

Social Reality Q1 Revenue Beats Guidance; Total Revenue Tops \$4M, a 626% Year-Over-Year Increase

LOS ANGELES, CA--(Marketwired - May 18, 2015) - Social Reality, Inc. (SCRI), an Internet advertising and platform technology company that provides tools to automate the digital advertising market, announced today its first quarter 2015 financial results. Revenues for the first quarter ended March 31, 2015 were \$4,021,284, an increase of 626% over the first quarter of 2014 and an 11% sequential increase over the fourth quarter of 2014. The company also reported gross margins of 44% for the period ended March 31, 2015.



Historically our first quarter revenues have been lower than the rest of the year, so we are very excited to see such a significant increase in our first quarter. We expect this growth to continue into the next quarter so we are providing Q2 2015 gross revenue guidance of \$6,000,000, a 2,067% increase over Q2 2014," said Christopher Miglino, Social Reality CEO and Chairman. "Our revenue for the first quarter almost surpasses our entire 2014 yearly revenue and by the end of the second quarter we expect to almost double last year's revenue. We are experiencing significant growth this year, and Social Reality is well-positioned to participate in the explosive growth in digital ad spending," added Miglino.

First Quarter 2015 Highlights

- ✓ Revenue of \$4,021,284 represents a 626% increase over the first quarter of 2014
- ✓ Third consecutive quarter-over-quarter growth
- ✓ Q2 2015 revenue guidance of \$6M, a 2,067% increase over the second quarter of 2014

Three-month financial results for the period ended March 31, 2015

Revenues for the three months ended March 31, 2015 were \$4,021,284 compared to \$553,677 reported for the three months ended March 31, 2014. The growth is attributed to an approximate three-fold increase in sell-side revenue from organic growth and in-house technology development, expansion into buy-side revenue through last year's acquisitions, and most recently, new revenue streams from platform sales. As a result, our gross profit increased to \$1,778,809 for the three months ended March 31, 2015 compared to \$181,062 for the same period of 2014, with a corresponding increase of over 10% in the gross margin, up to 44% for the three months ended March 31, 2015.

For the quarter ended March 31, 2015, adjusted EBITDA was (\$709,634) compared to (\$451,788) in the first quarter of 2014. The net increase in the adjusted EBITDA loss is mostly attributable to the growth of the Company's technology team and the addition of support for its trading desk products, and we are pleased with the dramatic improvement in the loss represented as a percent of total revenue.

The company also reported a net loss of \$2,054,461, or \$0.08 per share, for the three months ended March 31, 2015, compared to a net loss of \$687,810, or \$0.03 per share, for the corresponding period of 2014. In the table, Reconciliation of Adjusted EBITDA to GAAP, the additional \$1,344,827 of costs contributing to the net loss, incremental to adjusted EBITDA, are primarily comprised of non-cash stock-based compensation, amortization, accretion, and interest expenses.

Balance Sheet as of March 31, 2015

Cash and cash equivalents totaled \$703,025 at March 31, 2015. Current assets and total assets were \$4,958,537 and \$26,746,671, respectively, and current liabilities and total liabilities were \$10,814,793 and \$22,783,639, respectively. At March 31, 2015 the company had stockholders' equity of \$3,963,032.

About Social Reality, Inc.

Social Reality, Inc. is an Internet advertising company that provides tools to automate the digital advertising market. The company has built technologies and leveraged partner technologies that service social media and the Real Time Bidding (RTB) markets. For more information, please visit <http://socialreality.com/>

Forward-Looking Statements

This press release contains forward-looking statements that are based upon current expectations and involve certain risks. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including, without limitation: our ability to grow our revenues and manage our gross margins; our history of losses; our limited operating history; the terms of our financing agreement with Victory Park Management, LLC as agent for the lenders; the impact of our debt obligations on our liquidity and financial conditions;

The impact of the earn out payments to Mr. Steel; our possible need for additional financing; risks associated with loss of access to the Facebook platform; risks associated with our recent participation on the Google ADX Platform; risks associated with loss of access to RTB inventory buyers; the continued appeal of digital advertising; our dependence on our publishers; risks related to possible future acquisitions; the limited market for our Class A common stock; and the impact of penny stock rules on the trading in our Class A common stock, among others, all as set forth in our Annual Report on Form 10-K for the year ended December 31, 2014 as filed with the Securities and Exchange Commission.

Except for our ongoing obligations to disclose material information under the Federal securities laws, Social Reality undertakes no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

These forward-looking statements speak only as of the date of this report, and you should not rely on these statements without also considering the risks and uncertainties associated with these statements and our business.

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