



## Media release

### First consolidated half-year report: The Social Chain AG shows double-digit growth and turns profitable

- **Preliminary figures for the first half of 2020:**  
Revenue: EUR 88.1 million (up 14%)  
EBITDA: EUR 3.9 million (up EUR 4.5m)
- **Forecast for the second half of 2020:**  
Revenue: EUR 111.8 million (up 60%)  
EBITDA: EUR 4.5 million (up EUR 8.8m)
- **Forecast for the full year 2020:**  
Revenue: EUR 199.9 million (up 36%)  
EBITDA: EUR 8.4 million (up EUR 13.2m)
- **New brands, new companies: Successful process of acquisition and integration strengthens internationalisation and enriches portfolio**
- **Further impulse for organic growth through targeted acquisitions: acquisition pipeline with annualised sales of EUR 100 million**
- **CEO Wanja S. Oberhof: “The dynamic innovative strength of Social Chain AG is now also reflected in its key financial figures: We are growing quickly and profitably at the same time.”**

**Berlin, 15 July 2020.** Social Chain AG (WKN: A1YC99) can already report a double-digit revenue growth and a profit in its first consolidated half-year report. From January to June 2020, the integrated social media company recorded a revenue of EUR 88.1 million (preliminary figures, pro forma consolidated), a growth of 14 percent compared to the first half of 2019 (EUR 77.6m). On the basis of the preliminary figures, EBITDA rose by EUR 4.5 million year-on-year from minus EUR 0.6 million to EUR 3.9 million. Social Chain AG was only formed at the end of October 2019 through a contribution of The Social Chain Group AG into Lumaland AG. Excluding pro forma consolidation, Lumaland AG, as the legal predecessor of the new Social Chain AG, reported a revenue of EUR 21 million in the first half of 2019 and an EBITDA of EUR 0.3 million. *(All pro forma consolidated figures include identically consolidated companies as of the balance sheet date to allow meaningful comparisons.)*

Social Chain AG expects an organic revenue growth of 60 percent to EUR 111.8 million in the second half of 2020 (HY2 2019: EUR 69.7m). The company anticipates an EBITDA of EUR 4.5 million



(HY2 2019: EUR -4.3m), an increase of EUR 8.8 million compared to the second half of 2019. For the full year 2020, Social Chain AG forecasts a revenue of EUR 199.9 million (FY 2019: EUR 147.3 million), an organic growth of 36 percent. EBITDA is expected to reach EUR 8.4 million – a substantial swing in earnings of EUR 13.2 million compared to the previous year (FY 2019: EUR -4.8m).

Wanja S. Oberhof, CEO of Social Chain AG: “The first half-year report of our still young Social Chain AG shows that our innovative strength is now also reflected in the key financial figures. We have succeeded in orchestrating an active growth strategy with commercial success. After a good first half of 2020 – despite the Covid-19 crisis – we will grow even faster in the second half of the year while maintaining profitability. In a relatively short time, we have created a leading integrated social media company, in the form of Social Chain, that is able to accelerate its organic growth through targeted acquisitions. Our business model, based on multiple revenue streams from the combination of social media and social commerce, is proving to be robust in economic crises as well.”

**Corona effects cushioned by broad positioning:  
Social Commerce segment overcompensates for decline in the Social Media sector**

Overall, the business of Social Chain AG has developed well even during the Covid crisis. On one hand, the effects of Covid-19 led to a decline of sales in digital marketing and social events. On the other hand, these losses were more than compensated by increasing sales in Social Commerce with Social Chain’s own direct-to-consumer brands. Oberhof: “Thanks to our broad base in social commerce, we are much less dependent on changing marketing budgets compared to typical social media agencies or pure social media publishers. The marketing of our own brands via our own web shops and social media channels has even gained momentum during the crisis. Social Chain's acquisition policy will therefore continue to focus on companies whose brands and services can be marketed with above-average success via social media. We are also interested in companies that broaden and expand our integrated social media know-how.”

**New brands, new companies: Successful process of acquisition, cooperation and integration strengthens internationalisation and enriches portfolio**

Social Chain AG underpinned its positioning as an internationally operating company by two strategic decisions in the first half of 2020. At the end of May, the company announced the acquisition of Californian A4D Inc., the largest single investment in the company's history to date. The specialist for digital performance marketing expands the expertise of Social Chain AG and is expected to further accelerate its growth in the US. By 2022, Social Chain aims to increase the share of sales generated by its US business to over 50 percent.

A planned joint venture with Jassen GmbH is paving the way into the Asian market, giving Social Chain AG instant access to a network of over 200 million followers in Asia. There, the beauty brand OJESH is sold by Shenzhen Yasen Jinyuan Technology Co. via an innovative, social media based sales strategy: OJESH markets its products via the communication platform WeChat in a social reseller



The Social Chain AG®

system. 40,000 network partners on WeChat with a social media reach via Sina Weibo of 200 million followers sell OJESH directly.

Social Chain AG has expanded its brand portfolio in the Social Commerce segment by investing in new Companies and brands. Among them are KoRo and Urbanara. KoRo focuses on Super Food online, marketed entirely via social media. Sales are expected to triple to over EUR 15 million in 2020. Urbanara sells home accessories made of natural materials. Social Chain took over the company in December 2019. Urbanara already achieved a positive EBITDA in the first quarter of 2020 and expects an EBITDA of more than EUR 1 million for the full year 2020 with sales of over EUR 10 million.

**Acquisition pipeline with annualised sales of EUR 100 million:  
Basis for additional growth in 2021**

Oberhof: “Social Chain AG has now also established itself internationally as an attractive address for brands and social media partners. Product innovators see us as an expert for operational economies of scale in marketing via social media. Social media entrepreneurs appreciate the close connection to our new business model in the digital age: the integrated social media company. Consequently, our acquisition pipeline is well-filled. The total annualised revenues of the companies we are currently negotiating with, exceed EUR 100 million. We now have the critical mass of structures, management and capital to integrate companies efficiently. The current opportunities for acquisitions on attractive terms are a promising starting point for further growth in 2021.”

*Additional Information*

*A detailed presentation of the figures for the first half of 2020 and the forecast for fiscal 2020 can be found at [www.socialchain.de](http://www.socialchain.de) in the [Investor Relations](#) section.*

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**About The Social Chain AG ([www.socialchain.de](http://www.socialchain.de))**

The first integrated social media company The Social Chain AG combines social media and social commerce. Social Chain is a pioneer in the creation, development and scaling of social media brands. The company's headquarters are in Berlin with offices in Manchester, London, New York and Munich. The company has a total of around 500 employees. The Social Chain AG shares are traded on XETRA and several German stock exchanges.

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