



Media Release

The Social Chain AG meets its targets for 2020 and plans 40 percent organic revenue growth to EUR 320 million for 2021¹

- **Preliminary pro-forma numbers for the financial year 2020:**
Revenue: EUR 230m (plus 28%) | EBITDA: EUR 8m (plus EUR 15m)
- **Forecast for 2021:**
Revenue: EUR 320m (plus 40%) | EBITDA: EUR 15m (plus EUR 7m)
- **Strategy 2021:**
Further internationalisation and strengthening of the US business
- **Clear focus, more efficiency:**
New structure along four Social Commerce verticals
- **Wanja S. Oberhof, CEO Social Chain AG: "In the first full financial year after the merger between Lumaland AG and The Social Chain Group, the new Social Chain AG is already profitable and has demonstrated strong topline growth."**

Berlin, 8 March 2021. A strong 2020 financial year is followed by an even better 2021. Social Chain AG (WKN: A1YC99) is accelerating its growth while remaining profitable. In 2020, the Social Commerce company increased its revenue by 28 percent to EUR 230 million (2019: EUR 179 million). EBITDA rose year-on-year from minus EUR 7 million to plus EUR 8 million. In its first full financial year, Social Chain AG has performed a strong, profitable growth. The Social Chain AG was only founded at the end of October 2019 through a merger between The Social Chain Group AG and Lumaland AG.

Dynamic growth continues in this financial year: For 2021, Social Chain AG forecasts EUR 320 million in revenue, an organic growth of 40 percent. EBITDA is projected to almost double to EUR 15 million. In 2021, the investment focus will be on further internationalisation. In particular the US business will be expanded significantly. For more efficiency and a clear focus on core categories, Social Chain will in future organise its Social Commerce business along four verticals: Food, Home & Living, Beauty, and Fitness. Social Chain AG plans to accelerate organic growth with further acquisitions in 2021. Through this, revenue forecast could significantly exceed EUR 320 million.

Wanja S. Oberhof, CEO Social Chain AG: "We are in advanced negotiations with direct-to-consumer brands that will further strengthen our Social Commerce verticals. The performance of Social Chain AG has been extremely encouraging. In the first full financial year after the merger between Lumaland AG and The Social Chain Group, the new Social Chain AG is already profitable and demonstrated strong topline growth. 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."

¹ All financial information is unaudited preliminary German GAAP financial information, pro-forma-consolidated for illustrative purposes.



The Social Chain AG®

Investment focus on internationalisation: Strategic acquisitions in the US, more exposure in Europe

In 2021, Social Chain AG will focus on growing further internationally. The US is playing a key role in the company's expansion plans. Only recently, the company took over the beauty brand Coral - including a large logistics centre of 27,000 square metres. The new location will also help to ensure that products from other Social Chain AG brands can be delivered throughout the US within a maximum of 48 hours. Overall, Social Chain AG expects total US revenue of USD 100 million in 2021, up from USD 53 million in 2020. Coral is the first acquisition of a direct-to-consumer brand in the US. So far, Social Chain AG has been primarily involved with its own Social Media Communities as well as creative and tech service providers for social media marketing there. Social Chain AG's social media communities currently reach around 41 million followers in the US, almost half of the company's total of 86 million followers. The American subsidiary of Social Chain Agency serves top clients such as TikTok, Zalando US and Amazon in New York and Los Angeles. A4D, based in San Diego, California, is a US-wide specialist in digital performance marketing that has been part of Social Chain AG since 2020. Oberhof: "We are in promising negotiations to acquire further consumer brands into our US business. Existing Social Chain brands such as Lumaland, Urbanara and KoRo will also expand marketing and sales in the US this year."

One example for successful international growth in Europe is the Social Chain owned brand KoRo (korodrogerie.de). The fast growing food tech company is now operating in ten European countries. The Home & Living brand Urbanara (urbanara.com) has also expanded its German core market, now running several web shops and delivering to 20 European countries.

Clear focus, more efficiency: New structure along Social Commerce verticals Food, Home & Living, Beauty, and Fitness

While Social Chain AG is expanding its international reach, it is focusing on the categories Food, Home & Living, Beauty, and Fitness in terms of products. Four corresponding Social Commerce verticals will form the organisational core in the future. Social Chain AG will consolidate brands, communities and specific expertise in each of the verticals. Oberhof: "Fully integrated Social Commerce verticals are defining our future structure. We bring consumers and their interests, manufacturers and their brands together, step by step. Our goal: We accompany a customer from the first like to the purchase along the entire customer journey, always highly interactive." Social Chain AG controls the Social Commerce system of communities, brands and digital points of sale via its proprietary technology platform: LINKS analyses interests, purchase intentions and product satisfaction along the entire digital customer journey. *(An overview of Social Chain AG's four Social Commerce verticals can be found below or under socialchain.com).*

Creative and tech basis for successful Social Commerce: The Digital Marketing Services of Social Chain AG

The success of Social Commerce verticals is based on an experienced digital marketing team of more than 250 experts. The Social Chain Agency with offices in Manchester, New York and Berlin serves top clients such as TikTok, Zalando US and Amazon. A4D, based in San Diego, is a specialist for digital performance marketing. From its Berlin office, the newly founded Social Commerce Alliance also provides external corporate clients with the extensive Social Commerce knowledge of Social Chain AG. In total, Social Chain AG expects revenue of between EUR 90 to 100 million in 2021 from Digital Marketing Services.



The Social Chain AG®

AT A GLANCE: THE FOUR SOCIAL COMMERCE VERTICALS OF SOCIAL CHAIN AG

Social Commerce vertical Food: Sustainable, healthy food and food services

Main brands:

Clasen Bio (100%), KoRo (57%), 3Bears (15%), VYTAL (12,4%), Planty-of-Meat (10%)

Projected revenue 2021: ca. EUR 100-110 million

Clasen Bio (clasen-bio.de) sells nuts, dried fruit, snacks, seeds, cereals, pulses, powders and special flours. Clasen Bio's brand focuses on direct sales to end customers with currently around 85 articles in eight product groups. Clasen Bio has also been Demeter-certified since December 2019.

KoRo operates its own online shops for food in ten European countries (korodrogerie.de). The company focuses on high-quality products in bulk packaging with resulting cost savings for end customers. KoRo uses social media almost exclusively for marketing and is one of the pioneers of social commerce in the food sector.

3Bears produces and distributes innovative oat-based porridge products made from all-natural ingredients and superfood (3bears.de). Over the past two years, 3Bears has established itself as a well-known and popular brand that can be found both online and on many supermarket shelves.

VYTAL is a digital multiple-use system for takeaway and delivery meals as well as convenience food (vytal.org). As a platform provider, the start-up VYTAL already has over 800 restaurant, canteen and supermarket partners throughout Germany.

Planty-of-Meat offers tasty, purely plant-based meat alternatives with sunflower seeds as a source of protein (planty-of-meat.de).

Social Commerce vertical Home & Living:

Affordable premium products with low return rates

Main brands:

URBANARA (100%), RAVENSBERGER Matratzen (100%), Lumaland (100%), Möbelfreude (100%)

Projected revenue 2021: ca. EUR 65-75 million

URBANARA is an innovative Direct-to-Consumer brand for natural materials and home accessories (urbanara.com)

RAVENSBERGER Matratzen offers individual mattresses and bed room accessories (ravensberger-matratzen.de).

Lumaland is an international e-commerce network for Home & Living accessories and German industry leader for beanbags (lumaland-sitzsack.de).

Möbelfreude (moebelfreude.de) focuses on contemporary furniture and box spring beds for modern living.

Social Commerce Vertical Beauty:

Beauty-Products with high social media awareness

Main brands:

GLOW (100%), viralProtect (100%), Coral (51%), MABYEN (51%), Puffin Beauty (49%)

Projected revenue 2021: ca. EUR 25-30 million

GLOW is Europe's largest Beauty Convention with a broad Social Media Community, 250 active beauty influencer and owned GLOW brands (glowcon.de).



viralProtect offers health and hygiene products (viralprotect.de).

Coral offers oral hygiene products and nutritional supplements with natural ingredients based on EcoSafe certified coral concentrate (coraltoothpaste.com).

MABYEN sells care products for babies and mothers (mabyen.com).

Puffin Beauty offers innovative hair accessories for fast styling (puffinbeauty.com).

Social Commerce vertical Fitness:

Lifestyle products to strengthen body and soul

Main brands:

#DoYourSports (100%), World Fitness Experience (100%), SYNBIOTIC (20%)

Projected revenue 2021: ca. EUR 10-15 million

#DoYourSports offers Home Fitness & Yoga accessories (doyoursports.de).

World Fitness Experience (100%) is a leading Fitness Convention with additional owned brands (worldfitness.de).

SYNBIOTIC (20%) is a fast growing company in the cannabinoid sector (synbiotic.com).

Contact:

Jana Walker | Senior Corporate & Brand PR Manager | E: press@socialchain.com |

T: +49 30 208 48 40 10

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.

The 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 720 people. The Social Chain AG shares are traded on XETRA and several German stock exchanges.

www.socialchain.com



The content of this press release is for information purposes only and does not constitute investment advice or other recommendations pursuant to the German Securities Trading Act by The Social Chain AG or its affiliated companies. The information provided cannot replace investment advice. The information contained in this press release is not to be construed as an assurance of possible price developments and should not be construed as a request to enter into a transaction. The information contained herein does not constitute an offer to sell or the solicitation of an offer to sell securities or rights, or a solicitation to trade in securities or rights. Accordingly, The Social Chain AG and its affiliates make no representations or commitments as to the accuracy, completeness or correctness of the information or opinions contained herein. We assume no liability for direct or indirect damages caused by and/or in connection with the distribution and/or use of this document. The statements correspond to the status at the time of the preparation of this document. They may become obsolete due to future developments without the document being changed.