



SRAX Closes Sale of SRAXmd and Receives \$33.5 Million in Cash Plus Additional Consideration

Company to Receive an Additional \$9 Million Earn-Out Upon Hitting Gross Profit Targets and Maintains 31% Ownership in SRAXmd, Representing \$10 Million in Preferred Shares in the New Entity

LOS ANGELES, August 7, 2018 – Social Reality, Inc. (Nasdaq: [SRAX](#)), a digital marketing and consumer data management and distribution technology platform company, closed on August 6, 2018 its previously announced sale of its healthcare and pharmaceutical business, SRAXmd.

Terms of Transaction

The Company has sold its SRAXmd vertical to a group of institutional investors, including Halyard Capital. SRAX received \$33.5 million in cash less transaction expenses. The Company will receive an additional \$9 million as an earn-out upon reaching gross profit targets by December 31, 2018. SRAX maintains a 31% ownership in SRAXmd, representing \$10 million in preferred shares in the new entity. The Company also repurchased 515,000 shares and 160,000 options from SRAXmd employees, significantly reducing the number of shares outstanding.

This sale of SRAXmd strengthens the Company's balance sheet and serves as proof of execution of its monetization and growth strategy. Proceeds of the sale will go toward growing the other SRAX verticals and [BIGtoken.com](#), the Company's data management platform that enables consumers to own, verify and sell access to their data.

Management's Statement

SRAX's CEO and Chairman Christopher Miglino, stated, "We are excited to close this sale, which successfully demonstrates our strategy to develop and monetize new technologies and platforms. The capital positions us to continue the development of BigToken.com and our other verticals, which include SRAXshopper, SRAXauto, SRAXfan, and SRAX Social. Management and the board are exploring strategies to benefit the Company and its shareholders such as a share repurchase program and/or a special dividend, thereby creating continued shareholder value."

About SRAXmd

The *SRAXmd* platform is a highly-specialized ad targeting and data platform specifically geared toward healthcare brands, agencies and medical content publishers. *SRAXmd* serves ads to both healthcare professionals and patients using patent-pending process and technology, with the ability to reach more than 400,000 healthcare professionals and patients. Healthcare and pharmaceutical publishers utilize the platform for yield optimization, audience extension campaigns and re-targeting of their healthcare professional audience

About the Transaction

More information regarding the transaction can be found in the Form 8-K filed by the company with the Securities and Exchange Commission.

Chardan Capital Markets and Noble Capital Markets acted as financial agents and Silvestre Law Group, P.C. served as legal counsel in the transaction.

About SRAX

[Social Reality, Inc.](#) (NASDAQ: SRAX), is a digital marketing and consumer data management and distribution technology platform company. SRAX's technology delivers the tools to unlock data to reveal brands and content owners' core consumers and their characteristics across marketing channels. Through its blockchain identification graph technology platform, BIG (www.bigtoken.com), SRAX is developing a consumer-powered data marketplace where people will own and sell access to their data thereby providing everyone in the Internet ecosystem transparency, choice and compensation. SRAX's technology and tools deliver a digital competitive advantage for brands in the CPG, automotive, sports and lifestyle verticals by integrating all aspects of the advertising experience, including verified consumer participation, into one platform. For more information on SRAX, visit www.srax.com.

Safe Harbor Statement

This press release contains certain forward-looking statements that are based upon current expectations and involve certain risks and uncertainties within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Words or expressions such as "anticipate," "plan," "will," "intend," "believe" or "expect" or variations of such words and similar expressions are intended to identify such forward-looking statements. 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, statements made with respect to expectations of our ability to increase our revenues, satisfy our obligations as they become due, report profitable operations, and other risks and uncertainties, all as set forth in our Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the Securities and Exchange Commission.

All forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements, many of which are generally outside the control of Social Reality and are difficult to predict. Social Reality undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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