Social Reality, Inc. Reports 223% Revenue Increase for First Quarter of 2014

LOS ANGELES, May 15, 2014 /PRNewswire/ — <u>Social Reality, Inc.</u> (SCRI), an Internet advertising, and platform technology company that provides tools to automate the digital advertising market, today announced that its revenues for the first quarter of 2014 were \$554,000, a 223% year-over-year increase from first quarter 2013 revenue of \$171,000.



"The RTB and social markets continues to grow and we are happy to be positioned well for this growth. We have spent the first quarter of this year growing our technology infrastructure on both SRAX, our RTB platform, and GroupAD, our social media platform," said Christopher Miglino, Social Reality's Chairman and CEO.

First Quarter 2014 Highlights

Quarterly revenue of \$554,000, a 223% increase over the first quarter 2013 Revenue increase attributable to our SRAX real time bidding technology for website publishers.

Raised an additional \$1.5 Million of financing for the company at \$1.50 per share Transitioned off of our reliance on the Google API's and launched our own RTB platform. During the first quarter of 2014 we made this transition, which caused downtime between ending our reliance on Google ADX and launching our proprietary platform. This transition, which has now been completed, caused a temporary reduction in revenue in our first quarter 2014 relative to the preceding quarters.

Three-month financial results for the period ended March 31, 2014

Revenues for the three months ended March 31, 2014, were \$554,000, as compared to \$171,000 reported for the three months ended March 31, 2013. Gross profit increased to \$181,000 for the three months ended March 31, 2014 compared to \$66,000 for the same period of 2013.

For the quarter ended March 31, 2014, Adjusted EBITDA, a non-GAAP measure, increased to \$451,000 loss compared to \$290,000 loss in the first quarter of 2013. The company

reported net loss of \$688,000, or \$0.03 per share, for the three months ended March 31, 2014, compared to a net loss of \$377,000, or \$0.03 per share loss for the corresponding period last year.

Balance Sheet as of March 31, 2014

Cash and cash equivalents totaled \$2,304,000 at March 31, 2014. Current assets and total assets were \$2,464,000 and \$3,994,000, respectively, and current liabilities and total liabilities were \$270,203.

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