to implement our solutions. For example, depending on the size of a prospective client’s business and its needs, a sales cycle can range from two weeks to twelve months. Because of these longer sales cycles, revenues and operating results may vary significantly from period to period. As a result, it is often difficult to accurately forecast our revenues on a quarterly basis as it is not always possible for us to predict the quarter in which sales will actually be completed. This difficulty in predicting revenue, combined with the revenue fluctuations we may experience from quarter to quarter, can adversely affect and cause substantial fluctuations in our stock price.

**We need to protect our intellectual property or our operating results may suffer .** Third parties may claim that we are infringing their intellectual property and we could suffer significant litigation or licensing expenses or be prevented from selling products or services. Additionally, third parties may infringe our intellectual property and we may suffer competitive injury or expend significant resources enforcing our rights. As our business is focused on data-driven results and analytics, we rely heavily on proprietary information technology. From time to time, third parties may claim that one or more of our products or services infringe their intellectual property rights. We analyze and take action in response to such claims on a case-by-case basis. Any dispute or litigation regarding patents or other intellectual property could be costly and time-consuming due to the complexity of our technology and the uncertainty of intellectual property litigation, which could divert the attention of our management and key personnel away from our business operations. A claim of intellectual property infringement could force us to enter into a costly or restrictive license agreement, which might not be available under acceptable terms or at all, or could subject us to significant damages or to an injunction against development and sale of certain of our products or services. Our proprietary portfolio consists of various intellectual property including patents, databases, source code, trade secrets, know-how, confidentiality provisions and licensing arrangements. The extent to which such rights can be protected varies from jurisdiction to jurisdiction. If we do not enforce our intellectual property rights vigorously and successfully, our competitive position may suffer which could harm our operating results.

**We need to protect our brand and reputation as a competitive strength.** Our brand and reputation are key assets and competitive strengths of our Company, and our business may be adversely affected if events occur that could cause us to be negatively perceived in the marketplace. Our ability to attract and retain clients is highly dependent upon the external perceptions of our level of data quality, our ability to deliver consumer insights, our enterprise data management and analytical capabilities, the competence of our current associate team, and our ability to meet contractual service level requirements in a timely manner. Negative perceptions or publicity regarding these matters could damage our reputation with prospective clients and the public generally. Adverse developments with respect to our industry may also, by association, negatively impact our reputation, or result in higher regulatory or legislative scrutiny. Any damage to our brand or reputation could have a material adverse effect on our business and operating results.

**We may be required to invest significant monies upfront in capital intensive project(s) which we may be unable to recover .** Failure to recover significant, up-front capital investments required by certain client contracts could be harmful to the Company’s financial condition and operating results. Certain of our client contracts require significant investment in the early stages, which we expect to recover through billings over the life of the contract. These contracts may involve the construction of new computer systems and communications networks or the development and deployment of new technologies. Substantial performance risk exists in each contract with these characteristics, and some or all elements of service delivery under these contracts are dependent upon successful completion of the development, construction and deployment phases. Failure to successfully meet our contractual requirements under these contracts over their life increases the possibility that we may not recover our capital investments in these contracts. Failure to recover our capital investments could be detrimental to the particular engagement as well as our operating results.

#### **Other Risks Relating to Our Business**

**We have a history of operating losses and may not in the future generate consistent revenues or profits.** Since our inception, we have experienced a continued history of operating losses and an accumulated deficit of \$186,168,926 at December 31, 2020. We have incurred net losses from continuing operations for the years ended December 31, 2020 and 2019 of \$15,029,395 and \$43,747,375, respectively. Our operating losses for the past several years are primarily attributable to the transformation of our company into an advertising technology corporation. We can provide no assurances that our operations will generate consistent or predictable revenue or be profitable in the future.

**Prior to fiscal 2019, we received limited revenues from our new businesses, and we cannot accurately predict the volume or timing of any future revenues.** We may be unable to capture revenue from our new businesses and product offerings in the manner in which we anticipate. As such, we cannot accurately predict the volume or timing of any future revenues.

**Our Mobiquity Network business is dependent upon our relationships with various mobile applications, website, and CTV publishers to collect and analyze data and create product offerings from the data collected.** For us to create and expand our business model, we are dependent upon entering into agreements with various third-party publishers. The greater the number of publishers, the greater amount of original data we can collect and analyze. We currently have entered into agreements with a limited number of publishers. There is a risk that we will be unable to expand our publisher network on terms satisfactory to us, or at all, and if we are unable to do so, our results of operations and overall business prospects would suffer.

**The location-based mobile marketing industry is evolving, and our competition may become extensive.** Currently, we have not generated significant revenue from this new and unproven segment of our business. While we intend to market our Mobiquity products and services, there is a risk that our location-based mobile data collection and analysis will be unable to compete with large, medium and small competitors that are in (or may enter) the industry with substantially larger resources and management experience.

**We expect to derive substantially all of our future revenues from our principal technology, which leaves us subject to the risk of reliance on such technology. Further, our principal technology is subject to pending patent applications which could be rejected by the United States Patent and Trademark Office.** We expect to derive substantially all of our future revenues from Mobiquity Networks. As such, any factor adversely affecting our ability to offer and implement our solution to new customers, including regulatory issues, market acceptance, competition, performance and reliability, reputation, price competition and economic and market conditions, would likely harm our operating results.

**If our Mobiquity Networks technology fails to satisfy current or future customer requirements, we may be required to make significant expenditures to redesign the technology, and we may have insufficient resources to do so.** Our Mobiquity Networks solution is designed to address an evolving marketplace and must comply with current and evolving customer requirements in order to gain market acceptance. There is a risk that we will not meet anticipated customer requirements or desires. If we are required to redesign our technologies to address customer demands or otherwise modify our business model, we may incur significant unanticipated expenses and losses, and we may be left with insufficient resources to engage in such activities. If we are unable to redesign our technology, develop new technology or modify our business model to meet customer desires or any other customer requirements that may emerge, our operating results would be materially and adversely affected.

**If we fail to respond quickly to technological developments, our service may become uncompetitive and obsolete.** The data collection and analysis market in which we plan to compete is expected to experience rapid technology developments, changes in industry standards, changes in customer requirements and frequent new improvements. If we are unable to respond quickly to these developments, we may lose competitive position, and our technologies may become uncompetitive or obsolete, causing revenues and operating results to suffer. In order to compete, we may be required to develop or acquire new technology and improve our existing technology and processes on a schedule that keeps pace with technological developments. We must also be able to support a range of changing customer preferences. We cannot guarantee that we will be successful in any manner in these efforts.

**We cannot predict our future capital needs and we may not be able to secure additional financing.** Between January 2013 and December 2020, we raised over \$41 million in private equity and debt financing to support our transformation from an integrated marketing company to a technology company. Since we might be unable to generate recurring or predictable revenue or cash flow to fund our operations, we will likely need to seek additional (perhaps substantial) equity or debt financing even following this offering to provide the capital required to maintain or expand our operations. We may also need additional funding for developing products and services, increasing our sales and marketing capabilities and acquiring complementary companies, technologies and assets, as well as for working capital requirements and other operating and general corporate purposes. We cannot predict our future capital needs with precision, and we may not be able to secure additional financing on terms satisfactory to us, if at all, which could lead to termination of our business.

When we elect to raise additional funds or additional funds are required, we may raise such funds from time to time through public or private equity offerings, debt financings or other financing alternatives. Additional equity or debt financing may not be available on acceptable terms, if at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we will be prevented from pursuing operational development and commercialization efforts and our ability to generate revenues and achieve or sustain profitability will be substantially harmed.

If we raise additional funds by issuing equity securities, our stockholders will experience dilution. Debt financing, if available, would result in increased fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Any debt financing or additional equity that we raise may contain terms, such as liquidation and other preferences, which are not favorable to us or our stockholders. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish valuable rights to our technologies, future revenue streams or product candidates or to grant licenses on terms that may not be favorable to us. Should the financing we require to sustain our working capital needs be unavailable or prohibitively expensive when we require it, our business, operating results, financial condition and prospects could be materially and adversely affected, and we may be unable to continue our operations. Failure to secure additional financing on favorable terms could have severe adverse consequences to us.

**Our future performance is materially dependent upon our management and their ability to manage our growth.** Our future performance is substantially dependent upon the efforts and abilities of members of our existing management. The loss of the services of our management personnel could have a material adverse effect on our business. We currently lack "key man" life insurance policies on any of our officers or employees. Competition for additional qualified management is intense, and we may be unable to attract and retain additional key personnel. The number of management personnel is currently limited, and they may be unable to manage our expansion successfully and the failure to do so could have a material adverse effect on our business, results of operations and financial condition.

**affected.** Our future success depends in large part on our senior management team and our ability to attract and retain additional high-quality management and operating personnel. Our senior management team's in-depth knowledge of and deep relationships with the participants in our industry are extremely valuable to us. Our business also requires skilled technical and marketing personnel, who are in high demand and are often subject to competing offers. Competition for qualified employees is intense in our industry, and the loss of even a few qualified employees, or an inability to attract, retain and motivate additional highly skilled employees required for the planned expansion of our business, could harm our operating results and impair our ability to grow. To attract and retain key personnel, we use various measures, including an equity incentive program and incentive bonuses for executive officers and other employees. These measures may not be enough to attract and retain the personnel we require to operate our business effectively. We also have a number of employees who were granted stock options over the past few years that have an exercise price per share that is lower than the current fair market value. If we are successful as a public company, of which there can be no assurances, these employees may choose to exercise their options and sell the shares, recognizing a substantial gain. As a result, it may be difficult for us to retain such employees.

**If we are unable to attract additional management and sales representatives, or if a significant number of our manager or sales representatives leave us, our ability to increase our net revenues could be negatively impacted.** Our ability to expand our business will depend, in part, on our ability to attract additional management and sales representatives. Competition for qualified managers and sales representatives can be intense, and we may be unable to hire additional team members when we need them or at all. Any difficulties we experience in attracting additional managers or sales representatives could have a negative impact on our ability to expand our retailer base, increase net revenues and continue our growth. In addition, we must retain our current management and sales representatives and properly incentivize them to obtain new relationships. If a significant number of our managers and sales representatives were to leave us, our net revenues could be negatively impacted. In certain circumstances, we have entered into agreements with our managers and sales representatives that contain non-compete provisions to mitigate this risk, but we may need to litigate to enforce our rights under these agreements, which could be time-consuming, expensive and ineffective. A significant increase in the turnover rate among our current managers or sales representatives could also increase our recruiting costs and decrease our operating efficiency, which could lead to a decline in our net revenues and profitability.

**Our Mobiquity solution contains and is dependent upon open source software, which may pose particular risks to our proprietary software and solutions.** We use open source software in our solutions and will use open source software in the future. Some licenses governing our use of open source software contain requirements that we make available source code for modifications or derivative works we create based upon the open source software, and that we license such modifications or derivative works under the terms of a particular open source license or other license granting third parties certain rights of further use. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software, and to make our proprietary software available under open source licenses, if we combine our proprietary software with open source software in certain manners. Although we monitor our use of open source software, we cannot assure you that all open source software is reviewed prior to use in our solutions, that our programmers have not incorporated open source software into our solutions, or that they will not do so in the future. Additionally, the terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts. There is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market or provide our solutions. In addition, the terms of open source software licenses may require us to provide software that we develop using such open source software to others on unfavorable license terms. As a result of our current or future use of open source software, we may face claims or litigation, be required to release our proprietary source code, pay damages for breach of contract, re-engineer our solutions, discontinue making our solutions available in the event re-engineering cannot be accomplished on a timely basis or take other remedial action. Any such re-engineering or other remedial efforts could require significant additional research and development resources, and we may not be able to successfully complete any such re-engineering or other remedial efforts. Further, in addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a negative effect on our business, financial condition and operating results.

**We rely on information technology to operate our business and maintain competitiveness, and any failure to adapt to technological developments or industry trends could harm our business.** We depend on the use of information technologies and systems. As our operations grow in size and scope, we will be required to continuously improve and upgrade our systems and infrastructure while maintaining or improving the reliability and integrity of our infrastructure. Our future success also depends on our ability to adapt our systems and infrastructure to meet rapidly evolving consumer trends and demands while continuing to improve the performance, features and reliability of our solutions in response to competitive services and product offerings. The emergence of alternative platforms will require new investment in technology. New developments in other areas, such as cloud computing, could also make it easier for competition to enter our markets due to lower up-front technology costs. In addition, we may not be able to maintain our existing systems or replace or introduce new technologies and systems as quickly as we would like or in a cost-effective manner.

**Our technology and associated business processes may contain undetected errors, which could limit our ability to provide our services and diminish the attractiveness of our offerings.** Our Mobiquity technology may contain undetected errors, defects or bugs. As a result, our customers or end users may discover errors or defects in our technology or the systems incorporating our technology may not operate as expected. We may discover significant errors or defects in the future that we may not be able to fix. Our inability to fix any of those errors could limit our ability to provide our solution, impair the reputation of our brand and diminish the attractiveness of our product offerings to our customers. In addition, we may utilize third party technology or components in our products, and we rely on those third parties to provide support services to us. Failure of those third parties to provide necessary support services could materially adversely impact our business.

**Changes in consumer sentiment or laws, rules or regulations regarding tracking technologies and other privacy matters could have a material adverse effect on our ability to generate net revenues and could adversely affect our ability to collect data on consumer shopping behavior.** The collection and use of electronic information about user is an important element of our Mobiquity technology and solutions. However, consumers may become increasingly resistant to the collection, use and sharing of information, including information used to deliver advertising and to attribute credit to publishers in performance marketing programs, and take steps to prevent such collection, use and sharing of information. For example, consumer complaints and/or lawsuits regarding advertising or other tracking technologies in general and our practices specifically could adversely impact our business. In addition to this change in consumer preferences, if retailers or brands perceive significant negative consumer reaction to targeted advertising or the tracking of consumers' activities, they may determine that such advertising or tracking has the potential to negatively impact their brand. In that case, advertisers may limit or stop the use of our solutions, and our operating results and financial condition would be adversely affected.

**Our business practices with respect to data and consumer protection could give rise to liabilities or reputational harm as a result of governmental regulation, legal requirements or industry standards relating to consumer privacy, data protection and consumer protection.** Federal,

state and international laws and regulations govern the collection, use, retention, sharing and security of data that we collect. We strive to comply with all applicable laws, regulations, self-regulatory requirements and legal obligations relating to privacy, data protection and consumer protection, including those relating to the use of data for marketing purposes. It is possible, however, that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. We cannot assure you that our practices have complied, comply, or will comply fully with all such laws, regulations, requirements and obligations. Any failure, or perceived failure, by us to comply with federal, state or international laws or regulations, including laws and regulations regulating privacy, data security, marketing communications or consumer protection, or other policies, self-regulatory requirements or legal obligations could result in harm to our reputation, a loss in business, and proceedings or actions against us by governmental entities, consumers, retailers or others. We may also be contractually liable to indemnify and hold harmless performance marketing networks or other third parties from the costs or consequences of noncompliance with any laws, regulations, self-regulatory requirements or other legal obligations relating to privacy, data protection and consumer protection or any inadvertent or unauthorized use or disclosure of data that we store or handle as part of operating our business. Any such proceeding or action, and any related indemnification obligation, could hurt our reputation, force us to incur significant expenses in defense of these proceedings, distract our management, increase our costs of doing business and cause consumers and retailers to decrease their use of our marketplace, and may result in the imposition of monetary liability.

**As we develop and provide solutions, we may be subject to additional and unexpected regulations, which could increase our costs or otherwise harm our business.** As we develop and provide solutions that address new market segments, we may become subject to additional laws and regulations, which could create unexpected liabilities for us, cause us to incur additional costs or restrict our operations. From time to time, we may be notified of or otherwise become aware of additional laws and regulations that governmental organizations or others may claim should be applicable to our business. Our failure to anticipate the application of these laws and regulations accurately, or other failure to comply, could create liability for us, result in adverse publicity or cause us to alter our business practices, which could cause our net revenues to decrease, our costs to increase or our business otherwise to be harmed.

**We rely on information technology to operate our business and maintain competitiveness, and any failure to adapt to technological developments or industry trends could harm our business.** We depend on the use of information technologies and systems. As our operations grow in size and scope, we must continuously improve and upgrade our systems and infrastructure while maintaining or improving the reliability and integrity of our infrastructure. Our future success also depends on our ability to adapt our systems and infrastructure to meet rapidly evolving consumer trends and demands while continuing to improve the performance, features and reliability of our solutions in response to competitive services and product offerings. In addition, we may not be able to maintain our existing systems or replace or introduce new technologies and systems as quickly as we would like or in a cost-effective manner.

**Government regulation of the Internet, e-commerce and m-commerce is evolving, and unfavorable changes or failure by us to comply with these laws and regulations could substantially harm our business and results of operations.** We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet, e-commerce and m-commerce in a number of jurisdictions around the world. Existing and future regulations and laws could impede the growth of the Internet, e-commerce, m-commerce or other online services. These regulations and laws may involve taxation, tariffs, privacy and data security, anti-spam, data protection, content, copyrights, distribution, electronic contracts, electronic communications and consumer protection. It is not clear how existing laws and regulations governing issues such as property ownership, sales and other taxes, libel and personal privacy apply to the Internet as the vast majority of these laws and regulations were adopted prior to the advent of the Internet and do not contemplate or address the unique issues raised by the Internet, e-commerce or m-commerce. It is possible that general business regulations and laws, or those specifically governing the Internet, e-commerce or m-commerce may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. We cannot assure you that our practices have complied, comply or will comply fully with all such laws and regulations. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation, a loss in business, and proceedings or actions against us by governmental entities or others. Any such proceeding or action could hurt our reputation, force us to spend significant resources in defense of these proceedings, distract our management, increase our costs of doing business, and cause consumers and retailers to decrease their use of our marketplace, and may result in the imposition of monetary liability. We may also be contractually liable to indemnify and hold harmless third parties from the costs or consequences of noncompliance with any such laws or regulations. In addition, it is possible that governments of one or more countries may seek to censor content available on our websites and mobile applications or may even attempt to completely block access to our marketplace. Adverse legal or regulatory developments could substantially harm our business. In particular, in the event that we are restricted, in whole or in part, from operating in one or more countries, our ability to retain or increase our customer base may be adversely affected and we may not be able to maintain or grow our net revenues as anticipated.

**There may be limitations on the effectiveness of our internal controls, and a failure of our control systems to prevent error or fraud may materially harm our company.** Proper systems of internal controls over financial accounting and disclosure are critical to the operation of a public company. We have a limited accounting and finance staff, and such staff has relatively limited experience in operating the accounting function of a growing public company. As such, we may be unable to effectively establish, implement and update our internal control systems. This would leave us without the ability to reliably assimilate and compile financial information about our company and significantly impair our ability to prevent error and detect fraud, all of which would have a negative impact on our company from many perspectives. Moreover, we do not expect that disclosure controls or internal control over financial reporting, even if properly in place, will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Failure of our control systems to prevent error or fraud could materially and adversely affect our business, reputation, stock price and results of operations.

## Risks Relating to An Investment in Our Securities

**Our future sales of common stock by management and other stockholders may have an adverse effect on the then prevailing market price of our common stock.** In the event a public market for our common stock is sustained in the future, sales of our common stock may be made by holders of our

public float or by holders of restricted securities in compliance with Rule 144 of the Securities Act of 1933. In general, under Rule 144, a non-affiliated person who has satisfied a six-month holding period in a fully reporting company under the Securities Exchange Act of 1934, as amended, may, sell their restricted common stock without volume limitation, so long as the issuer is current with all reports under the Exchange Act in order for there to be adequate common public information. Affiliated persons may also sell their common shares held for at least six months, but affiliated persons will be required to meet certain other requirements, including manner of sale, notice requirements and volume limitations. Non-affiliated persons who hold their common shares for at least one year will be able to sell their common stock without the need for there to be current public information in the hands of the public. Future sales of shares of our public float or by restricted common stock made in compliance with Rule 144 may have an adverse effect on the then prevailing market price, if any, of our common stock.

**A significant portion of our total outstanding shares are eligible to be sold into the market in the near future, which could cause the market price of our common shares to drop significantly, even if our business is doing well.** A significant portion of our total outstanding shares are eligible to be sold into the market in the near future, which could cause the market price of our common shares to drop significantly, even if our business is doing well. Sales of a substantial number of our common shares in the public market, or the perception in the market that the holders of a large number of shareholders intend to sell shares could reduce the market price of our common shares.

**We do not intend to pay dividends.** We do not anticipate paying cash dividends on our common stock in the foreseeable future. We may not have sufficient funds to legally pay dividends. Even if funds are legally available to pay dividends, we may nevertheless decide in our sole discretion not to pay dividends. The declaration, payment and amount of any future dividends will be made at the discretion of our board of directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors our board of directors may consider relevant. There is no assurance that we will pay any dividends in the future, and, if dividends are paid, there is no assurance with respect to the amount of any such dividend.

**We lack an established trading market for our common stock, and you may be unable to sell your common stock at attractive prices or at all.** There is currently a limited trading market for our common stock on the OTCQB under the symbol "MOBQ." There can be no assurances given that an established public market will be obtained for our common stock or that any public market will last. As a result, we cannot assure you that you will be able to sell your common stock at attractive prices or at all.

**The market price for our securities may be highly volatile.** The market price for our securities may be highly volatile. A variety of factors may have a significant impact on the market price of our common stock, including:

- the publication of earnings estimates or other research reports and speculation in the press or investment community;
- changes in our industry and competitors;
- our financial condition, results of operations and prospects;

- any future issuances of our common stock, which may include primary offerings for cash, and the grant or exercise of stock options from time to time;
- general market and economic conditions; and
- any outbreak or escalation of hostilities, which could cause a recession or downturn in the U.S. economy.

In addition, the markets in general can experience extreme price and volume fluctuations that can be unrelated or disproportionate to the operating performance of the companies listed or quoted. Broad market and industry factors may negatively affect the market price of our common stock, regardless of actual operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against companies. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which would harm our business.

**Our principal stockholders, directors and executive officers have a material level of control over us, which could delay or prevent a change in our corporate control favored by our other stockholders.** As of the date of this Form 10-K, our principal stockholders, directors and executive officers beneficially own, in the aggregate, more than 50% of our outstanding common stock. The interests of our current directors and executive officers may differ from the interests of other stockholders. As a result, these current directors and officers could have the ability to exercise material influence over all corporate actions requiring stockholder approval, irrespective of how our other stockholders may vote, including the following actions:

- approval of certain mergers and other significant corporate transactions, including a sale of substantially all of our assets and material financing transactions;
- election of directors;
- adoption of or amendments to stock option plans;
- amendment of charter documents; or
- issuance of "blank check" preferred stock.

**Our certificate of incorporation grants our board of directors the authority to issue a new series of preferred stock without further approval by our shareholders, which could adversely affect the rights of the holders of our common shares.** Our board of directors has the power to fix and determine the relative rights and preferences of preferred stock. Our board of directors also has the power to issue preferred stock without further shareholder approval, subject to applicable listing regulations. As a result, our board of directors could authorize the issuance of new series of preferred stock that would grant to

**Research analysts do not currently publish research about our business, limiting information available to shareholders, and if this continues to be the case or if analysts do publish unfavorable commentary or downgrade our common shares it could adversely affect our stock price and trading volume.** The trading market for our common shares will depend, in part, on the research and reports that research analysts publish about us and our business and industry. The price of our common shares could decline if one or more research analysts downgrade our stock or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business. If one or more of the research analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our common shares could decrease, which could cause our stock price or trading volume to decline.

**As a public company, we are subject to complex legal and accounting requirements that will require us to incur significant expenses and will expose us to risk of non-compliance.** As a public company, we are subject to numerous legal and accounting requirements that do not apply to private companies. The cost of compliance with many of these requirements is material, not only in absolute terms but, more importantly, in relation to the overall scope of the operations of a small company. Our management team is relatively inexperienced in complying with these requirements, which may lead to errors in our accounting and financial statements and which may impair our operations. This inexperience may also increase the cost of compliance and may also increase the risk that we will fail to comply. Failure to comply with these requirements can have numerous adverse consequences including, but not limited to, our inability to file required periodic reports on a timely basis, loss of market confidence and/or governmental or private actions against us. We cannot assure you that we will be able to comply with all of these requirements or that the cost of such compliance will not prove to be a substantial competitive disadvantage vis-à-vis our privately held and larger public competitors.

**We may be subject to shareholder litigation, thereby diverting our resources that may have a material effect on our profitability and results of operations.** The market for our common shares may be characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price may continue to be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may become the target of similar litigation. Securities litigation will result in substantial costs and liabilities and will divert management's attention and resources.

**Compliance with changing regulation of corporate governance and public disclosure will result in additional expenses and pose challenges for our management.** Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act and SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the U.S. public markets. Our management team will need to devote significant time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

**Our common stock may be considered "penny stock" and may be difficult to trade .** The SEC has adopted regulations that generally define "penny stock" to be an equity security that has a market or exercise price of less than \$5.00 per share, subject to specific exemptions. The market price of our common stock may be less than \$5.00 per share and, therefore, may be designated as a "penny stock" according to SEC rules, unless our common shares are trading on a national exchange. This designation requires any broker or dealer selling these securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities. These rules may restrict the ability of brokers or dealers to sell our common stock and may affect the ability of investors to sell their common shares.

#### Item 1B. Unresolved Staff Comments

None.

#### Item 2. Properties

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 was 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 was located at 61 Broadway, 11<sup>th</sup> Floor, Suite 1105, New York, NY 10006. Since COVID-19 we have not been able to use the space nor been responsible to pay rent for the period April 2020 through January 2021 when we terminated this office lease.

#### Item 3. Legal Proceedings

We are not a party to any pending material legal proceedings, except as follow:

Washington Prime Group, Inc. ("WPG"), a successor in interest to Simon Property Group, L.P., commenced an action in the Marion Superior Court, County of Marion, State of Indiana against the Company alleging default on 36 commercial leases which the Company had entered into in 36 separate shopping mall locations across the United States. Plaintiff alleges damages from unpaid rent of \$892,332. Plaintiff is seeking a judgment from the Court to collect said unpaid rent plus attorneys' fees and other costs of collection. On September 18, 2020, the Parties entered into a settlement agreement with respect to this lawsuit. Subject to the terms, conditions, and provisions of the settlement Agreement, Mobiquity paid WPG One Hundred Thousand Dollars and No/100 Cents

(\$100,000.00).

In the Supreme Court of New York, county of Nassau, Carter, Deluca & Farrell LP, a law firm filed a summons and Complaint against the Company seeking \$113,654 in past due legal fees allegedly owed. The Company disputed the amount owed to said firm. On March 13, 2021 the Company entered into a settlement agreement and paid the law firm \$60,000 to settle the lawsuit.

The Company's wholly-owned subsidiary, Advangelists LLC is a defendant in a lawsuit filed in Tel Aviv brought by the Plaintiff Fyber Monetization, a private Israeli company, in the business of digital advertising. In its statement of claim, Fyber alleges June through November 3, of 2019 unpaid invoices totaling \$584,945 US Dollars. Advangelists has disputed any monies being owed and it intends to vigorously defend this lawsuit.

FunCorp Limited has filed a lawsuit in Superior Court, State of Washington, County of King alleging Advangelists owes for services rendered unpaid invoices totaling \$42,464. Advangelists has disputed any monies being owed and it intends to vigorously defend this lawsuit.

#### Item 4. Mine Safety Disclosures

Not applicable.

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## PART II

#### Item 5. Market for Common Equity, Related Stockholder Matters, and Issuer

##### Purchases of Equity Securities.

Our Common Stock trades on the OTCQB under the symbol "MOBQ" (formerly "AMKT") on a limited basis. The OTCQB marketplace has effectively replaced the FINRA operated OTC Bulletin Board (OTCBB) as the primary market for SEC reporting securities that trade off exchanges. The following table sets forth the range of high and low sales prices of our Common Stock for the last two fiscal years. On September 9, 2020, the Company effected a one-for-400 reverse stock split. All share and per share amounts set forth herein give retroactive effect to such stock split unless the context indicates otherwise.

Quarters Ended	High	Low
March 31, 2019	\$ 96.00	\$ 40.00
June 30, 2019	76.00	40.00
September 30, 2019	72.00	28.00
December 31, 2019	64.00	28.00
March 31, 2020	48.00	8.00
June 30, 2020	16.00	8.00
September 30, 2020	16.00	4.00
December 31, 2020	11.00	5.50

The closing sales price on December 31, 2020 was \$6.75 per share. All quotations provided herein reflect inter-dealer prices, without retail mark-up, markdown or commissions.

In the event a public market for our common stock is sustained in the future, sales of our common stock may be made by holders of our public float or by holders of restricted securities in compliance with the provisions of Rule 144 of the Securities Act of 1933. In general, under Rule 144, a non-affiliated person who has satisfied a six-month holding period in a fully reporting company under the Securities Exchange Act of 1934, as amended, may, sell their restricted Common Stock without volume limitation, so long as the issuer is current with all reports under the Exchange Act in order for there to be adequate common public information. Affiliated persons may also sell their common shares held for at least six months, but affiliated persons will be required to meet certain other requirements, including manner of sale, notice requirements and volume limitations. Non-affiliated persons who hold their common shares for at least one year will be able to sell their common stock without the need for there to be current public information in the hands of the public. Future sales of shares of our public float or by restricted common stock made in compliance with Rule 144 may have an adverse effect on the then prevailing market price, if any, of our common stock. See "Risk Factors."

As of March 20, 2021, there were 131 holders of record of our common stock. As of the effective date of the Company's stock split which was September 9, 2020, there were approximately 1,040 beneficial holders who hold 346,921 shares of the Company common stock in street name.

#### DIVIDEND POLICY

We have never paid any cash dividends and intend, for the foreseeable future, to retain any future earnings for the development of our business. Our Board of Directors will determine our future dividend policy on the basis of various factors, including our results of operations, financial condition, capital requirements and investment opportunities.

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#### RECENT SALES OF UNREGISTERED SECURITIES

(a) In fiscal 2019 and 2020, we made sales or issuances of unregistered securities listed 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>
2019	Common Stock	123,037 shares; 60,924 warrants	Cash consideration \$3,629,500; Commissions paid \$195,000	Rule 506;	Warrants with an exercise price of \$0.12 to \$0.18 expiring September 30, 2023
2019	Common stock	17,087 shares	Services rendered; no commissions paid	Section 4(2)	N/A
2019	Preferred stock Series E	65,625 shares	Note conversion \$5,250,000	Section 3(a)(9)	Converted senior secured note to Preferred Series E
2019	Warrant conversion	135,580 warrants converted to common shares	Cash consideration \$1,132,210	Section 4(2)	Warrants exercised at \$.05 to \$06 per share. including some cashless exercise
2019	Common stock and warrants	261,043 Shares and 261,043 warrants	Conversion of Series AAA Preferred stock	Section 3(a)(9)	Section 3(a)(9); converted 1,044,175 shares of Series AAA Preferred stock on the basis of 100 shares of common for each share of preferred, with 100% matching warrants, exercisable at \$.05 per share
2019	Common stock and warrants	200,000 shares and 300,000 warrants	Conversion of Series AAAA Preferred stock	Section 3(a)(9)	Converted 800 shares of AAAA Preferred stock on the basis of 100,000 shares of common for each share of preferred, with 150% matching warrants exercisable at \$0.12 expiration date June 7, 2024
2019	Secured Convertible notes	\$2,300,000 senior secured note	\$2,150,000 received; \$150,000 in commissions	Rule 506	Rule 506; notes convertible until 9/30/2029 at a conversion price of \$.08 per share. 50% warrants issued to lender are at \$.08 per share with an expiration date of Sept 29, 2029

<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>
2020	Common Stock	340,786 shares	Cash consideration \$3,600,424	Rule 506; Section 4(2)	N/A
2020	Common stock	38,125 shares	Services rendered; no commissions paid	Services rendered, valued at \$547,451	N/A
2020	Common stock	9,843 shares and 4,921 warrants	Preferred stock Series E conversion resulting in transfer from preferred stock to common stock of \$324,802	Section 3(a)(9)	Converted 3,937 Series E preferred shares
2020	Warrant conversion	warrants converted to 77,220 common shares	Cash consideration \$873,473	Section 4(2)	Warrants exercised at \$13.00 to \$16.00 per share. including some cashless exercise

2020	\$50,000 Convertible note	1,919 common shares	Paid \$20,000 cash; converted \$30,000 balance to common stock	Section 4(2)/Section 3(a)(9)	Conversion of notes into common stock at an effective price of \$26.05 per share
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## RECENT PURCHASES OF SECURITIES

Effective as of September 13, 2019, Mobiquity Technologies, Inc. (the "Company") entered into a Stock Purchase Agreement (the "GTECH SPA") with GBT Technologies, Inc. ("GTECH"), pursuant to which the Company acquired from GTECH 15,000,000 shares of the Company's common stock that was owned by GTECH (the "MOBQ Shares"). In consideration for the purchase of the MOBQ Shares from GTECH, the Company transferred to GTECH 110,000 shares of GTECH's common stock that was owned by the Company.

In 2019 and 2020, we had no repurchases of our Common Stock, except as described above.

## Item 6. Selected Financial Data

Not Applicable.

## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our financial statements and the notes thereto appearing elsewhere in this Form 10-K. All statements contained herein that are not historical facts, including, but not limited to, statements regarding anticipated future capital requirements, our future plan of operations, our ability to obtain debt, equity or other financing, and our ability to generate cash from operations, are based on current expectations. These statements are forward-looking in nature and involve a number of risks and uncertainties that may cause the Company's actual results in future periods to differ materially from forecasted results.

### **Critical Accounting Policies**

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of financial statements requires management to make estimates and disclosures on the date of the financial statements. On an on-going basis, we evaluate our estimates including, but not limited to, those related to revenue recognition. We use authoritative pronouncements, historical experience and other assumptions as the basis for making judgments. Actual results could differ from those estimates. We believe that the following critical accounting policies affect our more significant judgments and estimates in the preparation of our financial statements.

**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 the 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.* We are required to make judgments as to the realizability of our accounts receivable. We make these assessments based on the following factors: (a) historical experience, (b) customer concentrations, (c) 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.

#### *Goodwill and Intangible Assets*

Goodwill represents the future economic benefit arising from other assets acquired that could not be individually identified and separately recognized. The goodwill arising from the Company's acquisitions is attributable to the value of the potential expanded market opportunity with new customers. Intangible assets have either an identifiable or indefinite useful life. Intangible assets with identifiable useful lives are amortized on a straight-line basis over their economic or legal life, whichever is shorter. The Company's amortizable intangible assets consist of customer relationships and non-compete agreements. Their useful lives range from 1.5 to 10 years. The Company's indefinite-lived intangible assets consist of trade names.

Goodwill and indefinite-lived assets are not amortized but are subject to annual impairment testing unless circumstances dictate more frequent assessments. The Company performs an annual impairment assessment for goodwill during the fourth quarter of each year and more frequently whenever events or changes in circumstances indicate that the fair value of the asset may be less than the carrying amount. Goodwill impairment testing is a two-step process performed at the reporting unit level. Step one compares the fair value of the reporting unit to its carrying amount. The fair value of the reporting unit is determined by considering both the income approach and market approaches. The fair values calculated under the income approach and market approaches are weighted based on circumstances surrounding the reporting unit. Under the income approach, the Company determines fair value based on estimated future cash flows of the reporting unit, which are discounted to the present value using discount factors that consider the timing and risk of cash flows. For the discount rate, the Company relies on the capital asset pricing model approach, which includes an assessment of the risk-free interest rate, the rate of return from publicly traded stocks, the Company's risk relative to the overall market, the Company's size and industry and other Company specific risks. Other significant assumptions used in the income approach include the terminal value, growth rates, future capital expenditures and changes in future working capital requirements. The market approaches use key multiples from guideline businesses that are comparable and are traded on a public market. If the fair value of the reporting unit is greater than its carrying amount, there is no impairment. If the reporting unit's carrying amount exceeds its fair value, then the second step must be completed to measure the amount of impairment, if any. Step two calculates the implied fair value of goodwill by deducting the fair value of all tangible and intangible net assets of the reporting unit from the fair value of the reporting unit as calculated in step one. In this step, the fair value of the reporting unit is allocated to all of the reporting unit's assets and liabilities in a hypothetical purchase price allocation as if the reporting unit had been acquired on that date. If the carrying amount of goodwill exceeds the implied fair value of goodwill, an impairment loss is recognized in an amount equal to the excess.

Determining the fair value of a reporting unit is judgmental in nature and requires the use of significant estimates and assumptions, including revenue growth rates, strategic plans and future market conditions, among others. There can be no assurance that the Company's estimates and assumptions made for purposes of the goodwill impairment testing will prove to be accurate predictions of the future. Changes in assumptions and estimates could cause the Company to perform impairment test prior to scheduled annual impairment tests.

The Company performed its annual fair value assessment at December 31, 2020 and 2019 on its subsidiaries with material goodwill and intangible asset amounts on their respective balance sheets and determined that no impairment exists.

#### **Plan of Operation**

Mobiquity intends to hire several new sales and sales support individuals 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, Publishers 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.

#### **Results of Operations**

*Year Ended December 31, 2020 versus Year Ended December 31, 2019*

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.

	Year Ended December 31	
	2020	2019
Revenue	\$ 6,184,010	\$ 9,717,796
Cost of Revenues	4,360,645	7,297,550
Gross Profit	1,823,365	2,420,246

Operating Expenses	13,204,465	15,882,475
Loss from operations	(11,381,100)	(13,462,229)
Net Loss	(15,029,395)	(43,747,375)
Loss from operations per common share	(5.92)	(22.55)
Weighted average common shares outstanding	2,537,811	1,952,538

We generated revenues of \$6,184,010 in fiscal 2020 compared to \$9,717,796 in the same period for fiscal 2019, a change in revenues of \$3,533,786, which is a decrease of over 36%. Decreased revenues from the onset of COVID-19 started during the first quarter of 2020 and continues currently.

Cost of revenues was \$4,360,645 or 70.5% of revenues in fiscal 2020 compared to \$7,297,550 or 75.1% of revenues in the same fiscal period of fiscal 2019. Cost of revenues include web services for storage and processing of our data and web engineers who are building and maintaining our platforms.

Gross Profit was \$1,823,365 for fiscal 2020 or 29.5% of revenues compared to \$2,420,246 in the same fiscal period of 2019 or 24.9% of revenues. The increase in gross profit margin from fiscal year 2019 to 2020 pertains to discounts given to our current customer base with some introductory rates for the new services we designed in 2019 have been removed in 2020.

Operating expenses were \$13,204,465 for fiscal 2020 compared to \$15,882,475 in the comparable period of the prior year, a decrease of \$2,678,010. Such operating cost decreases include technology integration costs, payroll and related expenses, commissions, insurance, rents, professional (consulting) and public awareness fees. Non-cash stock-based compensation decreased \$5,251,952 along with an increase in amortization costs of \$1,076,488 and impairment expense of \$4,000,000.

The loss from operations for 2020 was \$11,381,100 as compared to \$13,462,229 for the comparable period of the prior year, a \$2,081,129 decrease. The loss from operations included the non-cash decrease in stock-based compensation of \$1,347,048, amortization costs of \$2,600,735, and warrant expense \$598,894 and an increase in impairment costs of \$4,000,000. Cash costs include a decrease in salaries of \$783,474, rents \$93,573 and commissions of \$116,406 an increase in bad debts of \$444,697 due to the COVID-19 pandemic.

The net loss for 2020 was \$15,029,395 as compared to \$43,747,375 for the comparable period of the prior year, a ---34.4% decrease from the previous year. Decrease in net loss from 2020 include noncash expenses totaling \$22,791,640, including \$22,614,303 in warrant expense and stock-based compensation of \$5,251,952.

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

We had cash and cash equivalents of \$602,182 at December 31, 2020. Cash used by operating activities for the year ended December 31, 2020 was \$4,750,443. This resulted from a net loss of \$15,032,404, partially offset by non-cash expenses, including depreciation and amortization of \$1,807,007, stock-based compensation of \$1,347,048, warrant expense of \$1,472,367 and impairment expense of \$4,000,000. Cash provided by financing activities of \$485,033 was the result of issuance of notes and cash payments on notes outstanding.

We had cash and cash equivalents of \$1,240,064 at December 31, 2019. Cash used by operating activities for the year ended December 31, 2019 was \$8,342,506. This resulted from a net loss of \$44,027,719, partially offset by non-cash expenses, including depreciation and amortization of \$1,528,644, stock-based compensation of \$6,599,000, and warrant expense of \$3,153,991, other warrant costs from the conversion/issuance of debt of \$23,213,197. Cash provided by financing activities of \$9,018,251 was the result of issuance of notes, proceeds from the issuance of common stock, sales of investments, and notes from bank.

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 2020 and beyond until cash flow from our proximity marketing operations become substantial.

### Recent Financings

In 2020 and 2019, we completed debt and equity various financings. See Item 5 under "Recent Sales of Unregistered Securities" and "Note 5" in the Notes to Financial Statements.

### Item 7A. Qualitative 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 8. Financial Statements

The report of the Independent Registered Public Accounting Firm, Financial Statements and Schedules are set forth herein.

**MOBIQUITY TECHNOLOGIES, INC.**  
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**Report of Independent Registered Public Accounting Firm**

To the shareholders and the board of directors of Mobiquity Technology, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Mobiquity Technology, Inc. as of December 31, 2020 and 2019, the related statements of operations, stockholders' equity (deficit), and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

**Substantial Doubt about the Company's Ability to Continue as a Going Concern**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations and has a significant accumulated deficit. In addition, the Company continues to experience negative cash flows from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable

assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

#### **Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

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#### *Revenue recognition — identification of contractual terms in certain customer arrangements*

As described in Note 2 to the consolidated financial statements, management assesses relevant contractual terms in its customer arrangements to determine the transaction price and recognizes revenue upon transfer of control of the promised goods or services in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Management applies judgment in determining the transaction price which is dependent on the contractual terms. In order to determine the transaction price, management may be required to estimate variable consideration when determining the amount and timing of revenue recognition.

The principal considerations for our determination that performing procedures relating to the identification of contractual terms in customer arrangements to determine the transaction price is a critical audit matter are there was significant judgment by management in identifying contractual terms due to the volume and customized nature of the Company's customer arrangements. This in turn led to significant effort in performing our audit procedures which were designed to evaluate whether the contractual terms used in the determination of the transaction price and the timing of revenue recognition were appropriately identified and determined by management and to evaluate the reasonableness of management's estimates.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including those related to the identification of contractual terms in customer arrangements that impact the determination of the transaction price and revenue recognition. These procedures also included, among others, (i) testing the completeness and accuracy of management's identification of the contractual terms by examining customer arrangements on a test basis, and (ii) testing management's process for determining the appropriate amount and timing of revenue recognition based on the contractual terms identified in the customer arrangements.

#### **/S/ BF Borgers CPA PC**

We have served as the Company's auditor since 2018  
Lakewood, CO  
March 31, 2021

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**Mobiquity Technology, Inc.**  
**Consolidated Balance Sheets**

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 602,182	\$ 1,240,064
Accounts receivable, net	1,698,719	3,611,378
Prepaid expenses and other current assets	<u>46,396</u>	<u>20,200</u>
<b>Total Current Assets</b>	<b>2,347,297</b>	<b>4,871,642</b>
Property and equipment (net of accumulated depreciation of \$12,635 and \$6,364, respectively)	21,428	21,100
Goodwill	1,352,865	1,352,865
Intangible assets (net of accumulated amortization of \$3,355,922 and \$1,555,186, respectively)	5,647,754	11,448,490
<b>Other assets</b>		
Security deposits	9,000	9,000
Investment in corporate stock	<u>91</u>	<u>3,100</u>
<b>Total Assets</b>	<b><u>\$ 9,378,435</u></b>	<b><u>\$ 17,706,197</u></b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2,055,175	\$ 2,958,108
Accrued expenses	1,085,292	960,734
Notes payable	<u>901,283</u>	<u>566,250</u>
<b>Total Current Liabilities</b>	<b><u>4,041,750</u></b>	<b><u>4,485,092</u></b>
Long term portion convertible notes, net	<u>2,450,000</u>	<u>2,300,000</u>
<b>Total Liabilities</b>	<b><u>6,491,750</u></b>	<b><u>6,785,092</u></b>
<b>Stockholders' Deficit</b>		
AAA Preferred stock; 4,930,000 and 5,000,000 authorized; \$0.0001 par value 56,413 and 46,413 shares issued and outstanding at December 31, 2020 and December 31, 2019	868,869	714,869
Preferred stock Series C; \$.0001 par value; 1,500 shares authorized 1,500 and 1,500 shares issued and outstanding at December 31, 2020 and December 31, 2019	15,000	15,000
Preferred stock Series E; 70,000 authorized; \$80 par value 61,688 and 65,625 shares issued and outstanding at December 31, 2020 and December 31, 2019	4,935,040	5,250,000
Common stock: 100,000,000 authorized; \$.0001 par value 2,803,685 and 2,335,792 shares issued and outstanding at December 31, 2020 and December 31, 2019	282	234
Treasury stock \$36 par value 37,500 and 37,500 shares outstanding at December 31, 2020 and December 31, 2019	(1,350,000)	(1,350,000)
Additional paid in capital	184,586,420	177,427,524
Accumulated deficit	<u>(186,168,926)</u>	<u>(171,136,522)</u>
<b>Total Stockholders' Equity</b>	<b><u>2,886,685</u></b>	<b><u>10,921,105</u></b>
<b>Total Liabilities and Stockholders' Equity</b>	<b><u>\$ 9,378,435</u></b>	<b><u>\$ 17,706,197</u></b>

*The accompanying notes are an integral part of these consolidated financial statements*

	2020	2019
Revenue	\$ 6,184,010	\$ 9,717,796
Cost of Revenues	4,360,645	7,297,550
Gross Profit	1,823,365	2,420,246
Operating Expenses		
Selling, general and administrative	5,226,300	5,867,884
Salaries	2,631,117	3,415,591
Stock based compensation	1,347,048	6,599,000
Impairment expense	4,000,000	-
Total Operating Expenses	13,204,465	15,882,475
Loss from operations	(11,381,100)	(13,462,229)
Other Income (Expenses)		
Interest Expense	(715,262)	(346,204)
Acquisition expense	-	(2,970,364)
Warrant expense	63,864	(23,213,197)
Loss on sale of investments	-	(3,755,381)
Loss on sale of company stock	(2,996,897)	-
Total Other Income (Expense)	(3,648,295)	(30,285,146)
Loss from continuing operations	\$ (15,029,395)	\$ (43,747,375)
Other Comprehensive Income		
Unrealized holding gain (loss) arising during period	(3,009)	(280,344)
Net Comprehensive Loss	\$ (15,032,404)	\$ (44,027,719)
Net Comprehensive Loss Per Common Share:		
For continued operations, basic and diluted	(5.92)	(22.55)
Weighted Average Common Shares Outstanding, basic and diluted	2,537,811	1,952,538

***The accompanying notes are an integral part of these consolidated financial statements***

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**Mobiquity Technology, Inc.  
Consolidated Statement of Stockholders' Equity**

	AAAA Preferred Stock		Mezzanine Preferred Stock		Series E Preferred Stock Preferred Stock		Series C Preferred Stock Preferred Stock	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Balance, at January 1, 2020	-	\$ -	46,413	\$ 714,869	65,625	\$ 5,250,000	1,500	\$ 15,000
Common stock issued for services	-	-	-	-	-	-	-	-
Common stock issued for note conversion	-	-	-	-	-	-	-	-
Common stock issued for cash	-	-	-	-	-	-	-	-
Warrant conversions	-	-	-	-	-	-	-	-
Warrants issued	-	-	-	-	-	-	-	-
Stock based compensation	-	-	-	-	-	-	-	-
Preferred stock series E	-	-	10,000	154,000	(3,937)	(314,960)	-	-
Net Loss	-	-	-	-	-	-	-	-
Balance, at December 31, 2020	-	\$ -	56,413	\$ 868,869	61,688	\$ 4,935,040	1,500	\$ 15,000

  

	Common Stock		Additional Paid-in Capital	Subscription Receivable	Non Controlling Interest	Treasury Shares		Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount				Shares	Amount		
Balance, at January 1, 2020	2,335,792	\$ 234	\$ 177,427,524	\$ -	\$ -	37,500	\$ (1,350,000)	\$ (171,136,522)	\$ 10,921,105

Common stock issued for services	38,125	3	547,448	-	-	-	-	-	547,451
Common stock issued for note conversion	1,919	-	30,694	-	-	-	-	-	30,694
Common stock issued for cash	340,786	40	3,600,384	-	-	-	-	-	3,600,424
Warrant conversions	77,220	4	873,469	-	-	-	-	-	873,473
Warrants issued	-	-	598,894	-	-	-	-	-	598,894
Stock based compensation	-	-	1,347,048	-	-	-	-	-	1,347,048
Preferred stock series E	9,843	1	160,959	-	-	-	-	-	-
Net Loss	-	-	-	-	-	-	-	(15,032,404)	(15,032,404)
Balance, at December 31, 2020	<u>2,803,685</u>	<u>\$ 282</u>	<u>\$ 184,586,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>37,500</u>	<u>\$ (1,350,000)</u>	<u>\$ (186,168,926)</u>	<u>\$ 2,886,685</u>

*The accompanying notes are an integral part of these consolidated financial statements*

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**Mobiquity Technology, Inc.**  
**Consolidated Statement of Stockholders' Equity**  
**(continued)**

	AAAA Preferred Stock		Mezzanine Preferred Stock		Series E Preferred Stock Preferred Stock		Series C Preferred Stock Preferred Stock	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
	Balance, at January 1, 2019	800	\$ 8,000	1,090,588	11,552,513	-	\$ -	1,500
Common stock issued for services	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-
Purchase of Common stock	-	-	-	-	-	-	-	-
Preferred stock series E	-	-	-	-	65,625	5,250,000	-	-
Stock based compensation	-	-	-	-	-	-	-	-
Exchange shares	(800)	(8,000)	(1,044,175)	(10,837,644)	-	-	-	-
Warrant conversions	-	-	-	-	-	-	-	-
Warrants issued	-	-	-	-	-	-	-	-
Net Loss	-	-	-	-	-	-	-	-
Balance, at December 31, 2019	<u>-</u>	<u>\$ -</u>	<u>46,413</u>	<u>\$ 714,869</u>	<u>65,625</u>	<u>\$ 5,250,000</u>	<u>1,500</u>	<u>\$ 15,000</u>

	Common Stock		Additional Paid-in Capital	Subscription Receivable	Non Controlling Interest	Treasury Shares		Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount				Shares	Amount		
Balance, at January 1, 2019	1,572,667	\$ 157	\$ 129,286,167	\$ -	\$ 663,478	-	\$ -	\$ (127,108,103)	\$ 14,417,212
Common stock issued for services	15,963	2	717,575	-	-	-	-	-	717,577
Treasury shares	-	-	-	-	-	37,500	(1,350,000)	-	(1,350,000)
Purchase of Common stock	123,038	12	3,629,488	-	-	-	-	-	3,629,500
Preferred stock series E	-	-	-	-	-	-	-	-	5,250,000
Stock based compensation	-	-	6,599,000	-	-	-	-	-	6,599,000
Exchange shares	511,044	51	10,828,118	-	-	-	-	-	(17,475)
Warrant conversions	113,080	12	3,153,979	-	-	-	-	-	3,153,991
Warrants issued	-	-	23,213,197	-	-	-	-	-	23,213,197
Net Loss	-	-	-	-	(663,478)	-	-	(44,028,419)	(44,691,897)
Balance, at December 31, 2019	<u>2,335,792</u>	<u>\$ 234</u>	<u>\$ 177,427,524</u>	<u>\$ -</u>	<u>\$ -</u>	<u>37,500</u>	<u>(1,350,000)</u>	<u>\$ (171,136,522)</u>	<u>\$ 10,921,105</u>

*The accompanying notes are an integral part of these consolidated financial statements*

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**Mobiquity Technology, Inc.**  
**Consolidated Statements of Cash Flows**

	Year Ended	
	December 31,	
	2020	2019
<b>Cash Flows from Operating Activities:</b>		
Net loss	\$ (15,032,404)	\$ (44,027,719)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Depreciation expense	6,271	4,397
Amortization- Intangible Assets	1,800,736	1,524,247
Allowance for uncollectible receivables	306,000	-
Common stock issued for services	547,451	717,577
Warrant expense	1,472,367	3,153,991
Impairment expense	4,000,000	-
Warrant cost from the conversion/issuance of debt	-	23,213,197
Stock-based compensation	1,347,048	6,599,000
<b>Changes in operating assets and liabilities</b>		
Accounts receivable	1,606,659	(1,132,015)
Prepaid expenses and other assets	(26,196)	(8,500)
Accounts payable	(902,933)	1,702,671
Accrued expenses and other current liabilities	(138,367)	(7,816)
Accrued interest	262,925	(81,536)
<b>Total Adjustments</b>	<b>10,281,961</b>	<b>35,685,213</b>
<b>Net cash used in Operating Activities</b>	<b>(4,750,443)</b>	<b>(8,342,506)</b>
<b>Cash Flows from Investing Activities</b>		
Common stock issued for cash, net	3,600,424	-
Purchase of property and equipment	(6,599)	(18,835)
Note conversion to common stock	30,694	-
Proceeds from the sale of investments	-	167,400
Issuance of Series E Preferred stock	-	5,250,000
Addition to Goodwill and Intangibles	-	(5,074,750)
<b>Net cash provided by Investing Activities</b>	<b>3,624,519</b>	<b>323,815</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from the issuance of notes, net	1,005,842	2,550,000
Proceeds from the issuance of common stock	-	3,629,500
Loss on the sale of company stock	-	2,483,600
Accrued interest converted to note	-	74,727
Preferred stock converted to common stock	-	(17,475)
Cash received from bank notes	-	750,000
Cash paid on bank notes	(520,809)	(452,101)
<b>Net cash provided by Financing Activities</b>	<b>485,033</b>	<b>9,018,251</b>
<b>Net change in Cash and Cash Equivalents</b>	<b>(640,891)</b>	<b>999,560</b>
Cash and Cash Equivalents, Beginning of period	1,240,064	624,338
Non-controlling interest	-	(664,178)
Unrealized holding change on securities	3,009	280,344
<b>Cash and Cash Equivalents, end of period</b>	<b>\$ 602,182</b>	<b>\$ 1,240,064</b>
<b>Supplemental Disclosure Information</b>		
Cash paid for interest	\$ 442,326	\$ 2,524
Cash paid for taxes	\$ 7,272	\$ -
<b>Non-cash Disclosures:</b>		
Common stock issued for interest	\$ -	\$ -
Conversion of notes and interest into AAA & AAAA Preferred and Common Stock	\$ -	\$ -

*The accompanying notes are an integral part of these consolidated financial statements*

We have a history of losses and may continue to incur losses in the future, which could negatively impact the trading value of our common stock. We incurred losses from operations of \$15,029,395 for the year ended December 31, 2020, \$43,747,375 for the year ended December 31, 2019. We may continue to incur operating and net losses in future periods. These losses may increase, and we may never achieve profitability for a variety of reasons, including increased competition, decreased growth in the unified advertising industry and other factors described elsewhere in this “Risk Factors” section. If we cannot achieve sustained profitability, our stockholders may lose all or a portion of their investment in our company.

These consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The recently acquired Advangelists LLC has also incurred losses and experienced negative cash flows from operations during the most recent fiscal year. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of management to raise additional capital through private and public offerings of its common stock, and the attainment of profitable operations. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Reverse stock-split On September 2, 2020, the Company amended and restated certificate of incorporation to implement a 1 for 400 reverse stock- split of its common stock. The reverse stock split did not cause an adjustment to the par value of common stock. As a result of the reverse stock split, the Company adjusted the share amounts under its employee incentive plans, outstanding options and common stock warrant agreements, treasury shares and preferred shares.

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**NATURE OF OPERATIONS** – Mobiquity Technologies, Inc., a New York corporation (the “Company”), is the parent company of its operating subsidiaries; Mobiquity Networks, Inc. (“Mobiquity Networks”) and Advangelists, LLC (Advangelists). 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. 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. 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.

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The ATOS platform:

- creates an automated marketplace of advertisers and publishers on digital media outlets to host online auctions to facilitate the sale of ad time slots (known as digital real estate) targeted at users while engaged on their connected TV, computer or mobile device, and
- gives advertisers the capability to understand and interact with their audiences and engage them in a meaningful way by the using ads in both image and video formats (known as rich media) to increase their customer base and foot traffic to their physical locations.

Advangelists’ marketplace engages with approximately 20 billion advertisement opportunities per day. Our sales and marketing strategy is focused on creating a de-fragmented operating system that makes it considerably more efficient and effective for advertisers and publishers to transact with each other. Our goal is to create a standardized and transparent medium.

Advangelists’ technology is proprietary and has all been developed internally. We own all of our technology.

### *Recent Developments and Employment Agreement with Deepanker Katyal*

Deepanker Katyal’s employment agreement which commenced December 7, 2018 has a term of three years. Mr. Katyal is required to devote at least 40 hours per week pursuant to his responsibility as CEO of Advangelists. The agreement provides for full indemnification and participation in all benefit plans, programs and perquisites as are generally provided by the Company to its employees, including medical, dental, life insurance, disability and 401(k) participation. The agreement provides for termination for cause after giving employee 30 days’ prior written notice. The agreement provides for termination by the Company without cause after 60 days’ prior written notice with severance pay as described in his agreement. His employment agreement also provides for termination by disability for a period of more than six consecutive months in any 12-month period, termination by employee for good reason as defined in the agreement and restrictive covenants for a period of one year following the termination date.

Effective as of September 13, 2019, Mobiquity Technologies, Inc. (the “Company”) entered into a Stock Purchase Agreement (the “GTECH SPA”) with GBT Technologies, Inc. (“GTECH”), pursuant to which the Company acquired from GTECH 15,000,000 shares of the Company’s common stock that was owned by GTECH (the “MOBQ Shares”). In consideration for the purchase of the MOBQ Shares from GTECH, the Company transferred to GTECH 110,000 shares of GTECH’s common stock that was owned by the Company.

On September 13, 2019, Advangelists, LLC (“AVNG”), a wholly-owned subsidiary of the Company, entered into Amendment No. 1 to Employment Agreement (the “Katyal Amendment”) with Deepankar Katyal, the CEO of AVNG, which amends Mr. Katyal’s original employment agreement (the “Original Katyal Agreement”), dated as of December 7, 2018. Pursuant to the Katyal Amendment, among other things, (i) the Company agreed to indemnify Mr. Katyal to the extent provided in the Company’s Certificate of Incorporation (the “Certificate”) and By-laws and to include Mr. Katyal as an insured under the Company’s applicable directors’ and officers’ liability insurance policies; (ii) AVNG agreed to provide Mr. Katyal with an automobile allowance of \$550.00 per month, and (iii) the non-compete restrictive covenants contained in the Original Katyal Agreement ceased. In addition, the Katyal Amendment provides for the Company to redeem the shares of the Company’s Class B Preferred Stock (the “Class B Stock”) owned by Mr. Katyal, and entitles Mr. Katyal to the following additional compensation:

- A bonus, payable in cash or common stock of the Company, equal to 1% of the Company's gross revenue (the "Gross Revenue") for each completed fiscal month during the 2019 fiscal year, subject to certain revenue thresholds as set forth in the Katyal Amendment;

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- Commissions equal to 10% of the Net Revenues (as defined in the Katyal Amendment) of all New Katyal Managed Accounts (as defined in the Katyal Amendment);
- Options to purchase 37,500 shares of the Company's common stock at an exercise price of \$36.00 per share, of which 25,000 vest on the date of the Katyal Amendment, and of which 12,500 vest on the one year anniversary of the Katyal Amendment.

In connection with the Katyal Amendment, on September 13, 2019, the Company entered into a Class B Preferred stock Redemption Agreement (the "Katyal Redemption Agreement"), pursuant to which the Company redeemed the Company's Class B Stock owned by Katyal.

On September 13, 2019, AVNG entered into Amendment No. 1 to Employment Agreement (the "Katyal Amendment") with Lokesh Mehta, which amends Mr. Mehta's original employment agreement (the "Original Mehta Agreement"), dated as of December 7, 2018. Pursuant to the Mehta Amendment, among other things, (i) the Company agreed to indemnify Mr. Mehta to the extent provided in the Company's Certificate and By-laws and to include Mr. Mehta as an insured under the Company's applicable directors' and officers' liability insurance policies; (ii) AVNG agreed to provide Mr. Mehta with an automobile allowance of \$550.00 per month, and (iii) the non-compete restrictive covenants contained in the Original Mehta Agreement ceased. In addition, the Mehta Amendment provides for the Company to redeem the shares of the Company's Class B Preferred Stock (the "Class B Stock") owned by Mr. Mehta, and entitles Mr. Mehta to the following additional compensation:

- A bonus, payable in cash or common stock of the Company, equal to 1% of the Company's Gross Revenue for each completed fiscal month during the 2019 fiscal year, subject to certain revenue thresholds as set forth in the Mehta Amendment;
- Commissions equal to 5% of the Net Revenues (as defined in the Mehta Amendment) of all New Katyal Managed Accounts (as defined in the Katyal Amendment);
- Options to purchase 37,500 shares of the Company's common stock at an exercise price of \$36.00 per share, of which 25,000 vest on the date of the Mehta Amendment, and of which 12,500 vest on the one year anniversary of the Mehta Amendment.

In connection with the Mehta Amendment, on September 13, 2019, the Company entered into a Class B Preferred Stock Redemption Agreement (the "Mehta Redemption Agreement"), pursuant to which the Company redeemed the Company's Class B Stock owned by Mehta in exchange for an employment agreement and other good and valuable consideration including an automobile allowance.

#### Risks Related to Our Financial Results and Financing Plans

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.

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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.

#### Related Parties

Related parties are any entities or individuals that, through employment, ownership or other means, possess the ability to direct or cause the direction of the management and policies of the Company. We disclose related party transactions that are outside of normal compensatory agreements, such as salaries or board of director fees. We consider the following individuals / companies to be related parties:

Dean Julia - Principal Executive Officer President and Director  
Sean McDonnell - Chief Financial Officer  
Sean Trepeta – Board of Directors  
Dr. Eugene Salkind – Board of Directors

**PRINCIPLES OF CONSOLIDATION** - The accompanying condensed consolidated financial statements include the accounts of Mobiquity Technologies, Inc. and its wholly owned subsidiaries, Mobiquity Networks, Inc. and Advangelists, LLC. All intercompany accounts and transactions have been eliminated in consolidation.

**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.

**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 December 31, 2020, and December 31, 2019, the balances are \$602,182 and \$1,240,064, 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, consequently, believes that its receivable credit risk exposure is limited. Our current receivables at December 31, 2020 consist of 58.3% held by six of our largest customers. Our December 31, 2019, receivables consist of 47% held by four of our largest customers.

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 December 31, 2020, and December 31, 2019, the Company exceeded FDIC limits by \$114,986 and \$749,037, respectively.

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**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 was not 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.

**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 creditworthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. As of December 31, 2020, and December 31, 2019, allowance for doubtful accounts were \$386,600 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 a four million dollar write down loss due to the COVID-19 pandemic for the period ended December 31, 2020.

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**Transactions with major customers**

During the year ended December 31, 2020, six customers accounted for approximately 58% of revenues and for the year ended December 31, 2019, four customers accounted for 47% our revenues.

**ADVERTISING COSTS** - Advertising costs are expensed as incurred. For the year ended December 31, 2020 and December 31, 2019, there were advertising costs of \$1,400 and \$70,042, 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

We adopted the lease standard ACS 842 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 December 10, 2019, we are not a lessor or lessee under any lease arrangements.

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.

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or result of operations.

#### 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 and warrants. 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 748,505 because they are anti-dilutive, as a result of a net loss for the year ended December 31, 2020.

#### NOTE 3: ACQUISITION OF ADVANGELISTS, LLC

In December 2018, pursuant to an Agreement and Plan of Merger (the "Merger Agreement") with Glen Eagles Acquisition LP ("GEAL") and Mobiquity Technologies, Inc. purchased of all the issued and outstanding capital stock and membership interest of Advangelists LLC. The Company closed and completed the acquisition on December 6, 2018.

The purchase price paid includes the assumption of certain assets, liabilities and contracts associated with Advangelists, LLC, at closing the sellers received \$500,000 cash, warrants and stock and the issuance of a nineteen- month promissory note in aggregate principal amount of \$9,500,000.

The following table summarizes the allocation of the purchase price as of the acquisition date:

#### Purchase Price

\$9,500,000 Promissory note	\$	9,500,000
Cash		500,000
Mobiquity Technologies, Inc. warrants		3,844,444
Gopher Protocol Inc. common stock		6,155,556
	\$	<u>20,000,000</u>

On April 30, 2019, the Company entered into a Membership Interest Purchase Agreement with GEAL, which the Company acquired from GEAL 3% of the membership interest of Advangelists, LLC for \$600,000 in cash. Giving the Company a 51% interest.

On May 8, 2019, the Company entered into a Membership Purchase Agreement with Gopher Protocol, Inc. to acquire the 49% interest of Advangelists, LLC which it contemporaneously purchased from GEAL. The purchase price was paid by the issuance of a \$7,512,500 promissory note. As a result of the transaction, the Company owns 100% of Advangelists LLC.

On September 13, 2019, the Company repurchased fifteen million shares of common stock for the aggregate by exchanging 110,000 shares of GTCH common stock held for investment purposes.

On September 13, 2019, Dr. Gene Salkind, is a related party who is a director of the Company, and an affiliate of Dr. Salkind (collectively, the "Lenders") subscribed for convertible promissory notes (the "Note") and loaned to the Company an aggregate of \$2,300,000 (the "Loans") on a secured basis.

The Notes bear interest at a fixed rate of 15% per annum, computed based on a 360-day year of twelve 30-day months and will be payable monthly in arrears. Interest on the Notes is payable in cash, or, at the Lenders' option, in shares of the Company's common stock. The principal amount due under the Notes will be payable on September 30, 2029, unless earlier converted pursuant to the terms of the Notes.

Subject to the Company obtaining prior approval from the Company's shareholders for the issuance of shares of common stock upon conversion of the Notes, if and to the extent required by the New York Business Corporation Law, the Notes will be convertible into equity of the Company upon the following events on the following terms:

- At any time at the option of the Lenders, the outstanding principal under the Notes will be converted into shares of common stock of the Company at a conversion price of \$32.00 per post-split share (the "Conversion Price").
- at any time that the trailing thirty (30) day volume weighted average price per share (as more particularly described in the Notes) of the Company's common stock is above \$400.00 per post-split share, until the Notes are no longer outstanding, the Company may convert the entire unpaid un-converted principal amount of the Notes, plus all accrued and unpaid interest thereon, into shares of the Company's common stock at the Conversion Price.

The Notes contain customary events of default, which, if uncured, entitle the Lenders thereof to accelerate the due date of the unpaid principal amount of, and all accrued and unpaid interest on, their Notes.

In connection with the subscription of the Notes, the Company issued to each Lender a warrant to purchase 400 post-split shares of the Company's common stock for every two shares of common stock issuable upon conversion of the Notes, at an exercise price of \$48.00 per post-split share (the "Lender Warrants").

On September 13, 2019, Advangelists, LLC, a wholly-owned subsidiary of the Company ("AVNG"), entered into Amendment No. 1 to Employment Agreement (the "Katyal Amendment") with Deepankar Katyal, who is a related party and the CEO of AVNG, which amends Mr. Katyal's original employment agreement (the "Original Katyal Agreement"), dated as of December 7, 2018. Pursuant to the Katyal Amendment, among other things, (i) the Company agreed to indemnify Mr. Katyal to the extent provided in the Company's Certificate of Incorporation (the "Certificate") and By-laws and to include Mr. Katyal as an insured under the Company's applicable directors' and officers' liability insurance policies; (ii) AVNG agreed to provide Mr. Katyal with an automobile allowance of \$550.00 per month, and (iii) the non-compete restrictive covenants contained in the Original Katyal Agreement ceased. In addition, the Katyal Amendment provides for the Company to redeem the shares of the Company's Class B Preferred Stock (the "Class B Stock") owned by Mr. Katyal, and entitles Mr. Katyal to the following additional compensation:

- A bonus, payable in cash or common stock of the Company, equal to 1% of the Company's gross revenue (the "Gross Revenue") for each completed fiscal month during the 2019 fiscal year, subject to certain revenue thresholds as set forth in the Katyal Amendment;
- Commissions equal to 10% of the Net Revenues (as defined in the Katyal Amendment) of all New Katyal Managed Accounts (as defined in the Katyal Amendment);

- Options to purchase 37,500 post-split shares of the Company's common stock at an exercise price of \$36.00 per share, of which 25,000 vest on the date of the Katyal Amendment, and of which 12,500 vest on the one year anniversary of the Katyal Amendment.

In connection with the Katyal Amendment, on September 13, 2019, the Company entered into a Class B Preferred stock Redemption Agreement (the "Katyal Redemption Agreement"), pursuant to which the Company redeemed the Company's Class B Stock owned by Katyal.

In May 2019, the Company assumed a promissory note (the "AVNG Note") payable to Deepankar Katyal (the "Payee"), as representative of the former owners of AVNG, which at the time of assumption had a remaining principal balance of \$7,512,500. Simultaneously with the assumption of the AVNG Note, the AVNG Note was amended and restated as disclosed in the May 8-K (the "First Amended AVNG Note"). Effective as of September 13, 2019, the Company and Payee entered into a Second Amended and Restated Promissory Note (the "Second Amended AVNG Note"), in the principal amount of \$6,750,000, pursuant to which the repayment terms under the First Amended AVNG Note were amended and restated as follows:

- \$5,250,000 of the principal balance remaining due under the Second Amended AVNG Note is payable by the delivery of (i) 65,625 shares of the Company's newly designated Class E Preferred Stock, which is convertible into 164,063 shares the Company's post-split common stock, and (ii) common stock purchase warrants to purchase 82,032 shares of the Company's post-split common stock, at an exercise price of \$48.00 per share (the "AVNG Warrant").
- \$1,530,000 of the principal balance, inclusive of all accrued and unpaid interest, remaining due under the Second Amended AVNG Note in three equal consecutive monthly installments of \$510,000, commencing on September 15, 2019 and on the 15<sup>th</sup> day of each month thereafter until paid in full.

The Second Amended AVNG Note provides that upon an Event of Default (as defined in the Second Amended AVNG Note), and upon the election of the Payee, (i) the shares of Class E Preferred Stock issuable pursuant to the terms of the Second Amended AVNG Note, and any shares of the Company's common stock issued upon the conversion of the Class E Preferred Stock, shall be cancelled and cease to be issued and outstanding, (ii) the AVNG Warrants (as defined below), to the extent unexercised, shall be cancelled, and (iii) the Second Amended AVNG Note shall be cancelled and the repayment of the principal amount remaining

due to Payee shall be paid in accordance with the terms of the First Amended AVNG Note.

### Merger

Mobiquity entered into an Agreement and Plan of Merger (the "Merger Agreement") with Glen Eagles Acquisition LP ("GEAL") (which at the time owned 412,000 post-split 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.

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 225,000 post-split shares to 269,385 post-split shares, and the exercise price of the warrants was changed from \$36.00 per share to \$56.00 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.

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

- Mobiquity issued warrants for 269,384 post-split shares of Mobiquity common stock at an exercise price of \$56.00 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 invested 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 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 owned 48% and GEAL owned 52% of Advangelists; and Mobiquity is the sole manager of, and controls, Advangelists at that time.

As a result of Mobiquity having 100% control over Advangelists as of December 31, 2018, 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 non-managing 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.

On April 30, 2019, the Company entered into a Membership Interest Purchase Agreement with GEAL, pursuant to which the Company acquired from GEAL 3% of the membership interests of Advangelists, for cash in the amount of \$600,000 (the "Purchase Price"). The Purchase Price was paid by the Company to GEAL on May 3, 2019. As a result of the Transaction, the Company then owned 51% of the membership interests of Advangelists, with GEAL owning 49% of the membership interests of Advangelists.

On May 10, 2019, the Company entered into a Membership Purchase Agreement effective as of May 8, 2019 with Gopher Protocol, Inc. to acquire the 49% interest of Advangelists, which it contemporaneously purchased from GEAL. As a result of this transaction, the Company owns 100% of Advangelists's Membership Interests.

The acquisition of the 49% of Advangelists membership interests was accomplished in a transaction involving Mobiquity, Glen Eagles Acquisition LP, and Gopher Protocol, Inc.

### **Recognized amount of identifiable assets acquired, liabilities assumed, and consideration expensed:**

Financial assets:	
Cash and cash equivalents	\$ 216,799
Accounts receivable, net	2,679,698
Property and equipment, net	20,335
Intangible assets (a)	10,000,000
Accounts payable and accrued liabilities	(2,871,673)
Purchase price expensed	9,954,841
	<u>\$ 20,000,000</u>

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The ATOS platform:

- creates an automated marketplace of advertisers and publishers on digital media outlets to host online auctions to facilitate the sale of ad time slots (known as digital real estate) targeted at users while engaged on their connected TV, computer or mobile device, and
- gives advertisers the capability to understand and interact with their audiences and engage them in a meaningful way by the using ads in both image and video formats (known as rich media) to increase their customer base and foot traffic to their physical locations.

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.

Our goodwill balance is not amortized to expense, instead it is tested for impairment at least annually. We perform our annual goodwill impairment analysis at the end of the fourth quarter. If events or indicators of impairment occur between annual impairment analyses, we perform an impairment analysis of goodwill at that date. These events or circumstances could include a significant change in the business climate, legal factors, operating performance indicators, competition, or sale or disposition of a significant asset. In testing for a potential impairment of goodwill, we: (1) verify there are no changes to our reporting units with goodwill balances; (2) allocate goodwill to our various reporting units to which the acquired goodwill relates; (3) determine the carrying value, or book value, of our reporting units, as some of the assets and liabilities related to each reporting unit are held by a corporate function; (4) estimate the fair value of each reporting unit using a discounted cash flow model; (5) reconcile the fair value of our reporting units in total to our market capitalization adjusted for a subjectively estimated control premium and other identifiable factors; (6) compare the fair value of each reporting unit to its carrying value; and (7) if the estimated fair value of a reporting unit is less than the carrying value, we must estimate the fair value of all identifiable assets and liabilities of that reporting unit, in a manner similar to a purchase price allocation for an acquired business to calculate the implied fair value of the reporting unit's goodwill and recognize an impairment charge if the implied fair value of the reporting unit's goodwill is less than the carrying value. There were no impairment charges during the year ended December 31, 2019 and in 2020 the impairment cost was \$4,000,000.

#### Intangible Assets

At each balance sheet date herein, definite-lived intangible assets primarily consist of customer relationships which are being amortized over their estimated useful lives of five years.

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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.

	Useful Lives	December 31, 2020	December 31, 2019
Customer relationships	5 years	\$ 3,003,676	\$ 3,003,676
ATOS Platform	5 years	6,000,000	10,000,000
		<u>9,003,676</u>	<u>13,003,676</u>
Less accumulated amortization		(3,355,922)	(1,555,186)
Net carrying value		<u>\$ 5,647,754</u>	<u>\$ 11,448,490</u>

Future amortization, for the years ending December 31, is as follows:

2021	\$ 1,800,736
2022	\$ 1,800,736
2023	\$ 1,800,736
2024	\$ 245,546
Thereafter	\$ —

#### NOTE 4: NOTES PAYABLE AND DERIVATIVE LIABILITIES

Summary of Notes payable:

	December 31, 2020	December 31, 2019
Berg Notes (a)	\$ —	\$ 50,000
Mob-Fox US LLC (c)	30,000	—
Dr. Salkind, et al	2,550,000	2,550,000
Small Business Administration (b)	415,842	—
Business Capital Providers (d)	<u>355,441</u>	<u>266,250</u>
Total Debt	3,351,283	2,866,250
Current portion of debt	901,283	566,250
Long-term portion of debt	<u>\$ 2,450,000</u>	<u>\$ 2,300,000</u>

- (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.
- (b) In May of 2020, the Companies applied and received Small Business Administration Cares Act loans due to the COVID-19 Pandemic. Each loan carries a five-year term, carrying a one percent interest rate. The loans turn into grants if the funds are use the for the SBA accepted purposes. The window to use the funds for the SBA specific purposes is a twenty-four-week period. If the funds are used for the allotted expenses the loans turn into grants with each loan being forgiven. The Company also received an Economic Injury Disaster Loan from the SBA which carries a thirty-year term, carrying a three point seven five percent interest rate.
- (c) In October of 2020, the Company entered into an agreement with a vendor to accept \$65,000 in full settlement of our payable due. A down payment of \$15,000 at the signing of the agreement and five payments of \$10,000 each.
- (d) On June 26, 2019, the Company entered into a merchant agreement with Business Capital Providers, Inc. in the amount of \$250,000 payable daily at \$2,556.82, per payment for the term of 132 business days, loan paid in full.

On August 1, 2019, the Company entered into a second merchant agreement with Business Capital Providers, Inc. in the amount of \$250,000 payable daily at \$2,556.82, per payment for the term of 132 business days, loan paid in full.

On November 6, 2019, the Company entered into a third merchant agreement with Business Capital Providers, Inc. in the amount of \$250,000 payable daily at \$2,556.82, per payment for the term of 132 business days, loan paid in full.

On February 20, 2020, the Company entered into a fourth merchant agreement with Business Capital Providers, Inc. in the amount of \$250,000 payable daily at \$2,556.82, per payment for the term of 132 business days, loan paid in full.

On June 12, 2020, the Company entered into a fifth merchant agreement with Business Capital Providers, Inc. in the amount of \$250,000 payable daily at \$2,556.82, per payment for the term of 132 business days, loan paid in full.

On August 11, 2020, the Company entered into a sixth merchant agreement with Business Capital Providers, Inc. in the amount of \$250,000 payable daily at \$2,556.82, per payment for a term of 132 business days.

On November 25, 2020, the Company entered into a seventh merchant agreement with Business Capital Providers, Inc. in the of \$310,000 payable daily at \$2,700.00, per payment for the term of 155 business days.

On May 10, 2019, the Company entered into a \$7,512,500 Promissory note with Deepankar Katyal, et al, for the acquisition of the balance of Advangelists, LLC, requiring six monthly payments of \$250,000 starting May 15, 2019 through October 6, 2019, a payment of \$1,500,000 on December 6, 2019, and beginning in January of 2020, ten monthly payments of \$500,000 each until October of 2020, with a stated interest rate of 1.5%.

On September 13, 2019, Dr. Gene Salkind, who is a director of the Company, and an affiliate of Dr. Salkind (collectively, the "Lenders") subscribed for convertible promissory notes (the "Notes") and loaned to the Company an aggregate of \$2,300,000 (the "Loans") on a secured basis payable in three installments in September 13 received net \$720,000, balance received October and November 2019.

The Notes bear interest at a fixed rate of 15% per annum, computed based on a 360-day year of twelve 30-day months and will be payable monthly in arrears. Interest on the Notes is payable in cash or, at the Lenders' option, in shares of the Company's common stock. The principal amount due under the Notes will be payable on September 30, 2029, unless earlier converted pursuant to the terms of the Notes.

Subject to the Company obtaining prior approval from the Company's shareholders for the issuance of shares of common stock upon conversion of the Notes, if and to the extent required by the New York Business Corporation Law, the Notes will be convertible into equity of the Company upon the following events on the following terms:

- At any time at the option of the Lenders, the outstanding principal under the Notes will be converted into shares of common stock of the Company at a conversion price of \$32 per post-split per share (the "Conversion Price").
- at any time that the trailing thirty (30) day volume weighted average price per share (as more particularly described in the Notes) of the Company's common stock is above \$400.00 per share, until the Notes are no longer outstanding, the Company may convert the entire unpaid un-converted principal amount of the Notes, plus all accrued and unpaid interest thereon, into shares of the Company's common stock at the Conversion Price.

The Notes contain customary events of default, which, if uncured, entitle the Lenders thereof to accelerate the due date of the unpaid principal amount of, and all accrued and unpaid interest on, their Notes.

In connection with the subscription of the Notes, the Company issued to each Lender a warrant to purchase one share of the Company's common stock for every two shares of common stock issuable upon conversion of the Notes, at an exercise price of \$48.00 per post-split share (the "Lender Warrants").

On May 16, 2019, the Company assumed a promissory note (the "AVNG Note") payable to Deepankar Katyal (the "Payee"), as representative of the former owners of AVNG, which at the time of assumption had a remaining principal balance of \$7,512,500. Simultaneously with the assumption of the AVNG Note, the AVNG Note was amended and restated (the "First Amended AVNG Note"). Effective as of September 13, 2019, the Company and Payee entered into a Second Amended and Restated Promissory Note (the "Second Amended AVNG Note"), in the principal amount of \$6,750,000, pursuant to which the repayment terms under the First Amended AVNG Note were amended and restated as follows:

- \$5,250,000 of the principal balance remaining due under the Second Amended AVNG Note is payable by the delivery of (i) 65,625 shares of the Company's newly designated Class E Preferred Stock, which is convertible into 164,063 post-split shares the Company's common stock, and (ii) common stock purchase warrants to purchase 82,031 post-split shares of the Company's common stock, at an exercise price of \$48.00 per share (the "AVNG Warrant").

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- \$1,530,000 of the principal balance, inclusive of all accrued and unpaid interest, remaining due under the Second Amended AVNG Note in three equal consecutive monthly installments of \$510,000, commencing on September 15, 2019 and on the 15<sup>th</sup> day of each month thereafter until paid in full.

The Second Amended AVNG Note provides that upon an Event of Default (as defined in the Second Amended AVNG Note), and upon the election of the Payee, (i) the shares of Class E Preferred Stock issuable pursuant to the terms of the Second Amended AVNG Note, and any shares of the Company's common stock issued upon the conversion of the Class E Preferred Stock, shall be cancelled and cease to be issued and outstanding, (ii) the AVNG Warrants (as defined below), to the extent unexercised, shall be cancelled, and (iii) the Second Amended AVNG Note shall be cancelled and the repayment of the principal amount remaining due to Payee shall be paid in accordance with the terms of the First Amended AVNG Note.

#### NOTE 5: INCOME TAXES

The provision for income taxes for the years ended December 31, 2020 and 2019 is summarized as follows:

	2020	2019
Current:		
Federal	\$ —	\$ —
State	—	—
Deferred:		
Federal	—	—
State	—	—
	\$ —	\$ —

The Company has federal net operating loss carryforwards ("NOL's") of \$178,447,460 and \$163,415,056, respectively, which will be available to reduce future taxable income.

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The tax effects of temporary differences which give rise to deferred tax assets (liabilities) are summarized as follows:

	YEAR ENDED DECEMBER 31,	
	2020	2019
Net operating loss carryforwards	\$ (46,396,000)	\$ (42,488,000)
Stock based compensation – options/warrants	4,607,000	4,257,000
Stock issued for services	879,000	971,000
Gain loss on derivative instrument	781,000	781,000
Disallowed entertainment expense	51,000	50,000
Charitable contribution limitation	7,000	7,000
Preferred Stock	25,000	25,000
Bad debt expense & reserves	228,000	33,000
Penalties	3,000	3,000
Loss on extinguishment of debt	1,133,000	1,133,000
Beneficial conversion features	77,000	77,000
Mobiquity-Spain – net loss	540,000	540,000
Impairment of long-lived assets	58,000	58,000
Stock issued for interest	245,000	245,000
Nondeductible insurance	14,000	13,000
Stock incentives	15,000	15,000
Derivative expense	480,000	480,000
Professional Fees	944,000	774,000
Gain / Loss on stock held for investment	646,000	646,000
Gain / Loss on company stock	5,235,000	4,456,000
Gain / Loss on settlement of company debt	2,757,000	2,757,000
Gain / Loss on sale of warrants	7,259,000	6,931,000

Unrealized loss on securities	1,944,000	1,943,000
Acquisition expense	3,904,000	3,904,000
Depreciation - tax	3,000	—
Depreciation - book	(4,000)	—
Amortization - book	(72,000)	—
Federal income tax	105,000	—
State tax - tax	(3,000)	—
State tax - book	30,000	—
Interest expense - tax	(263,000)	—
Interest expense - book	276,000	—
Accrued salaries – current year	344,000	—
Accrued salaries – prior year	(438,000)	—
Amortization of debt discount	2,058,000	2,058,000
Deferred Tax Assets	(12,528,000)	(10,331,000)
Less Valuation Allowance	12,528,000	10,331,000
Net Deferred Tax Asset	\$ —	\$ —

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A reconciliation of the federal statutory rate to the Company's effective tax rate is as follows:

	YEARS ENDED DECEMBER 31,	
	2020	2019
Federal Statutory Tax Rate	21.00%	21.00%
State Taxes, net of Federal benefit	5.00%	5.00%
Change in Valuation Allowance	(26.00%)	(26.00%)
Total Tax Expense	0.00%	0.00%

#### NOTE 6: STOCKHOLDERS' EQUITY (DEFICIT)

In 2019, the Company received equity subscription agreements totaling \$960,000, which include 50% warrant coverage, at an exercise price of \$0.12 with an expiration date of September 30, 2023. The Company issued 16,000,001 shares of common stock and 8,000,000 warrants in connection with these transactions. Of the \$960,000, \$200,000 was invested by Thomas Arnost, Chairman of the Board. No subscription agreements were received in 2020.

In 2019, the Company sold 123,038 shares of post-split common stock with warrants to purchase 60,925 post-split shares of common stock, exercisable between \$48.00 to \$72.00 expiring on September 30, 2023 in exchange for cash consideration of \$3,434,500, net. In 2019, the Company issued 17,088 shares of common stock in exchange for services rendered. In 2019, the Company issued 65,625 shares of preferred stock series E for the exchange of a \$5,250,000 senior secured note. The Company received cash consideration of \$1,132,210 in exchange for the conversion of warrants issued previously. The company issued 200,000 post-split shares of common stock with 150% matching warrants for the conversion of series AAAA preferred stock.

In 2019, holders of Series AAA preferred stock converted their preferred stock into 261,044 shares of common stock and warrants to purchase 261,044 post-split shares, with each warrant exercisable at \$20.00 per share through December 31, 2020.

As approved by the Company's Board of Directors on September 10, 2019, the Company filed a Certificate of Amendment to its Certificate of Incorporation (the "Certificate of Amendment") with the Secretary of State of the State of New York to designate the rights, preferences and limitations of 70,000 shares of the Company's authorized 5,000,000 shares of Preferred Stock, \$.0001 par value, as Class E Preferred Stock, \$.0001 per share ("Class E Preferred Stock"). Of the 70,000 shares of Class E Preferred Stock, 65,625 shares were issued to nine persons, including 25,675 were issued to Mr. Katyal and 25,020 shares were issued to Mr. Mehta.

In 2019, holders of warrants expiring December 31, 2019 exercised warrants to purchase 29,388 post-split shares of common stock and the Company received cash consideration of \$146,940 in January 2020 and notes receivable totaling \$440,820, which have maturity dates in 2020.

#### Shares issued for services:

In 2020, the Company issued 38,125 post-split shares of common stock, at \$7.20 to \$40.00 per share for \$547,451 in exchange for services rendered.

#### Shares issued for interest:

In 2020, no shares were issued for interest.

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In 2020, one holder of our Series E Preferred Stock converted 3,937 shares to 9,843 post-split shares of our common stock and 4,921 warrants at an exercise price of \$48.00 per share with an expiration date of January 8, 2025.

In 2020, 77,220 warrants were converted to common stock, at \$8.00 to \$28.00 per share. During 2020, 3,650 warrants were converted in a cashless exercise transaction submitted to the Company for 2,303 shares of common stock, post-split shares.

In, 2020 one note holder converted \$30,695 of their note into 1,919 post-split common shares at a conversion rate of \$16 per post-split share and cash payment of \$5,000.

### 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 55,616 post-split shares of its common stock and (ii) agreed to transfer to the Consultants an aggregate of 4,783 post-split 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.

### NOTE 7: OPTIONS AND WARRANTS

The Company’s results for the years ended December 31, 2020 and 2019 include employee share-based compensation expense totaling \$1,945,942 and \$29,812,197, respectively. Such amounts have been included in the Statements of Operations within selling, general and administrative expenses and other 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 years ended December 31, 2020 and 2019:

	Years Ended December 31,	
	2020	2019
Employee stock-based compensation – option grants	\$ 1,347,048	\$ 6,599,000
Employee stock-based compensation – stock grants	–	–
Non-Employee stock-based compensation – option grants	–	–
Non-Employee stock-based compensation – stock grants	–	–
Non-Employee stock-based compensation – warrants for retirement of debt	598,894	23,213,197
	<u>\$ 1,945,942</u>	<u>\$ 29,812,197</u>

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### NOTE 8: 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 5,000 post-split 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 10,000 post-split shares. During Fiscal 2009, the Company established a plan of long-term stock-based compensation incentives for selected Eligible Participants of the Company covering 10,000 post-split 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 25,000 post-split shares. 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 50,000 post-split 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 25,000 post-split 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 75,000 post-split 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 150,000 post-split 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, 2020 and 2019 are as follows:

	Years Ended December 31	
	2020	2019
Expected volatility	592.89%	242.39%
Expected dividend yield	–	–
Risk-free interest rate	0.74%	2.32%
Expected term (in years)	5.00	6.00

	Share	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding, January 1, 2020	281,000	\$ 48.00	6.15	\$ 769,500
Granted	25,313	35.75	–	–

Exercised		—	—	—
Cancelled & Expired	(3,468)			
Outstanding, December 31, 2020	<u>302,845</u>	\$	45.85	4.65 \$
Options exercisable, December 31, 2020	<u>281,869</u>	\$	45.78	5.10 \$

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The weighted-average grant-date fair value of options granted during the years ended December 31, 2020 and 2019 was \$35.75 and \$52.00, respectively.

The aggregate intrinsic value of options outstanding and options exercisable at December 31, 2020 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 \$6.75 closing price of the Company's common stock on December 31, 2020.

As of December 31, 2020, the fair value of unamortized compensation cost related to unvested stock option awards is \$1,093,630.

The weighted average assumptions made in calculating the fair value of warrants granted during the years ended December 31, 2020 and 2019 are as follows:

	Years Ended December 31,	
	2020	2019
Expected volatility	449.47%	164.85%
Expected dividend yield	—	—
Risk-free interest rate	0.91%	7.48%
Expected term (in years)	5.83	3.20

	Share	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding, January 1, 2020	642,620	\$ 44.00	5.81	\$ 2,500,502
Granted	30,638	—	—	—
Exercised	(33,138)	—	—	—
Expired	(173,484)	—	—	—
Outstanding, December 31, 2020	<u>466,636</u>	\$ 52.52	6.31	\$ —
Warrants exercisable, December 31, 2020	<u>466,636</u>	\$ 52.52	6.31	\$ —

#### NOTE 9: LITIGATION

We are not a party to any pending material legal proceedings, except as follow:

Washington Prime Group, Inc. ("WPG"), a successor in interest to Simon Property Group, L.P., commenced an action in the Marion Superior Court, County of Marion, State of Indiana against the Company alleging default on 36 commercial leases which the Company had entered into in 36 separate shopping mall locations across the United States. Plaintiff alleges damages from unpaid rent of \$892,332. Plaintiff is seeking a judgment from the Court to collect said unpaid rent plus attorneys' fees and other costs of collection. On September 18, 2020, the Parties entered into a settlement agreement with respect to this lawsuit. Subject to the terms, conditions, and provisions of the settlement Agreement, Mobiquity paid WPG One Hundred Thousand Dollars and No/100 Cents (\$100,000.00).

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In the Supreme Court of New York, county of Nassau, Carter, Deluca & Farrell LP, a law firm filed a summons and Complaint against the Company seeking \$113,654 in past due legal fees allegedly owed. The Company disputed the amount owed to said firm. On March 13, 2020, the Company entered into a settlement agreement and paid the law firm \$60,000 to settle the lawsuit.

The Company's wholly-owned subsidiary, Advangelists LLC is a defendant in a lawsuit filed in Tel Aviv brought by the Plaintiff Fyber Monetization, a private Israeli company, in the business of digital advertising. In its statement of claim, Fyber alleges June through November 30 of 2019 unpaid invoices totaling \$584,945 US Dollars. Advangelists has disputed any monies being owed and it intends to vigorously defend this lawsuit.

FunCorp Limited has filed a lawsuit in Superior Court, State of Washington, County of King alleging Advangelists owes for services rendered unpaid invoices totaling \$42,464. Advangelists has disputed any monies being owed and it intends to vigorously defend this lawsuit.

#### NOTE 10: COMMITMENTS:

- \$5,250,000 of the principal balance due under the Second Amended AVNG Note is payable by the delivery of (i) 65,625 shares of the Company's newly designated Class E Preferred Stock, which is convertible into 164,063 post-split shares of the Company's common stock, and (ii) common stock purchase warrants to purchase 82,032 shares of the Company's common stock, at an exercise price of \$48.00 post-split per share (the "AVNG Warrant").
- \$1,530,000 of the principal balance, inclusive of all accrued and unpaid interest, remaining due under the Second Amended AVNG Note in three equal consecutive monthly installments of \$510,000, commencing on September 15, 2019 and on the 15<sup>th</sup> day of each month thereafter until paid in full.

The Second Amended AVNG Note provides that upon an Event of Default (as defined in the Second Amended AVNG Note), and upon the election of the Payee, (i) the shares of Class E Preferred Stock issuable pursuant to the terms of the Second Amended AVNG Note, and any shares of the Company's common stock issued upon the conversion of the Class E Preferred Stock, shall be cancelled and cease to be issued and outstanding, (ii) the AVNG Warrants (as defined below), to the extent unexercised, shall be cancelled, and (iii) the Second Amended AVNG Note shall be cancelled and the repayment of the principal amount remaining due to Payee shall be paid in accordance with the terms of the First Amended AVNG Note.

#### NOTE 11: OTHER MATERIAL EVENTS

In May of 2020, Deepankar Katyal resigned from the board to spend more time necessary to run the day to day operations of Advangelists, LLC focusing on technology and revenue growth.

Interest payments due on Dr. Salkind notes have been halted in the second quarter of 2020 due to COVID-19 issues affecting our collections on our accounts receivable.

#### NOTE 12: SUBSEQUENT EVENTS

As a result of our declining revenue, during the COVID-19 pandemic, our management team decided it was necessary to reduce overhead. The following steps were taken to lower expenses, while still keeping the business operational and ready to expand when needed; salaries were cut by approximately forty (40%) percent, several employees were laid-off, all travel was suspended and office space rent was suspended, allowing the entire staff to work remotely.

#### Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

#### Item 9A. Controls and Procedures.

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are not effective.

#### *Report of Management on Internal Control over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of company assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our company's annual or interim financial statements will not be prevented or detected on a timely basis. In its assessment of the effectiveness of internal control over financial reporting as of December 31, 2020, our company determined that there were control deficiencies that constituted material weaknesses, as described below:

We did not maintain appropriate financial reporting controls – As of December 31, 2020, our company has not maintained sufficient internal controls over financial reporting for the financial reporting process. As at December 31, 2018, our company did not have sufficient financial reporting controls with respect to timely financial reporting and the ability to process complex accounting issues such as debt conversions. Subsequent to December 31, 2018, our company has obtained the necessary assistance to ensure that the performance of complex accounting issues can be performed accurately and on a timely basis.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the company's internal control over financial reporting was not effective as of December 31, 2018. There were no significant changes in our internal control over financial reporting during the year ended December 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Our independent auditors have not audited and are not required to audit this assessment of our internal control over financial reporting for the fiscal year ended December 31, 2020.

#### Item 9B. Other Information.

Not applicable.

## PART III

Item 10. Directors, Executive Officers and Corporate Governance

Our executive officers and directors and their respective ages and positions as of the date of this Form 10-K are:

<u>NAME</u>	<u>AGE</u>	<u>POSITION</u>
Dean L. Julia	53	Chief Executive Officer/President/Treasurer/Director/Co-Founder
Paul Bauersfeld	57	Chief Technology Officer
Sean J. McDonnell, CPA	59	Chief Financial Officer
Sean Trepeta	53	President of Mobiquity Networks and director
Dr. Gene Salkind, M.D.	68	Director
Deepanker Katyal	35	Chief Executive Officer of Advangelists

Directors are elected at the annual meeting of stockholders and hold office until the following annual meeting. The terms of all officers expire at the annual meeting of directors following the annual stockholders meeting. Officers serve at the pleasure of our board of directors and may be removed, either with or without cause, by our board of directors, and a successor elected by a majority vote of our board of directors, at any time. Nevertheless, the foregoing is subject to the employment contracts of our executive officers.

**Executive Officers**

**Dean L. Julia.** Mr. Julia has served as Chief Executive Officer of Mobiquity since December 2000. In 1998, Mr. Julia co-founded Mobiquity and became an officer, director and principal stockholder of our company. Mr. Julia is responsible for establishing our overall strategy and fostering key relationships with technology partners and developers. Mr. Julia has also served as COO of Mobiquity's wholly-owned subsidiary, Mobiquity Networks since its formation in January 2011, where he is responsible for the integration of the sales and intellectual property departments of Mobiquity. From September 1996 through February 1998, Mr. Julia served as President and Chief Executive Officer of DLJ Consulting, a financial intermediary consultant for public and private companies. Mr. Julia is a founder of our company and has served on the board since its inception. He is expected to resign from the board on the listing date of our common stock on the NYSE MKT. Mr. Julia received his Bachelor of Business Administration from Hofstra University in 1990.

**Paul Bauersfeld.** Mr. Bauersfeld has served as Chief Technology Officer of our company since June 2013. Mr. Bauersfeld is a technology executive and engineer with over 20 years of experience in software product development and entrepreneurial organizations. In 2003, Mr. Bauersfeld founded Varsity Networks, a leading online media and services company dedicated to serving the local sports market through technology. He served as CEO of Varsity Networks from its formation through 2013, where he was responsible for expanding the network to include over 10,000 local sports communities with millions of monthly visitors. Prior to his positions at Varsity Network, he held positions at a number of Fortune 100 and startup companies in the technology and media industries. Mr. Bauersfeld has also acted as an advisor to a number of technology developmental corporations. His roles have included Co-founder and CEO of MessageOne from 2000 to 2001, which enterprise was later acquired by Dell Computer Corp., VP of ecommerce at Ziff-Davis from 1999 to 2000, Technology Director at Viacom's Nickelodeon Online from 1997 to 1999, Founder of GiftOne in 1996, where he served in the position of President, which entity was acquired by Skymall 1997, as well as engineering positions at Apple Computer from 1998 to 1993 and Xerox Corporation from 1986 to 1988. He has a BS in Electrical Engineering from Rochester Institute of Technology, which degree he received in 1986.

**Sean J. McDonnell, CPA.** Mr. McDonnell has been our Chief Financial Officer since January 2005. Since January 1990, Mr. McDonnell has also owned and operated a private accounting and tax practice handling many different types of business entities and associations. Mr. McDonnell has spent much of his time helping his customers grow their companies and acquire financing for the purchase of buildings and equipment. Prior to starting his own practice, he was employed from 1985 through 1990 as a senior staff member at the accounting firm of Breiner & Bodian CPA's. After graduating from Dowling College in 1984 with a bachelor's in business administration, he was employed by Kenneth Silver C.P.A. from 1984 to 1985. Mr. McDonnell has been a certified public accountant for more than 30 years.

**Sean Trepeta.** Mr. Trepeta has been a director of our company since December 2011. Mr. Trepeta is also serving as President of Mobiquity Networks, where he is responsible for sales and marketing strategies. Mr. Trepeta continues to foster strategic relationships with agencies and national brands. Prior to joining the Mobiquity Networks team in May 2011, Mr. Trepeta was President of Varsity Networks, a leading online portal dedicated to serving the High School sports market, from 2007 to 2011. Prior to this, from 1998 to 2007, Mr. Trepeta was the President and Co-Founder of OPEX Communications, Inc., a leading telecommunication service provider which was located in Chicago, specializing in traditional long-distance, wireless, and dedicated services. Before OPEX, from 1996 to 1998, Mr. Trepeta was the vice president of sales and marketing for the US Buying Group, Inc. (USBG) responsible for developing a small business-buying program, which included value added services such as overnight shipping, office supplies, and computer software products, as well as a full line of telecommunications services. Mr. Trepeta also developed and implemented the agent and carrier divisions of USBG. Prior to joining USBG, he was with MCI Telecommunications and NYNEX in New York City. As Mr. Trepeta holds a Bachelor of Science degree from the State University of New York at Cortland. Mr. Trepeta is expected to resign from the board on the listing date of our common stock on the NYSE MKT.

**Dr. Gene Salkind, M.D.,** is a prominent neurosurgeon, professor, and tech investor, with experience guiding small and micro-cap companies to the next level, including up-listing to a national exchange. Previous investments include Intuitive Surgical, Pharmalytics (acquired by Abbvie for \$250 per share after growing from less than \$1/share), and Centocor, one of the nation's largest biotechnology companies, which was acquired by Johnson & Johnson for \$4.9 billion in stock. He is currently Chief of Neurosurgery at Holy Redeemer Hospital and surgical practice. He also sits on the Board of Directors of Cure Pharmaceuticals, Inc. and

**Deepanker Katyal**, became an officer of the Company in December 2018. From October 2017 to the present, he has served as Chief Executive Officer of Advangelists. Following the recent merger between Mobiquity Technologies and Advangelists, he joined us to provide advanced product and engineering knowledge. An ad tech veteran who built the Advangelists platform, Mr. Katyal maintains his role of advancing the integration of the Advangelists platform across the entire suite of Mobiquity Technologies capabilities and partnerships. Deep Katyal brings extensive background in software engineering and product development as well as strong business leadership and knowledge of the industry's infrastructure.

From January 2017 to the present, he has served as an advisor and providing business and product to Q1media. From 2016 to the present, he also served as a strategic advisor to Silicon Valley Stealth Mode Products. From May 2016 to April 2017, he served as a strategic advisor to Airtel Inc., a mobile marketing platform for brands. From May 2016 to March 2017, he was head of Partnership and Strategy for Adtile Technologies where his responsibilities included leading business development efforts, strategic partnerships, product strategy and working with the ad tech echo system for integrations of various network fronts. From April 2014 to May 2016, at Opera Mediaworks he served as a member of the innovation team. From November 2015 to 2016, he served as a strategic advisor to Moonraft Innovation Labs, a company that creates customer experiences to differentiate the entities clients in the market by creating and designing interactive experiences across physical and digital customer touch points.

### **Corporate Governance**

Our business, property and affairs are managed by, or under the direction of, our Board, in accordance with the General Corporation Law of the State of New York and our By-Laws. Members of the Board are kept informed of our business through discussions with the Chief Executive Officers and other key members of management, by reviewing materials provided to them by management.

We continue to review our corporate governance policies and practices by comparing our policies and practices with those suggested by various groups or authorities active in evaluating or setting best practices for corporate governance of public companies. Based on this review, we have adopted, and will continue to adopt, changes that the Board believes are the appropriate corporate governance policies and practices for our Company. We have adopted changes and will continue to adopt changes, as appropriate, to comply with the Sarbanes-Oxley Act of 2002 and subsequent rule changes made by the SEC and any applicable securities exchange.

### **Director Qualifications and Diversity**

The board seeks independent directors who represent a diversity of backgrounds and experiences that will enhance the quality of the board's deliberations and decisions. Candidates shall have substantial experience with one or more publicly traded companies or shall have achieved a high level of distinction in their chosen fields. The board is particularly interested in maintaining a mix that includes individuals who are active or retired executive officers and senior executives, particularly those with experience in the finance and capital market industries.

In evaluating nominations to the Board of Directors, our Board also looks for certain personal attributes, such as integrity, ability and willingness to apply sound and independent business judgment, comprehensive understanding of a director's role in corporate governance, availability for meetings and consultation on Company matters, and the willingness to assume and carry out fiduciary responsibilities. Qualified candidates for membership on the Board will be considered without regard to race, color, religion, sex, ancestry, national origin or disability.

### **Risk Oversight**

Enterprise risks are identified and prioritized by management and each prioritized risk is assigned to the full board for oversight. These risks include, without limitation, the following:

Risks and exposures associated with strategic, financial and execution risks and other current matters that may present material risk to our operations, plans, prospects or reputation.

Risks and exposures associated with financial matters, particularly financial reporting, tax, accounting, disclosure, internal control over financial reporting, financial policies, investment guidelines and credit and liquidity matters.

Risks and exposures relating to corporate governance; and management and director succession planning.

Risks and exposures associated with leadership assessment, and compensation programs and arrangements, including incentive plans.

### **Board Leadership Structure**

In accordance with the Company's By-Laws, the Chairman of the Board, which position is vacant, presides at all meetings of the Board. Currently, the Chief Executive Officer is acting Chairman. The Company has no fixed policy with respect to the separation of these titles. Mr. Thomas Arnost, our former chairman resigned from the board on October 29, 2019 for personal reasons.

### **Indemnification**

The New York Business Corporation Law contains provisions permitting and, in some situations, requiring New York corporations to provide indemnification to their officers and directors for losses and litigation expense incurred in connection with their service to the corporation. Our certificate of incorporation and bylaws contain provisions requiring our indemnification of our directors and officers and other persons acting in their corporate capacities.

In addition, we may enter into agreements with our directors providing contractually for indemnification consistent with the certificate of incorporation and bylaws. Currently, we have no such agreements. The New York Business Corporation Law also authorizes us to purchase insurance for our directors and officers insuring them against risks as to which we may be unable lawfully to indemnify them. We intend to obtain limited insurance coverage for our officers and directors as well as insurance coverage to reimburse us for potential costs of our corporate indemnification of officers and directors.

As far as exculpation or indemnification for liabilities arising under the Securities Act of 1933 may be permitted for directors and officers and controlling persons, we have been advised that in the opinion of the Securities and Exchange Commission such exculpation or indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

#### LACK OF INDEPENDENT DIRECTORS

In 2019, the Company had two independent directors, namely, Anthony Iacovone, who resigned from the board in May of 2019 and Gene Salkind, whose beneficial ownership interest in the Company has increased to over 47%. Currently the Company does not consider itself to have any independent directors due to Mr. Salkind's substantial ownership percentage of the Company and first secured position in the assets of the Company on loans of \$2,550,000 at December 31, 2020.

Under the National Association of Securities Dealers Automated Quotations definition, an "independent director" means a person other than an officer or employee of the Company or its subsidiaries or any other individuals having a relationship that, in the opinion of the Company's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of the director. The board's discretion in determining director independence is not completely unfettered. Further, under the NASDAQ definition, an independent director is a person who (1) is not currently (or whose immediate family members are not currently), and has not been over the past three years (or whose immediate family members have not been over the past three years), employed by the company; (2) has not (or whose immediate family members have not) been paid more than \$120,000 during the current or past three fiscal years; (3) has not (or whose immediately family has not) been a partner in or controlling shareholder or executive officer of an organization which the company made, or from which the company received, payments in excess of the greater of \$200,000 or 5% of that organizations consolidated gross revenues, in any of the most recent three fiscal years; (4) has not (or whose immediate family members have not), over the past three years been employed as an executive officer of a company in which an executive officer of Mobiquity has served on that company's compensation committee; or (5) is not currently (or whose immediate family members are not currently), and has not been over the past three years (or whose immediate family members have not been over the past three years) a partner of Mobiquity's outside auditor.

It is the Company's goal in the future to have independent directors, at least one of which would be a financial expert. The term "Financial Expert" is defined under the Sarbanes-Oxley Act of 2002, as amended, as a person who has the following attributes: an understanding of generally accepted accounting principles and financial statements; has the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the company's financial statements, or experience actively supervising one or more persons engaged in such activities; an understanding of internal controls and procedures for financial reporting; and an understanding of audit committee functions.

#### COMMITTEES

On March 7, 2019, the Company formed a Compensation Committee and Board of Directors Nominating Committee, each with Anthony Iacovone and Dr. Gene Salkind as its independent directors. Since Mr. Iacovone has resigned and Mr. Salkind is no longer considered independent, these committees are no longer functioning. The Company is seeking to add to the board independent directors who will serve on a Compensation Committee, Nominating Committee and Audit Committee.

The Company is seeking to engage an independent director who is a "financial expert" and at that time, we would form an Audit Committee to consist of three independent directors. In the event an audit committee is established, of which there can be no assurances given, its first responsibility would be to adopt a written charter. Such charter would be expected to include, among other things:

- being directly responsible for the appointment, compensation and oversight of our independent auditor, which shall report directly to the audit committee, including resolution of disagreements between management and the auditors regarding financial reporting for the purpose of preparing or issuing an audit report or related work;
- annually reviewing and reassessing the adequacy of the committee's formal charter;
- reviewing the annual audited financial statements with our management and the independent auditors and the adequacy of our internal accounting controls;
- reviewing analyses prepared by our management and independent auditors concerning significant financial reporting issues and judgments made in connection with the preparation of our financial statements;
- reviewing the independence of the independent auditors;
- reviewing our auditing and accounting principles and practices with the independent auditors and reviewing major changes to our auditing and accounting principles and practices as suggested by the independent auditor or its management;
- reviewing all related party transactions on an ongoing basis for potential conflict of interest situations; and

## CODE OF ETHICS

The Company has a new code of ethics that applies to the Company's directors and officers which has been designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the SEC and in other public communications made by the Company;
- Compliance with applicable governmental law, rules and regulations;
- The prompt internal reporting of violations of the code of ethics to an appropriate pre-identified person; and
- Accountability for adherence to the code of ethics.

A copy of the Code of Ethics was filed as Exhibit 14 to our Form 10-K for the fiscal year ended December 31, 2014.

## COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission (the "Commission"). Officers, directors and greater than ten percent stockholders are required by the Commission's regulations to furnish us with copies of all Section 16(a) forms they file. During fiscal 2020, to the best of the knowledge of the Company's directors and officers, no form 3's, form 4's or form 5's were filed late.

### Item 11. Executive Compensation.

The following table sets forth the overall compensation earned over the fiscal years ended December 31, 2020 and 2019 by (1) each person who served as the principal executive officer of the company during fiscal year 2020 and 2019; (2) the Company's most highly compensated (up to a maximum of two) executive officers as of December 31, 2019 and 2020 with compensation during fiscal years 2019 and 2020 of \$100,000 or more; and (3) those two individuals, if any, who would have otherwise been included in section (2) above but for the fact that they were not serving as an executive of the company as of December 31, 2020.

Name and Principal Position	Year	Salary	Bonus	Stock	Option Awards	All Other	Total
		(\$)	(\$)	Awards	(\$)(1)	Compensation (\$)(2)(3)	(\$)
Dean L. Julia CEO of the company	2020	\$ 275,539	\$ 65,318	–	\$ –	\$ 61,716	\$ 402,573
	2019	\$ 360,000	\$ 15,900	–	\$ 3,575,000	\$ 70,474	\$ 4,021,374
Deepanker Katyal CEO of Advangelists	2020	\$ 306,154	\$ 7,622	–	\$ –	\$ 38,119	\$ 351,895
	2019	\$ 400,000	\$ –	–	\$ –	\$ 29,799	\$ 429,799
Paul Bauersfeld Chief Technology Officer	2020	\$ 229,616	\$ 39,970	–	\$ –	\$ 30,533	\$ 300,119
	2019	\$ 300,000	\$ 7,950	–	\$ 500,500	\$ 35,166	\$ 835,666

(1) The options and restricted stock awards presented in this table for fiscal 2020 and 2019 reflect the full grant date fair value, as if the total dollar amount were earned in the year of grant. The stock awards are valued based on the fair market value of such Shares on the date of grant and are charged to compensation expense over the related vesting period. The options are valued at the date of grant based upon the Black-Scholes method of valuation, which is expensed over the service period over which the options become vested. As a general rule, for time-in-service-based options, the company will immediately expense any option or portion thereof which is vested upon grant, while expensing the balance on a pro rata basis over the remaining vesting term of the option.

(2) Includes all other compensation not reported in the preceding columns, including (i) perquisites and other personal benefits, or property, unless the aggregate amount of such compensation is less than \$10,000; (ii) any "gross-ups" or other amounts reimbursed during the fiscal year for the payment of taxes; (iii) discounts from market price with respect to securities purchased from the company except to the extent available generally to all security holders or to all salaried employees; (iv) any amounts paid or accrued in connection with any termination (including without limitation through retirement, resignation, severance or constructive termination, including change of responsibilities) or change in control; (v) contributions to vested and unvested defined contribution plans; (vi) any insurance premiums paid by, or on behalf of, the company relating to life insurance for the benefit of the named executive officer; and (vii) any dividends or other earnings paid on stock or option awards that are not factored into the grant date fair value required to be reported in a preceding column.

(3) Includes compensation for service as a director described under Director Compensation, below.

For a description of the material terms of each named executive officers' employment agreement, including the terms of any common share purchase option grants, see that section of this Form 10-K captioned "Employment Agreements."

No outstanding common share purchase option or other equity-based award granted to or held by any named executive officer in the past two years were repriced or otherwise materially modified, including extension of exercise periods, the change of vesting or forfeiture conditions, the change or elimination of applicable performance criteria, or the change of the bases upon which returns are determined, nor was there any waiver or modification of any specified performance target, goal or condition to payout, except as follows:

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For a description of the material terms of any contract, agreement, plan or other arrangement that provides for any payment to a named executive officer in connection with his or her resignation, retirement or other termination, or a change in control of the company see "Employment Agreements".

#### Executive Officer Outstanding Equity Awards at Fiscal Year-End

The following table provides certain information concerning any common share purchase options, stock awards or equity incentive plan awards held by each of our named executive officers that were outstanding as of December 31, 2020.

Name	Option Awards			Stock Awards					
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested	Unearned Shares, Units or Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested
Dean L.	12,250	—	—	\$ 20.00	01/24/23	—	—	—	—
Julia (1)	12,500	—	—	\$ 28.00	11/20/23	—	—	—	—
	62,500	—	—	\$ 60.00	4/2/29	—	—	—	—
Deepanker	128,517	—	—	\$ 56.00	12/6/28	—	—	—	—
Katyal (1)	25,000	—	—	\$ 36.00	09/13/24	—	—	—	—
	12,500	—	—	\$ 36.00	09/13/25	—	—	—	—
Paul	10,000	—	—	\$ 20.00	01/24/23	—	—	—	—
Bauersfeld	7,500	—	—	\$ 28.00	11/20/23	—	—	—	—
(1)	25,000	—	—	\$ 60.00	04/2/29	—	—	—	—

(1) All options contain cashless exercise provisions.

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#### Employment Agreements

In April of 2020, due to the COVID-19 pandemic all employees' salaries were reduced by forty percent with a few employees were released to pare down to our current level. In October of 2020 the employees pay reduction was reduced to a twenty percent reduction where it stands as of today.

Each of the following executive officers is a party to an employment agreement with the company (except for Sean McDonnell, who is an employee at will) with the following compensation arrangements:

Name	Position	Monthly Salary	Bonus/Other Compensation
Dean L. Julia	Chief Executive Officer of Company	\$ 30,000	(1)
Sean Trepeta	President of Mobyquity Networks	20,000	(2)
Paul Bauersfeld	Chief Technology Officer	25,000	(3)
Deepanker Katyal	CEO – Advangelists	33,333	(4)

- (1) In addition to the Mr. Julia's Base Salary, he shall be entitled to a quarterly bonus (the "Quarterly Bonus") of at least 1% of Gross Revenue (as defined under generally accepted accounting principles) for each completed fiscal quarter, so long as Gross Revenue meets or exceeds seventy-five (75%) percent of managements stated goal. The Quarterly Bonus shall be paid no later than fourteen (14) days from Company's filing of the form 10-Q, either in cash, common stock or stock options, at the election of Mr. Julia. Should his Employment Agreement be terminated prior to the end of any fiscal year for any reason other than that provided in the Agreement, a pro rata portion of the Quarterly Bonus shall be paid within 30 days of such termination. For each subsequent calendar year, the Company's Board of Directors, will confirm a new revenue goal for the upcoming year for the purpose of calculating the Quarterly Bonus. In the event that the Company is acquired through a board of directors approved (i) change in control of at least 50% of the outstanding voting stock or (ii) the sale of all or substantially all of the assets, Mr. Julia shall be entitled to receive a payment in-kind equal to three (3%) percent of the consideration paid in connection with said transaction. He also received a signing bonus of options to purchase 62,500 shares, exercisable at \$60.00 per share, over a term of 10 years.
- (2) In addition to the Mr. Trepeta's Base Salary, he shall be entitled to a quarterly bonus (the "Quarterly Bonus") of 1% of Gross Revenue (as defined under generally accepted accounting principles) for each completed fiscal quarter, so long as Gross Revenue meets or exceeds managements stated goal. The Quarterly Bonus shall be paid no later than fourteen (14) days from Company's filing of the Form 10-Q, either in cash, common stock or stock options, at the election of Mr. Trepeta. Should his Employment Agreement be terminated prior to the end of any fiscal year for any reason other than that provided in the Agreement, a pro rata portion of the Quarterly Bonus shall be paid within 30 days of such termination. Mr. Trepeta also received a signing bonus of options to purchase 25,000 shares of common stock with 35% immediately vested, 35% vesting in one year and remaining 30% vesting after two years.
- (3) In addition to the Mr. Bauersfeld's Base Salary, he shall be entitled to a quarterly bonus (the "Quarterly Bonus") of .5% of Gross Revenue (as defined under generally accepted accounting principles) for each completed fiscal quarter, so long as Gross Revenue meets or exceeds managements stated goal. The Quarterly Bonus shall be paid no later than fourteen (14) days from Company's filing of the form 10-Q, either in cash, common stock or stock options, at the election of Mr. Bauersfeld. Should his Employment Agreement be terminated prior to the end of any fiscal year for any reason other than that provided in the Agreement, a pro rata portion of the Quarterly Bonus shall be paid within 30 days of such termination. Mr. Bauersfeld also received a signing bonus of options to purchase 10 million shares of common stock with 35% immediately vested, 35% vesting in one year and remaining 30% vesting after two years.

- (4) The Company issued one share of Mr. Katyal Preferred Stock to Mr. Katyal. The Series B Preferred Stock shall provide dividend rights, payable in cash, to the holders thereof in an amount equivalent to 10% of the gross revenue of Mobiquity or the Company, whichever is higher, for each of its 2019 and 2020 fiscal years. Such dividends (i) shall be declared and paid not later than seventy five (75) days following the end of each such fiscal quarter and (ii) shall not exceed an aggregate of Six Hundred Thousand Dollars (\$600,000) per year per holder for all holders of Class B Preferred Stock (i.e., an aggregate of no more than One Million Two Hundred Thousand Dollars (\$1,200,000) to the two holders of the Series B Preferred Stock per annum cumulatively). Subject to the dividend rights in favor of the holders of the Series B Preferred Stock, all rights, privileges, preferences, and restrictions set forth in Mobiquity's Certificate of Amendment shall terminate as of December 31, 2020, and, immediately upon declaration and payment of the dividend in respect of Mobiquity's 2020 fiscal year, Mobiquity shall withdraw such class from its authorized capital. Other than the above-referenced dividend rights, the Series B Preferred Stock shall not confer any rights upon the holders thereof. Mr. Katyal and Lokesh Mehta, a non-executive officer of Advangelists, will be the only holders of Mobiquity's Series B Preferred Stock.

On September 13, 2019, Advangelists, LLC, a wholly-owned subsidiary of the Company ("AVNG"), entered into Amendment No. 1 to Employment Agreement (the "Katyal Amendment") with Deepankar Katyal, the CEO of AVNG, which amends Mr. Katyal's original employment agreement (the "Original Katyal Agreement"), dated as of December 7, 2018. Pursuant to the Katyal Amendment, among other things, (i) the Company agreed to indemnify Mr. Katyal to the extent provided in the Company's Certificate of Incorporation (the "Certificate") and By-laws and to include Mr. Katyal as an insured under the Company's applicable directors' and officers' liability insurance policies; (ii) AVNG agreed to provide Mr. Katyal with an automobile allowance of \$550.00 per month, and (iii) the non-compete restrictive covenants contained in the Original Katyal Agreement ceased. In addition, the Katyal Amendment provides for the Company to redeem the shares of the Company's Class B Preferred Stock (the "Class B Stock") owned by Mr. Katyal, and entitles Mr. Katyal to the following additional compensation:

- A bonus, payable in cash or common stock of the Company, equal to 1% of the Company's gross revenue (the "Gross Revenue") for each completed fiscal month during the 2019 fiscal year, subject to certain revenue thresholds as set forth in the Katyal Amendment;
- Commissions equal to 10% of the Net Revenues (as defined in the Katyal Amendment) of all New Katyal Managed Accounts (as defined in the Katyal Amendment);
- Options to purchase 37,500 shares of the Company's common stock at an exercise price of \$36.00 per share, of which 25,000 vest on the date of the Katyal Amendment, and of which 12,500 vest on the one year anniversary of the Katyal Amendment.

In connection with the Katyal Amendment, on September 13, 2019, the Company entered into a Class B Preferred stock Redemption Agreement (the "Katyal Redemption Agreement"), pursuant to which the Company redeemed the Company's Class B Stock owned by Katyal.

- (5) Mr. McDonnell is eligible to receive options and other bonuses at the discretion of the board. Mr. McDonnell is an employee at will without an employment agreement.

A summary of the other pertinent employment provisions is as follows:

The term of Dean Julia's employment is for a term of three years from April 2, 2019. The agreement shall be automatically extended for an additional term of two years, unless terminated 90 days prior to the termination of the initial term of the agreement. Mr. Julia's employment agreement contains certain non-compete and non-solicitation provisions during the terms of the agreement. He is also entitled to receive on April 1<sup>st</sup> of each year commencing April 1, 2020, options to purchase an additional 12,500 shares of common stock. He is also entitled to paid disability insurance and term life insurance at a cost not to exceed \$15,000 per annum. He is also entitled to receive health, dental and 401(k) benefits as is customary for other executive officers as well as indemnification to the fullest extent permitted by law, as well as a company lease to own Company automobile.

Messrs. Trepeta and Bauersfeld are each an employee at will. Each employment agreement contains certain non-compete and non-solicitation provisions during the term of the agreement and for a period of one year thereafter. Each officer is entitled to receive health, dental and 401(k) benefits as is customary for other executive officers as well as indemnification to the fullest extent permitted by law.

Mr. Katyal's employment agreement which commenced December 7, 2018 has a term of three years. Mr. Katyal is required to devote at least 40 hours per week pursuant to his responsibility as CEO of Advangelists. The agreement provides for full indemnification and participation in all benefit plans, programs and perquisites as are generally provided by the Company to its employees, including medical, dental, life insurance, disability and 401(k) participation. The agreement provides for termination for cause after giving employee 30 days' prior written notice. The agreement provides for termination by the Company without cause after 60 days' prior written notice with severance pay as described in his agreement. His employment agreement also provides for termination by disability for a period of more than six consecutive months in any 12-month period, termination by employee for good reason as defined in the agreement and restrictive covenants for a period of one year following the termination date.

## **DIRECTOR COMPENSATION**

Currently, four directors of the Company are executive officers of the Company. Their compensation is described herein. The Company is not currently paying Dr. Gene Salkind to serve on the board or committees thereof. Future compensation of board members/committee members are at the discretion of the board.

### Employee Benefit and Consulting Services Compensation Plans

On January 3, 2005, our company established an Employee Benefit and Consulting Services Compensation Plan (the "2005 Plan") covering 5,000 shares, which 2005 Plan was ratified by our stockholders in February 2005. On August 12, 2005, the company's stockholders approved a 5,000 share increase in the 2005 Plan to 10,000 shares. On August 28, 2009, the Board adopted the "2009 Plan" identical to the 2005 Plan with 10,000 shares under the 2009 Plan. In September 2013, the Company's stockholders ratified a board amendment to increase the number of shares covered by the 2009 Plan to 25,000 shares. All references to "the Plans" include the 2005 Plan and 2009 Plan. As the 2005 and 2009 Plans are identical other than the number of shares covered by each Plan, it is the Company's intention to first utilized the number of shares issuable (available) under the 2005 Plan prior to issuing shares under the 2009 Plan. In February 2015, the Board approved an increase in the number of shares covered by the 2009 Plan from 25,000 shares to 50,000 shares, subject to stockholder approval within one year. However, since approval was not obtained within the requisite time period, the Board established a 2016 Plan covering 25,000 shares which is otherwise identical to the 2005 and 2009 Plans. All options granted under the 2009 Plan, which exceed the Plan limits, have been moved to the 2016 Plan. In December 2018, the Company approved a 2018 Plan identical to the other Plans described above, except for the number of shares covered by the Plan is 75,000. The "2018" Plan was ratified by stockholders in February 2019. On April 2, 2019, the Board approved a "2019 Plan" identical to the other Plans described above, except for the number of shares covered by the Plan is 150,000. The 2019 Plan must be approved by stockholders within one year in order to grant incentive stock options under said Plan. The 2005, 2009, 2016, 2018 and 2019 Plans are collectively herein referred to as the "Plan."

### Administration

Our board of directors administers the Plans, has the authority to determine and designate officers, employees, directors and consultants to whom awards shall be made and the terms, conditions and restrictions applicable to each award (including, but not limited to, the option price, any restriction or limitation, any vesting schedule or acceleration thereof, and any forfeiture restrictions). The board may, in its sole discretion, accelerate the vesting of awards.

### Types of Awards

The Plans are designed to enable us to offer certain officers, employees, directors and consultants of us and our subsidiaries equity interests in us and other incentive awards in order to attract, retain and reward such individuals and to strengthen the mutuality of interests between such individuals and our stockholders. In furtherance of this purpose, the Plans contain provisions for granting non-statutory stock options and incentive stock options and common stock awards.

**Stock Options.** A "stock option" is a contractual right to purchase a number of shares of common stock at a price determined on the date the option is granted. An incentive stock option is an option granted under the Internal Revenue Code of 1986 to our employees with certain tax advantages to the grantee over non-statutory stock options. The option price per share of common stock purchasable upon exercise of a stock option and the time or times at which such options shall be exercisable shall be determined by the Board at the time of grant. Such option price in the case of incentive stock options shall not be less than 100% of the fair market value of the common stock on the date of grant and may be granted below fair market value in the case of non-statutory stock options. Incentive stock options granted to owners of 10% or more of our common stock must be granted at an exercise price of at least 110% of the fair market value of our common stock and may not have a term greater than five years. Also, the value of incentive options vesting to any employee cannot exceed \$100,000 in any calendar year. The option price of our options must be paid in cash, money order, check or common stock of the company. The non-statutory stock options may also contain at the time of grant, at the discretion of the board, certain other cashless exercise provisions. These cashless exercise provisions are included in the currently outstanding non-statutory stock options granted by the board.

Options shall be exercisable at the times and subject to the conditions determined by the Board at the date of grant, but no option may be exercisable more than ten years after the date it is granted. If the optionee ceases to be an employee of our company for any reason other than death, any incentive stock option exercisable on the date of the termination of employment may be exercised for a period of thirty days or until the expiration of the stated term of the option, whichever period is shorter. In the event of the optionee's death, any incentive stock option exercisable at the date of death may be exercised by the legal heirs of the optionee from the date of death until the expiration of the stated term of the option or six months from the date of death, whichever event first occurs. In the event of disability of the optionee, any incentive stock options shall expire on the stated date that the Option would otherwise have expired or 12 months from the date of disability, whichever event first occurs. The termination and other provisions of a non-statutory stock option shall be fixed by the board of directors at the date of grant of each respective option.

*Common Stock Award.* Common stock awards are shares of common stock that will be issued to a recipient at the end of a restriction period, if any, specified by the board if he or she continues to be an employee, director or consultant of us. If the recipient remains an employee, director or consultant at the end of the restriction period, the applicable restrictions will lapse and we will issue a stock certificate representing such shares of common stock to the participant. If the recipient ceases to be an employee, director or consultant of us for any reason (including death, disability or retirement) before the end of the restriction period unless otherwise determined by the board, the restricted stock award will be terminated.

#### Awards

As of December 31, 2019, the Company has granted under the Plans a total of 276,437 options and outside the Plans a total of 4,562 options or a total of options to purchase 281,000 shares of the Company's Common Stock with a weighted average exercise price of \$48.00 per share. The board has granted options with varying terms. The Company has also granted to various officers, directors and employees of Advangelists, warrants to purchase an aggregate of 274,941 shares at varying terms.

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It is not possible to predict the individuals who will receive future awards under the Plans or outside the Plans or the number of shares of Common Stock covered by any future award because such awards are wholly within the discretion of the Board. The table below contains information as of December 31, 2020 on the known benefits provided to certain persons and group of persons who own options under or outside the Plans.

	<b>Number of Shares Subject to Options/Warrants</b>	<b>Average Exercise Price (\$) per Share</b>	<b>Value of Unexercised Options/ Warrants at Dec. 31, 2020 (1)</b>
Dean L. Julia	87,250	49.80	\$ —
Sean McDonnell	3,000	23.33	\$ —
Sean Trepeta	41,750	45.39	\$ —
Paul Bauersfeld	42,500	44.94	\$ —
Deepanker Katyal	166,017	51.48	\$ —
Five Executive Officers as a group	340,517	49.24	\$ —

(1) Value is normally calculated by multiplying (a) the difference between the market value per share at period end (i.e. \$6.75 based upon a last sale on (or the last trade date before) December 31, 2020) and the option exercise price by (b) the number of shares of Common Stock underlying the option.

In the past, the Company has granted certain employees and consultants, stock awards for services for the prior year with vesting to occur after the passage of an additional 12 months. These awards totaled 112 Shares for 2008, subject to continued services with the Company through December 31, 2009. These awards totaled 127 Shares for 2009 subject to continued services with the Company through December 31, 2010. These awards totaled 262 Shares for 2010 subject to continued services with the Company through December 31, 2011. These awards totaled 112 shares for 2011, subject to continued services with the Company through December 31, 2012. A total of 509 shares were issued under the 2005 Plan pursuant to the stock award program described above (net of cancellations). No stock awards were granted in fiscal 2012 through fiscal 2020.

#### Eligibility

Our officers, employees, directors and consultants of Mobiquity and our subsidiaries are eligible to be granted stock options, and common stock awards.

#### Termination or Amendment of the Plans

The board may at any time amend, discontinue, or terminate all or any part of the Plans, provided, however, that unless otherwise required by law, the rights of a participant may not be impaired without his or her consent, and provided that we will seek the approval of our stockholders for any amendment if such approval is necessary to comply with any applicable federal or state securities laws or rules or regulations.

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#### Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth certain information regarding beneficial ownership of our voting stock as of March 21, 2021 by:

- each person or group of affiliated persons known by us to be the beneficial owner of more than 5% of any class of our voting stock;
- each "named executive officer" of the Company,
- each of our directors; and
- all executive officers and directors as a group.

Unless otherwise noted below, the address of each person listed on the table is c/o Mobiquity Technologies, Inc. at the address set forth herein. To our knowledge, each person listed below has sole voting and investment power over the shares shown as beneficially owned except to the extent jointly owned with spouses or otherwise noted below.

Beneficial ownership is determined in accordance with the rules of the SEC. The information does not necessarily indicate ownership for any other purpose. Under these rules, shares of stock which a person has the right to acquire (i.e., by the exercise of any option or the conversion of such person's outstanding Preferred Stock) within 60 days after March 24, 2021 are deemed to be beneficially owned and outstanding for purposes of calculating the number of shares and the percentage beneficially owned by that person. However, these shares are not deemed to be beneficially owned and outstanding for purposes of computing the percentage beneficially owned by any other person. The percentage of shares owned as of March 21, 2021 is based upon 2,897,687 shares of Common Stock outstanding on that date.

<b>Name and Address of Beneficial Owner</b>	<b>Shares of Common Stock</b>	<b>Number of Shares Underlying Convertible Preferred Stock, Notes Options and Warrants</b>	<b>Total Shares Beneficially Owned</b>	<b>Percentage of Shares Beneficially Owned (%)</b>
<i>Stockholders</i>				
Nehemiah Partners L.P.	226,734	0	226,734	7.8
Norman Kravetz	179,611	5,208	184,819	6.4
Lokesh Mehta	0	256,755	256,755	8.1
Thomas Arnost	148,956	22,083	171,039	6.4
<i>Directors and Executive Officers</i>				
Paul Bauersfeld	250	42,500	42,750	1.5
Dean L. Julia	4,884	87,500	92,384	3.8
Sean Trepeta	2,525	42,875	45,400	1.6
Sean McDonnell	417	3,000	3,417	*
Deepanker Katyal	0	262,297	262,297	8.3
Gene Salkind	710,607	885,157	1,595,764	42.2
All Officers and directors as a group (six persons)	718,683	1,323,329	2,042,012	57.4

\* Less than one percent.

#### Item 13. Certain Relationships and Related Transactions and Director Independence.

We describe below all transactions and series of similar transactions, other than compensation arrangements, during our last three fiscal years, to which we were a party or will be a party in which:

- the amounts exceeded or will exceed \$120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest.

Compensation arrangements for our directors and named executive officers are described elsewhere in this Form 10-K.

#### **Employment Agreements and Executive Compensation**

We have entered into various employment agreements as described under Item 11. These agreements also provide for us to indemnify such officers and/or directors to the maximum extent permitted by law. We also carry directors' and officers' liability insurance which protects each of our officers and directors up to the policy maximum of \$4.0 million, subject to a deductible of \$100,000 for securities claims and \$75,000 for other claims. For more information regarding our employment agreements and indemnification provisions, see "Executive Compensation."

#### **Notes to the Financial Statements**

The disclosures contained in this Form 10-K, in particular in the notes to our consolidated financial statements as well as Item 11 herein, describe various transactions between the Company's and its officers, directors and principal stockholders. Further, Dr. Gene Salkind, a director and principal stockholder, has a first security interest in substantially all of the consolidated assets of the Company. All related party transactions described elsewhere in this Form 10-K are incorporated herein this Item 13 by reference.

#### **Director Independence**

Reference is made to "Item 10" for details pertaining to lack of independent directors on the Company's board of directors as of the filing date of this Form 10-K. Dr. Gene Salkind, a director of the Company, who has never served as an executive officer of the Company, is a secured creditor and a controlling stockholder. For these reasons, the Company has taken the position that it is not considering Dr. Salkind an independent director.

#### Item 14. Principal Accountant Fees and Services.

On July 16, 2018 the Company engaged BF Borgers CPA PC as our registered independent public accountants. Their fees are described in the table below.

	Year Ended December 31,	
	2020	2019
Audit fees	\$ 48,600	\$ 48,600
Audit- related fees	32,400	32,400
Tax fees	—	—
All other fees	—	—
Total fees	\$ 81,000	\$ 81,000

#### **Policy on Board Pre-Approval of Services of Independent Registered Public Accounting Firm**

Our Board has responsibility for appointing, setting compensation and overseeing the work of the independent registered public accounting firm. In recognition of this responsibility, the Board has established a policy to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm. Prior to engagement of the independent registered public accounting firm for the following year's audit, management will submit to the Board for approval a description of services expected to be rendered during that year for each of following categories of services:

*Audit services* include audit work performed in the preparation and audit of the annual financial statements, review of quarterly financial statements, reading of annual, quarterly and current reports, as well as work that generally only the independent auditor can reasonably be expected to provide, such as the provision of consents and comfort letters in connection with the filing of registration statements.

*Audit-related services* are for assurance and related services that are traditionally performed by the independent auditor, including due diligence related to mergers and acquisitions and special procedures required to meet certain regulatory requirements.

*Tax services* consist principally of assistance with tax compliance and reporting, as well as certain tax planning consultations.

*Other services* are those associated with services not captured in the other categories. We generally do not request such services from our independent auditor.

Prior to the engagement, the Board pre-approves these services by category of service. The fees are budgeted, and the Board requires the independent registered public accounting firm and management to report actual fees versus the budget periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage the independent registered public accounting firm for additional services not contemplated in the original pre-approval. In those instances, the Board requires specific pre-approval before engaging the independent registered public accounting firm.

The Board may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the audit Board at its next scheduled meeting.

None of the services described above provided by our auditors were approved by the Board pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

## **PART IV**

#### Item 15. Exhibits, Financial Statement Schedules

##### (a) FINANCIAL STATEMENTS

The following documents are filed under ITEM 8 FINANCIAL STATEMENTS as the financial statements of the Company for the years ended December 31, 2020 and 2019:

- Reports of Independent Registered Public Accounting Firms
- Consolidated Balance Sheets
- Consolidated Statements of Operations
- Consolidated Statement of Stockholders' Equity
- Notes to Consolidated Financial Statements

##### (b) EXHIBITS

<b>Exhibit Number</b>	<b>Exhibit Title</b>
2.1	<a href="#">Agreement and Plan of Merger – Advangelists LLC</a> (25)
2.2	<a href="#">First Amendment to Exhibit 2.1</a> (25)
3.1	<a href="#">Certificate of Incorporation filed March 26, 1998</a> (1)
3.2	<a href="#">Amendment to Certificate of Incorporation filed June 10, 1999</a> (1)
3.3	<a href="#">Amendment to Certificate of Incorporation approved by stockholders in 2005</a> (1)
3.4	<a href="#">Amendment to Certificate of Incorporation dated September 11, 2008</a> (11)
3.5	<a href="#">Amendment to Certificate of Incorporation dated October 7, 2009</a> (11)
3.6	<a href="#">Amendment to Certificate of Incorporation dated May 18, 2012</a> (11)

3.7	<a href="#">Amendment to Certificate of Incorporation dated September 10, 2013</a> (17)
3.8	<a href="#">Amended By-Laws</a> (1)
3.9	<a href="#">2014 Amendment to By-Laws</a> (19)
3.10	<a href="#">Amendment to Certificate of Incorporation filed December 22, 2015</a> (23)
3.11	<a href="#">Amendment to Certificate of Incorporation dated March 24, 2016</a> (21)
3.12	<a href="#">Amendment to Certificate of Incorporation</a> (22)
3.13	<a href="#">Amendment to Certificate of Incorporation – September 2018</a> (26)
3.14	<a href="#">Amendment to Certificate of Incorporation – February 2019</a> (26)
3.15	<a href="#">Amendment to Certificate of Incorporation – December 17, 2018</a> (26)
3.16	<a href="#">Amendment to Certificate of Incorporation – December 4, 2018</a> (26)
3.17	<a href="#">Restated Certificate of Incorporation</a> (30)
3.18	<a href="#">Certificate of Amendment to Certificate of Incorporation</a> (32)
4.1	<a href="#">Registration Rights Agreement</a> (18)
10.1	Left blank intentionally
10.2	<a href="#">Employment Agreement - Dean Julia</a> (2)
10.3	Left blank intentionally
10.4	Amendments to Employment Agreement - Dean L. Julia <a href="#">(5)</a> <a href="#">(7)</a>
10.5	<a href="#">Amendment to Exhibits 10.3 and 10.4 dated April 7, 2010</a> (10)
10.6	<a href="#">Amendment to Employment Agreement – Dean L. Julia</a> (11)
10.7	Left blank intentionally
10.8	<a href="#">Amendment to Dean L. Julia's Employment Agreement</a> (16)
10.9	Left blank intentionally
10.10	<a href="#">Employment Agreement – Sean Trepeta</a> (19)
10.11	<a href="#">Employment Agreement – Paul Bauersfeld</a> (19)
10.12	<a href="#">Employment Agreement – Thomas Armost</a> (20)
10.13	Left blank intentionally
10.14	<a href="#">Form of Consulting Agreement and Form of Warrant to purchase common stock - Deepankar Katyal</a> (25)

Exhibit Number	Exhibit Title
10.15	<a href="#">Employment Agreement dated April 2, 2019 – Dean L. Julia</a> (30)
10.16	<a href="#">Employment Agreement dated April 2, 2019 – Sean Trepeta</a> (30)
10.17	<a href="#">Employment Agreement dated April 2, 2019 – Paul Bauersfeld</a> (30)
10.18	<a href="#">Employment Agreement dated December 7, 2018 – Deepankar Katyal</a> (30)
10.19	<a href="#">Membership Interest Purchase Agreement dated as of April 30, 2019</a> (28)
10.20	<a href="#">Membership Interest Purchase Agreement, effective as of May 8, 2019 between Mobiquity Technologies, Inc. and Gopher Protocol, Inc.</a> (29)
10.21	<a href="#">Amended and Restated \$7,512,500 Promissory Note dated as of May 10, 2019 from Mobiquity Technologies, Inc. to Deepankar Katyal, as representative of the former members of Advangelists, LLC</a> (29)
10.22	<a href="#">Assignment and Assumption Agreement effective as of May 8, 2019 between Mobiquity Technologies, Inc. and Gopher Protocol, Inc.</a> (29)
10.23	<a href="#">Stock Purchase Agreement, effective as of September 13, 2019, by and between Mobiquity Technologies, Inc. and GBT Technologies, Inc.</a> (31)
10.24	<a href="#">Amendment No. 1 to Employment Agreement, dated as of September 13, 2019, by and between Advaneglists, LLC and Deepankar Katyal</a> (31)
10.25	<a href="#">Class B Preferred Stock Redemption Agreement, dated as of September 13, 2019, by and between Mobiquity Technologies, Inc. and Deepankar Katyal</a> (31)
10.26	<a href="#">Amendment No. 1 to Employment Agreement, dated as of September 13, 2019, by and between Advaneglists, LLC and Lokesh Mehta</a> (31)
10.27	<a href="#">Class B Preferred Stock Redemption Agreement, dated as of September 13, 2019, by and between Mobiquity Technologies, Inc. and Lokesh Mehta</a> (31)
10.28	<a href="#">Subscription Agreement, dated as of September 13, 2019, by and between Mobiquity Technologies, Inc. and Dr. Gene Salkind</a> (32)
10.29	<a href="#">Convertible Promissory Note in favor of Dr. Gene Salkind, dated as of September 13, 2019</a> (32)
10.30	<a href="#">Subscription Agreement, dated as of September 13, 2019, by and between Mobiquity Technologies, Inc. and Marital Trust GST Subject U/W/O Leopold Salkind</a> (32)
10.31	<a href="#">Convertible Promissory Note in favor of Marital Trust GST Subject U/W/O Leopold Salkind, dated as of September 13, 2019</a> (32)
10.32	<a href="#">Form of Lender Warrant</a> (32)
10.33	<a href="#">Second Amended and Restated Promissory Note, dated as of September 13, 2019, by and between Mobiquity Technologies, Inc. and Deepankar Katyal, as representative of the former owners of Advangelists, LLC</a> (31)
10.34	<a href="#">Form of Common Stock Purchase Warrant</a> (31)
11.1	Statement re: Computation of per share earnings. See <a href="#">Statement of Operations</a> and <a href="#">Notes to Financial Statements</a>
14.1	<a href="#">Code of Ethics/Code of Conduct</a> (Incorporated by reference to Form 10-K for the year ended December 31, 2014)
21.1	<a href="#">Subsidiaries of the Issuer</a> (26)
31.1	<a href="#">Rule 13a-14(a) Certification in accordance with Section 302 of the Sarbanes-Oxley Act of 2002</a> (*)
31.2	<a href="#">Rule 13a-14(a) Certification in accordance with Section 302 of the Sarbanes-Oxley Act of 2002</a> (*)
32.1	<a href="#">Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a> (*)
32.2	<a href="#">Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a> (*)
99.1	<a href="#">2005 Employee Benefit and Consulting Services Compensation Plan</a> (2)
99.2	<a href="#">Amendment to 2005 Plan</a> (4)
99.3	<a href="#">2009 Employee Benefit and Consulting Services Compensation Plan</a> (3)
99.4	<a href="#">2018 Employee Benefit and Consulting Services Compensation Plan</a> . (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 *

\* 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.
- (27) Incorporated by reference to Form 10-K/A for the fiscal year ended December 31, 2018.
- (28) Incorporated by reference to Form 8-K dated April 30, 2019.
- (29) Incorporated by reference to Form 8-K dated May 10, 2019.
- (30) Incorporated by reference to Form 8-K dated July 15, 2019.
- (31) Incorporated by reference to Form 8-K dated September 13, 2019.
- (32) Incorporated by reference to Form 8-K/A dated September 13, 2019 and filed on November 6, 2019.

## (c) FINANCIAL STATEMENT SCHEDULES

We are not filing any financial statement schedules as part of this Form 10-K because such schedules are either not applicable or the required information is included in the financial statements or notes thereto.

**SIGNATURES**

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

MOBIQUNITY TECHNOLOGIES, INC.

By: /s/ Dean L. Julia  
 Dean L. Julia,  
 Principal Executive Officer

Dated: Shoreham, New York  
 March 31, 2021

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

<u>Signatures</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Dean L. Julia</u>	Principal Executive Officer, President and Director	March 31, 2021

Dean L. Julia

/s/ Sean McDonnell  
Sean McDonnell

Principal Financial Officer

March 31, 2021

/s/ Sean Trepeta  
Sean Trepeta

Director

March 31, 2021

/s/ Gene Salkind  
Dr. Gene Salkind

Director

March 31, 2021

Dean L. Julia, Sean Trepeta and Dr. Gene Salkind represent all the current members of the Board of Directors.

**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Dean L. Julia certifies that:

1. I have reviewed this annual report on Form 10-K of Mobiquity Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2021

/s/ Dean L. Julia

Principal Executive Officer

**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Sean McDonnell certifies that:

1. I have reviewed this annual report on Form 10-K of Mobiquity Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2021

/s/ Sean McDonnell

Principal Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350**

In connection with the Annual Report of Mobiquity Technologies, Inc. (the "registrant") on Form 10-K for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "report"), I, Dean L. Julia, Principal Executive Officer of the registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: March 31, 2021

/s/ Dean L. Julia

Principal Executive Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350**

In connection with the Annual Report of Mobiquity Technologies, Inc. (the "registrant") on Form 10-K for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "report"), I, Sean McDonnell, Principal Financial Officer of the registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: March 31, 2021

/s/ Sean McDonnell

Principal Financial Officer