



Media Release

SOCIAL Chain AG acquires 100 percent of DS Group: Revenue forecast raised to EUR 620 million in 2021

- **DS Group is an internationally operating brand and trading house with annual revenues of more than EUR 270m (forecast 2021)**
- **Social Chain AG's revenue forecast raised to around EUR 620m in 2021 (proforma consolidated)**
- **Synergy potential on EBITDA basis: in total EUR 40 to 50m in the first three years after acquisition**
- **Revenue target of one billion Euros for the 2023 financial year**
- **Ralf Dümmel appointed to Social Chain AG's Management Board**
- **Listing of Social Chain AG on the Frankfurt Stock Exchange's Prime Standard planned before the end of 2021**
- **Wanja S. Oberhof: "Social Chain and DS Group complement each other perfectly: DS Group's extensive brand and product portfolio is perfectly suited for direct marketing to end consumers via Social Commerce."**

Berlin/Hamburg, 19 October 2021. Social Chain AG (WKN: A1YC99, ISIN DE000A1YC996) is about to complete the most important acquisition since its foundation. The Social Commerce company is acquiring 100 percent of DS Group, which is based near Hamburg. DS Group is an internationally operating brand and trading company with currently more than 4,000 products. The company is successful in developing, marketing and selling its own products and brands. The company has more than 700 trademarks, registered designs, patents and utility patents. One of the best-known brands is LANDMANN, the oldest German barbecue manufacturer. DS Group is one of the largest suppliers of products to food retailers, discounters, drugstores, teleshopping, DIY shops, self-service stores, furniture shops, cash & carry, specialist retailers, department stores as well as online and mail-order businesses in Europe. With a total of 550 employees, the company is expecting revenues of more than EUR 270m in 2021.

The contracts for the acquisition of DS Holding GmbH were signed today. Social Chain AG will pay a total purchase price of EUR 220.5m, which is made up of a cash component and a share component. The cash component is EUR 100m. The share component comprises 2.855 million new Social Chain AG shares from authorized capital. Based on the closing price of the Social Chain share of EUR 42.20 on 18 October 2021, the market value of the share component amounts to EUR 120.5m. As a result of this capital increase through contributions in kind, the number of Social Chain AG shares issued will increase from 11.453 million to 14.308 million.



The shares of Social Chain AG are to be listed on the Prime Standard of the Frankfurt Stock Exchange before the end of the year. In view of the new sales volume and significant growth expectations, this uplisting makes all the more sense now, says Social Chain CEO Wanja S. Oberhof. Only a few weeks ago, at the Annual General Meeting, the company paved the way for admission to the Prime Standard (media release dated 30 July 2021).

With the acquisition of DS Group, Social Chain AG expects total revenues of EUR 620m for the 2021 financial year (proforma consolidated). At the end of the first half of 2021, the proforma consolidated EBITDA was already around EUR 13m. A similar performance is expected for the rest of the year. The EBITDA-effective synergy effects of the transaction are estimated at a total EUR 40 to 50m in the first three years after acquisition. The number of Social Chain AG's employees will increase to more than 1,400. Social Chain AG expects considerable growth on the basis of the integration of DS Group: revenue of more than one billion Euros is expected by the 2023 financial year.

„Social Chain AG is building a leading Social Commerce platform on an international scale.“

Wanja S. Oberhof: "With the acquisition of DS Group, we are building a Social Commerce platform on an international scale. We will grow considerably in Europe and in the US. DS Group's extensive brand and product portfolio is perfectly suited for direct marketing to end consumers via Social Commerce. At the same time, the diverse distribution channels of DS Group strengthen the marketing opportunities of the existing Social Chain proprietary brands. We thus have a comprehensive and modern multi-channel distribution system with a clear social-first strategy going forward. This makes Social Chain AG an attractive partner for innovative products also for retailers. The brands of the future will be shaped more and more by social communities and must be made available through as many marketing channels as possible. A win-win situation for all involved."

DS Group currently offers around 4,000 products in a diverse range of product categories. With 122 deals completed by Ralf Dümmel, Managing Partner at DS Group, in the VOX startup TV show "Die Höhle der Löwen" (German version of the UK's "Dragon's Den" and "Shark Tank" in the US), DS Group has, together with the founders, brought over 300 products into shops. From its own logistics location in the state of Mecklenburg-Western Pomerania with over 30,000 square meters of storage space, the company sends several million packages each year to end customers (B2C) and supplies more than 40,000 shops across Europe (B2B).

"We will demonstrate how a perfect collaboration between Commerce and Social Commerce can succeed."

Ralf Dümmel, Managing Partner of DS Group: "For DS Group, the deal is a step into the future. We are excited that we are adding new strengths to our distinctive retail expertise. With Social Chain AG's social media and e-commerce expertise, we are consistently expanding our successful business and, as part of Social Chain AG, we will have immediate access to their knowledge and operational implementation. Together we will show how a perfect collaboration between retail and Social Commerce can be achieved. We look forward to contributing our many years of know-how in sales, sourcing, product development, marketing and logistics to the new overall group."

In future, this will also be reflected in Social Chain AG'S management setup: Ralf Dümmel will be appointed to the company's Management Board. As Chief Product Officer (CPO), he will be responsible



The Social Chain AG®

for the areas of product, sourcing, retail marketing, logistics and sales. Social Chain AG's Management Board will have three members in future. In addition to Dümmel (CPO), Wanja S. Oberhof (CEO) and Christian Senitz (CFO) will be leading Social Chain AG.

"We are paving the way to help shape the new world of brands and commerce."

Dr. Georg Kofler, Chairman of the Supervisory Board and largest single shareholder of Social Chain AG: "For several years now, I have had the pleasure of negotiating and closing deals with startup companies with Ralf Dümmel as an investor in the VOX TV show "Die Höhle der Löwen" in front of an audience of millions. I am more than happy that with Ralf Dümmel we have gained an extraordinarily experienced and inspiring entrepreneur as a member of our Management Board. Strategically, the vision of Social Chain AG as an innovative Social Commerce platform will become even clearer, Kofler said. "We are entering the race to help shape the new world of brands and commerce. With products that people really want and that make their lives better. Consumption has always been a social experience. Through social media, we can develop brands and products in a more focused way, promote and distribute them more efficiently. The significantly increased product range opens doors to new web shop concepts with full shopping baskets. The additional development and sourcing expertise allows us an even faster time-to-market for our products. And the innovative multi-channel concept creates ideal distribution channels, for the bulk top seller as well as for the attractive niche product. Social Chain AG thus has the potential to become one of the leading Social Commerce platforms on an international scale."

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The Social Chain AG: Social Commerce on a global scale

Social Chain AG is reshaping the world of brands and commerce. Our strategy and our actions are "Digital first – direct to customer": from branding to marketing to direct sales of our products in the categories Food, Home & Living, Beauty, and Fitness. Our online shops are the most efficient points of sale for our Direct-to-Consumer brands. More than 70 percent of Direct-to-Consumer sales are performed by our owned and operated online shops. Our communities, with over 86 million followers worldwide, inspire our customers and amplify our brand messages. We manage the expansion of our Social Commerce system of communities, brands, digital points of sale and logistics via our integrated proprietary technology platform: LINKS which analyses interests, purchase intentions and product satisfaction along the entire digital customer journey.

Social Chain AG's headquarters are in Berlin, with additional locations in Munich, London, Manchester, New York, San Diego and Los Angeles. The company employs a total of around 850 people. The Social Chain AG shares are traded on XETRA and several German stock exchanges.



www.socialchain.com

About DS Gruppe

DS Group, based just outside Hamburg, can now look back on more than 48 successful years. As an internationally operating brand and trading company, it now employs 550 people and has revenues of over EUR 270m (forecast). DS Group specializes in the production, import and distribution of innovative products in the consumer goods sector. As one of Europe's largest developers and suppliers of non-food articles, the group supplies over 4,000 products to food retailers, discounters, drugstores, teleshopping, DIY shops, self-service stores, furniture shops, cash & carry, specialist retailers, department stores, mail order companies, home shopping and online marketplaces. Thanks to the company's headquarters near Hamburg, as well as three other German locations in the states of Mecklenburg-Western Pomerania, Schleswig-Holstein and Hesse, as well as eight international locations in China, Hong Kong, Vietnam, Great Britain, Hungary and Poland, DS Group covers the entire value chain around the product world. DS Group is a dynamic and experienced partner in the identification, development and realization of innovative products, as well as the clever and high-turnover placement of diverse products in multichannel distribution.

The managing partner of DS Group, Ralf Dümmel – also known as a multi-deal investor in the VOX TV show "Die Höhle der Löwen" (German version of the UK's "Dragons' Den" and "Shark Tank" in the US) has helped around 122 startups place more than 300 products in the national and international retail market. With its own brands, such as the oldest German barbecue manufacturer LANDMANN and numerous other brands, DS Group is one of Europe's largest trade suppliers.

www.dspro.de

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