



nFusz To Provide Second Quarter 2018 Results and Business Update

HOLLYWOOD, August 14, 2018 (GLOBE NEWSWIRE) -- [nFusz, Inc.](#) (OTCQB:FUSZ), the interactive video technology company, provided a company update and reported financial results for the quarter ended June 30, 2018.

“It’s a very exciting time for nFusz stockholders”, stated nFusz CEO Rory J. Cutaia. “I’m delighted to share the details of our ongoing efforts to build real stockholder value. We’ve had a very productive second quarter during which we’ve expanded our relationships with our distribution partners, cultivated new ones, and developed and launched several updates to our flagship product, notifiCRM. More recently, we’ve unveiled our new notifiMED application, an interactive video-based diagnostic reporting tool for physicians and other health care practitioners, and announced the development of a new consumer version of our notifiLIVE application, allowing users to add interactive links to the live video streams they broadcast from their mobile devices.

“In addition, as part of our plan to accelerate growth, we are currently evaluating a potential new acquisition that could expand our reach into the network and affiliate marketing sector. We’ve also made progress with our plan to list our securities on NASDAQ, among many other value creation initiatives,” concluded Cutaia.

Company Video

The video, featuring nFusz CEO Rory J. Cutaia, will be broadcast through the company’s [website](#) at 5:00 p.m. EST today, August 14th.

Financial Commentary

While revenue was approximately \$8,000 for second quarter 2018, income from operations was \$393,000, reflecting a contra stock compensation expense of \$1.2 million attributed to the revaluation of consultants’ unvested restricted stock and stock options. This compared

to no revenue and an operating loss of \$1.4 million in the second quarter of 2017. The company recorded a \$1.4 million gain related to the change in fair value of derivative liability in second quarter 2018, versus a \$527,000 charge for debt extinguishment in second quarter 2017. Net income was \$1.8 million, or \$0.01, in the second quarter of 2018, compared to net loss of \$2.1 million, or \$0.02 in second quarter 2017. At June 30, 2018, cash and cash equivalents were \$1.4 million.

Today, the company filed Forms 10-Q and an S-1 with SEC.

About nFusz, Inc.

nFusz, Inc. (FUSZ) is the recognized leader in business-focused interactive video. Our proprietary next-generation interactive video technology is the core of our cloud, Software-as-a-Service (SaaS) products. Our flagship product, [notifiCRM](#), is a Customer Relationship Management (CRM), sales/lead generation, and social engagement platform, accessible on all mobile and desktop devices – and no download of any kind is required. With notifiCRM, anyone can create, distribute, and post interactive videos that do the selling for you, effectively eliminating friction and sales skill from the sales process. Prospects and customers can respond to your call to action right in the video, while the video is playing and while their interest level is piqued. Our users report significant increases in engagement and conversion rates. Our platform can accommodate any size campaign or sales organization, and it is enterprise-class scalable to meet the needs of today's global organizations. Our products give business professionals the tools they need to compete effectively in today's video-centric business and social media environment. For more information on nFusz, Inc., visit www.nFusz.com.

CONTACT INFORMATION

[LHA Investor Relations](#), Kirsten Chapman/Moriah Shilton 415-433-3777 nfusz@lhai.com

nFÜSZ, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
	<u>(Unaudited)</u>	
ASSETS		
Current assets:		
Cash	\$ 1,420,798	\$ 10,560
Prepaid expenses	47,646	40,909
Total current assets	1,468,444	51,469
Property and equipment, net	20,060	30,554
Other assets	16,811	8,780
Total assets	\$ 1,505,315	\$ 90,803
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	\$ 547,908	\$ 663,506
Accrued interest (including \$34,656 and \$99,425 payable to related parties)	34,656	248,120
Accrued officers' salary	124,250	607,333
Note payable	-	125,000
Notes payable - related party	1,964,985	1,964,985
Convertible notes payable, net of discount of \$0 and \$675,443, respectively	-	1,020,315
Derivative liability	1,014,227	1,250,581
Total current liabilities	3,686,026	5,879,840
Commitments and contingencies		
Stockholders' deficit		
Preferred stock, \$0.0001 par value, 15,000,000 shares authorized, none issued or outstanding	-	-
Common stock, \$0.0001 par value, 200,000,000 shares authorized, 153,698,043 and 119,118,513 shares issued and outstanding as of June 30, 2018 and December 31, 2017	15,370	11,912
Additional paid-in capital	33,066,404	22,738,574
Common stock issuable, 4,500,000 shares	-	430
Accumulated deficit	(35,262,485)	(28,539,953)
Total stockholders' deficit	(2,180,711)	(5,789,037)
Total liabilities and stockholders' deficit	\$ 1,505,315	\$ 90,803

nFÜSZ, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Net Sales	\$ 8,239	\$ -	\$ 16,242	\$ -
Operating Expenses:				
Research and development	105,733	92,240	235,733	181,840
General and administrative	(490,145)	1,352,028	4,779,429	1,970,028
Total operating expenses	<u>384,412</u>	<u>(1,444,268)</u>	<u>(5,015,162)</u>	<u>(2,151,868)</u>
Income / (Loss) from operations	<u>392,651</u>	<u>(1,444,268)</u>	<u>(4,998,920)</u>	<u>(2,151,868)</u>
Other income (expense)				
Other Income / (Expense)	(6,141)	-	(12,380)	-
Change in fair value of derivative liability	1,444,164	-	(1,180,723)	-
Financing costs	-	-	(171,739)	-
Interest expense (including \$58,788 and \$58,788 to related parties for three months and \$116,930 and \$116,930 to related parties for six months)	(58,788)	(86,816)	(262,721)	(170,822)
Interest expense - amortization of debt discount	-	(53,346)	(747,623)	(93,024)
Gain on debt extinguishment, net	-	(526,871)	651,574	(552,871)
Total other expense	<u>1,379,235</u>	<u>(667,033)</u>	<u>(1,723,612)</u>	<u>(816,717)</u>
Net Income / (Loss)	<u>\$ 1,771,886</u>	<u>\$ (2,111,301)</u>	<u>\$ (6,722,532)</u>	<u>\$ (2,968,585)</u>
Income / loss per share - basic and diluted	<u>\$ 0.01</u>	<u>\$ (0.02)</u>	<u>\$ (0.05)</u>	<u>\$ (0.03)</u>
Weighted average number of common shares outstanding - basic and diluted	<u>152,539,980</u>	<u>102,734,185</u>	<u>142,335,253</u>	<u>99,184,826</u>

nFÜSZ, INC.
RECONCILIATION OF NET INCOME (LOSS) TO MODIFIED EBITDA
(Unaudited)

Modified EBITDA

In addition to our GAAP results, we present Modified EBITDA as a supplemental measure of our performance. However, Modified EBITDA is not a recognized measurement under GAAP and should not be considered as an alternative to net income, income from operations or any other performance measure derived in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of liquidity. We define Modified EBITDA as net income (loss), plus interest expense, depreciation and amortization, stock-based compensation, financing costs and changes in fair value of derivative liability.

Management considers our core operating performance to be that which our managers can affect in any particular period through their management of the resources that affect our underlying revenue and profit generating operations that period. Non-GAAP adjustments to our results prepared in accordance with GAAP are itemized below. Readers are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Modified EBITDA, readers should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Modified EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

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	<u>For the Three months Ended</u>		<u>For the Six months Ended</u>	
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Net income (loss)	\$ 1,771,886	\$ (2,111,765)	\$ (6,722,532)	\$ (2,968,585)
Adjustments:				
Stock Compensation Expense	(1,154,361)	942,463	3,456,593	1,206,737
Change in fair value of derivative liability	(1,444,164)	-	1,180,723	-
Amortization of debt discount	-	53,346	747,623	93,024
Interest expense	58,788	86,817	262,721	170,822
Financing costs	-	-	171,739	-
Depreciation	5,189	5,363	10,494	10,668
Gain on debt extinguishment, net	-	526,871	(651,574)	552,871
Total EBITDA adjustments	<u>(2,534,548)</u>	<u>1,614,860</u>	<u>5,178,319</u>	<u>2,034,122</u>
Modified EBITDA	<u>\$ (762,662)</u>	<u>\$ (496,905)</u>	<u>\$ (1,544,213)</u>	<u>\$ (934,463)</u>