

Building the tools to unlock the value of data

Q3 2017



SRAX

Nasdaq: SRAX

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About SRAX

SRAX is a digital marketing and data management platform delivering the tools to reach and reveal valuable audiences. SRAX's machine-learning technology analyzes marketing data to identify brands and content owners' core consumers and their characteristics across marketing channels. Through an omnichannel approach that integrates all aspects of the advertising experience into one platform, SRAX discovers new and measurable opportunities that amplify campaign performance and maximize profits.



What are we good at?

Identifying issues that can be solved with unique technology



Growth Strategy



Identify value in each of our business units.



Continue to grow our sales infrastructure



Launch blockchain technology

Blockchain Identification Graph

BIG



bigtoken.com

Last year advertisers and marketers spent \$130 billion on consumer data.

The advertising life cycle begins and ends with the consumer. Yet consumers are the most disempowered actor in the ecosystem.

**WE ARE
VALUABLE.**



**WE DESERVE TRANSPARENCY,
CHOICE AND FREEDOM.**

MEET
BIG

IT'S TIME TO TAKE BACK OUR DATA
AND WITH IT THE RIGHT TO OWN OUR
PREFERENCES, PASSIONS, HISTORY
AND RELATIONSHIPS.

How it works



You choose the data BIGapp collects.



You are rewarded with BIGtokens for opting in.



You decide what of your personal data is shared, what of your personal data is bought and who buys it.



You are rewarded again with more BIGtokens when your data is purchased.



You work with the community (BIGorg) to determine how the data is used and who accesses it.

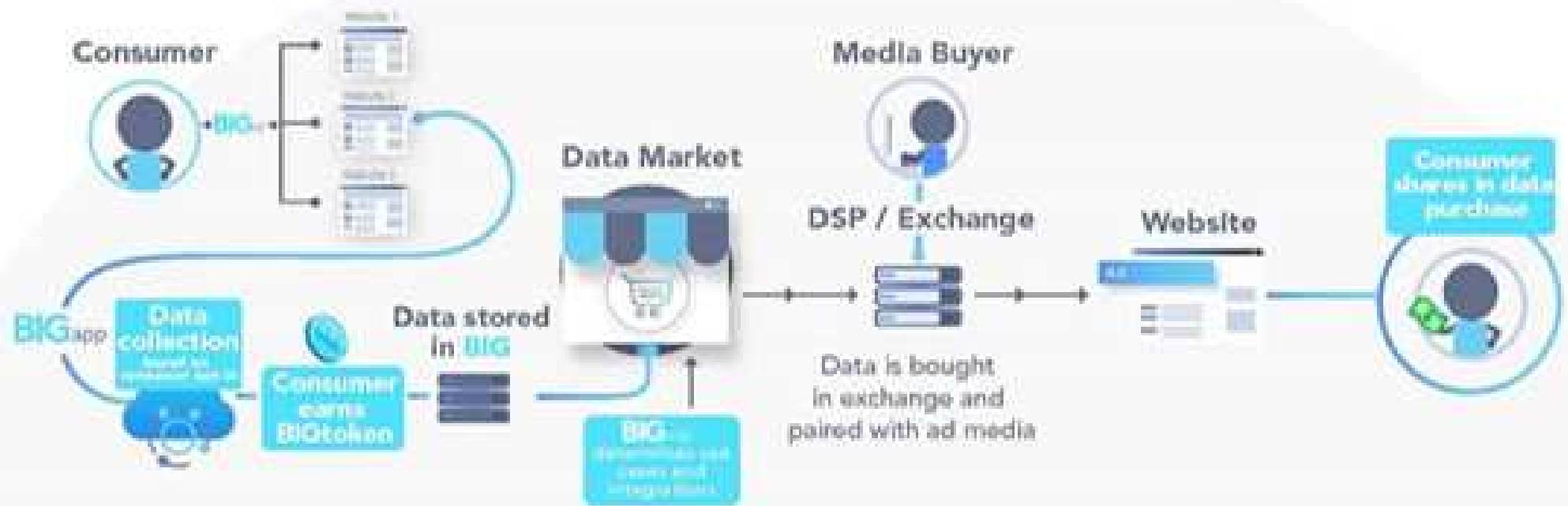


You block the ads and advertisers you don't like while giving props to those you do.



You see who is using your data and what ads have been served to you.

How **BIG** revolutionizes the system



Production:

Consumer produces data through his or her online actions. This data associated with BIGid generated for each consumer

Choice:

Consumer accesses BIG platform through BIGapp. BIGapp aggregates consumers' personal data. Consumer decides what data is shared

Benefit to Consumer:

Consumer earns BIGtokens for sharing data.

Opted-in Collection:

Data is collected and stored with device IDs, IP addresses, and cookie pools based on consumer opt-in. BIGapp determines what apps integrate with the consumer data graph and how the data can be used.

Purchase:

Media buyers purchase the data.

Targeting:

Media buyers use purchased data to serve ads to the consumer

Benefit to Consumer:

Consumer not only earns BIGtokens, but knows who bought the data and how it was used.

How BIG revolutionizes data collection



Kris Nelson
Demographic

Data collection before BIG

<p>Age</p> <p>Location</p> <p>Household Income</p> <p>Homeowner</p>	<p>Age</p> <p>Location</p> <p>Household Income</p> <p>Homeowner</p>	<p>Age</p> <p>Location</p> <p>Household Income</p> <p>Homeowner</p>
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- Not transparent to consumer
- Consumer is not compensated
- Consumer does not participate in relationship; not opted in or verified
- OpData is inaccurate and unverified

Oracle Data Set

More than 50% of data on Kris Nelson
is incorrect.

Data collection after BIG

<p>Age</p> <p>Location</p> <p>Household Income</p> <p>Homeowner</p>	<p>Transparent to consumer</p> <p>Consumer is compensated</p> <p>100% verified by consumer • High accuracy</p> <p>Consumer opted-in 3rd party systems like social networks will further verify data</p>
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BIG Data Set

Data on Kris Nelson **is verified and correct.**

BIG Platform: An open source platform created by consumer choice and operated by a community of participants.

BIG

Blockchain Identification Graph

BIGosg

BIG Open Source Governance (OSG)

Third-Party Apps



BIGapp

Desktop Account Web App

Social Account Integration

Add Family Members / Household

Loyalty Program Integration

Frequent Surveys and Updates

Third-Party Apps



ICOs in 2017

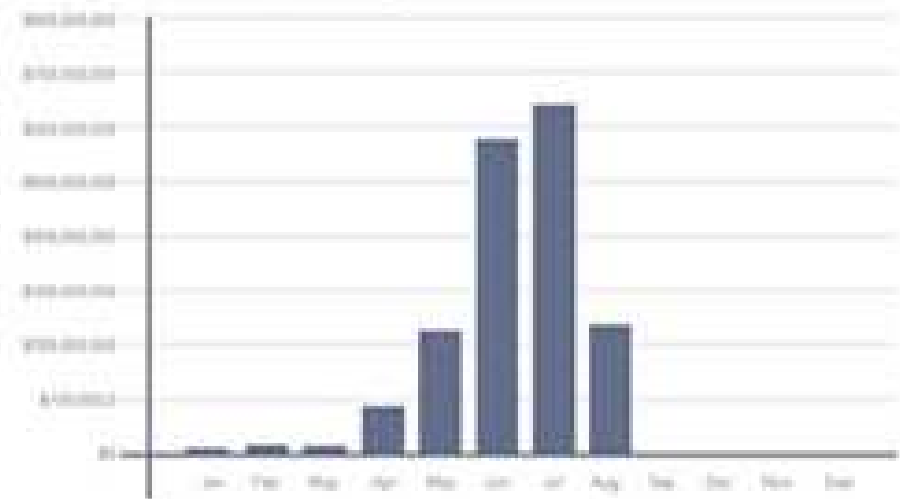
Total Raised: **Approximately 3 Billion**

Total Number of ICOs: 139

Top Ten ICOs of 2017

Position	Project	Total Raised *
1	FileCoin	\$257,000,000
2	Tenor	\$232,319,985
3	EOS Stage 1	\$185,000,000
4	Bancor	\$153,000,000
5	Status	\$90,000,000
6	TeaX	\$64,000,000
7	MobileGO	\$53,069,235
8	Sonm	\$42,000,000
9	Antimity	\$36,960,594
10	Monetha	\$36,600,000
11	Basic Attention Token	\$35,000,000

Cryptocurrency ICO Status 2017



* In some cases total raised includes ICO and pre-sale value.

Source: coinschedule.com, September 2017

ICOs in 2017

ICOs by Category 2017

Out of these categories, Commerce & Advertising represents a notable share of the market and has demonstrated potential for growth.

- In 2017, Commerce & Advertising ICOs produced over \$46 million.
- A single ICO, the Basic Attention Token (BAT), was responsible for \$35 million of the total Commerce & Advertising value.
- The Commerce & Advertising sector is currently underdeveloped and therefore ready for significantly more ICO activity.



Source: coinschedule.com, September 2017

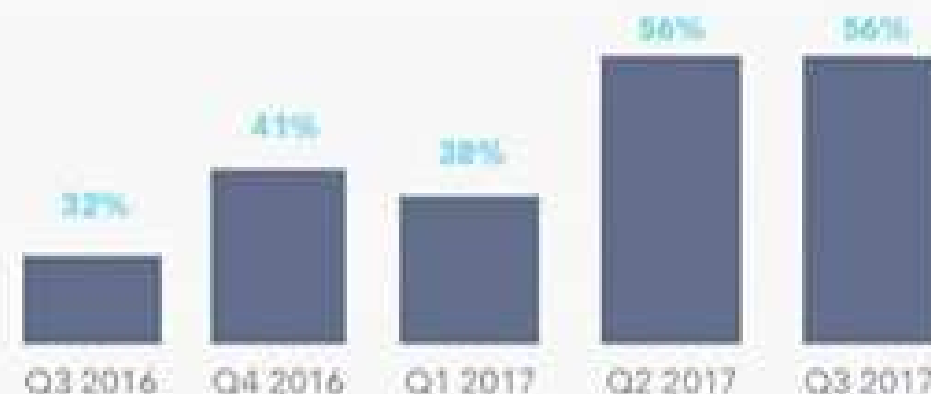
Financial Highlights

- \$5.6M gross revenue for Q3 2017, compared to \$6.0M in Q2 2017
- 56% Q3 2017 gross margins, compared to 56% in Q2 2017 and 32% in Q3 2016
- \$560k operating loss, improving from \$1.3M Q3 2016, reflecting the strategic cost management measures
- \$4.1M net loss including \$2.9M in non-cash expenses related to the accretion of warrants, compared to \$2.4M in Q3 2016
- \$93k Adjusted EBITDA loss¹, improving from \$732k in Q3 2016

Guidance²

- 2017 gross margin expected to exceed 50%, compared to 35% in 2016
- Positive Adjusted EBITDA¹ expected for the second half of 2017 and to be breakeven or better for the full year 2017, up from an Adjusted EBITDA loss¹ of \$1.1 million in 2016

SRAX Gross Margin



¹Please see the 10-Q or quarterly results press release for a GAAP to non-GAAP reconciliation. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization, and certain additional one-time expenses.

²Guidance provided in the November 14, 2017 press release.

Pursuing Strategic Alternatives

SRAXmd

patients in real-time, integrated into the content they are already consuming on their devices, across thousands of sites and apps. We offer more scale and efficiency targeting HCPs and patients outside of medical content - with 3x higher engagement rates vs medical content.

SRAX is evaluating alternatives to maximize shareholder value, including but not limited to, a spin off, acquisition or a variety of other transactions.



Investment Rationale

The digital marketing and data management platform creates opportunities to generate short- and long-term shareholder value

- Using software-as-a-service (SaaS) to capture rapidly growing, fragmented RTB and Social Media market
- Generating recurring revenue streams from product suite utilizing core technologies
- Expanding presence with mid-size agencies servicing various verticals – each of which could evolve into a standalone business – healthcare, automotive, sports, consumer goods & appliances, entertainment, finance, food, telecom, travel, and charity
- Driving adoption of proprietary software that turns data from multiple sources into quantifiable results optimizing campaigns and converts online ad to offline engagements and sales uplift
- Improving gross margin and Adjusted EBITDA performance by focusing on high-margin revenue

Developing cutting edge blockchain identification graph technology named BIG Platform, which is anticipated to be a consumer-first data management and distribution system.

APPENDIX

Management with Proven Track Record



CHRIS MIGUNO
CEO and Co-Founder

Chris has spent the past 20 years working in the digital advertising space and has successfully launched and sold 3 internet companies. Both of these companies were sold to publicly-traded companies on the NASDAQ. He has a detailed understanding of how technology interacts with brands.



KRISTOFFER NELSON
COO

Kris oversees sales operations, marketing, network management and growth, strategic partnerships, and organization development. He brings more than 10 years of executive experience and a diverse background in business development, sales management, and organization development to Social Reality.



ERIN DERUGGIERO
CDO and Co-Founder

Erin DeRuggiero heads up new product development and ideation for Social Reality, developing custom products and social engagement for Fortune 500 and 1000 consumer brands.



VLADI DELSOQUO
CCO

I follow an intrinsic desire to express myself through the manipulation of form and thought, ideas and emotions. I studied Media Design and worked in several cool media companies, then started working at Social Reality. Teaching Interactive Design at the Art Center of Pasadena allows me to enter one of the pinnacles of American design.



DUSTIN SUCHTER
CTO

Hundreds of millions of users served and dollars earned, billions of impressions served over 10+ years with scalable infrastructures and online advertising: Microsoft & Yahoo! during B.S. Mathematics of Computation, UCLA.



J.P. Hamman
CFO

J.P. is responsible for all accounting, finance, and investor relations activities for Social Reality. He has spent 20+ years as a CFO in private and publicly-held media companies.

Capitalization Table

As of 11/28/17	Shares
Total Current Shares Outstanding	9,308,763
Warrants¹	3,783,503
Options²	364,300
Stock Awards	188,618
Fully Diluted Shares (as reported)	13,645,184
Potential Shares (\$7,895,158 debentures @\$3.00)	2,631,719
Total Potential and Fully Diluted Shares	16,276,903

Price & volume quotes from Nasdaq and other reliable sources

¹ Warrant exercises range from \$2.24 to \$7.50 with a weighted average strike of \$4.60.

² Employee options range from \$5.00 to \$6.65 with a weighted average strike of \$6.86.

Nasdaq: SRAX

Market Snapshot

Stock Symbol SRAX (NASDAQ)

Price Dec 29, 2017

\$5.65

52 Week Range

\$1.11 - \$7.95

Avg. Daily Volume (90 days)

1.86M

Shares Outstanding (per 11/14/17 10-Q)

8.7M

Market Cap as of Dec 29

\$52.7M

Float (per Yahoo!Finance)

5.3M

Price & volume quotes from Nasdaq and other reliable sources.

Nasdaq: SRAX

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