



The Social Chain AG[®]

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Media Release

Social Chain AG successfully completes capital increase: Kick-off for operational integration of DS Group

- **Placement of 1,145,324 new shares: gross issuance proceeds of EUR 53 million**
- **Capital increase will be used for partial financing of the acquisition of DS Group**
- **Oberhof: "Successful capital market year 2021 is the base for Social Chain AG's strong operational financial year 2022."**

Berlin, 24 November 2021. The Social Chain AG (ISIN:DE000A1YC996) has successfully completed a capital increase only a few days after its listing in the Prime Standard of the Frankfurt Stock Exchange. 1,145,324 new shares were placed with selected institutional investors at a price of EUR 46.40 per share. This corresponds to gross issuance proceeds of EUR 53.1 million. Social Chain AG will use the proceeds to partially finance the acquisition of DS Group. On 19 October 2021, Social Chain AG announced the acquisition of DS Group. With the capital increase, all requirements for the economic integration of the internationally operating retail and brand house are in place.

Wanja S. Oberhof, CEO of Social Chain AG: "The capital increase is the kick-off for the operative cooperation with DS Group. In the coming weeks, we will demonstrate jointly with the first projects how we are redefining Social Commerce. We focus on two goals: the intelligent combination of social media, e-commerce and retail trade as an additional point of sale. And the transformation of existing retail brands into direct-to-customer brands (D2C). With Social Commerce, products can be more quickly developed and brands more efficiently built. Our omni-channel distribution system allows us to efficiently and broadly place our offering in the market – from useful everyday products to love brands. The variety of complementary multichannel distribution channels makes us independent of changing consumer trends. Especially in times like these, this is a great advantage."

After integration of DS Group: 20 leading brands, 7,000 products and distribution in 28 countries

After the integration of DS Group, the portfolio of Social Chain AG will in future include 20 leading brands and a total of 7,000 products, which are already sold in 28 countries. The LANDMANN brand is to become a prime example of how a retail brand can also become a successful D2C brand. Oberhof: "LANDMANN is already an established and high-quality brand. Barbecuing and cooking is an extremely popular topic in social communities and among influencers. Social Chain AG's influencer networks in the "Food" and "Home & Living" sectors are also used for LANDMANN." There is great potential for successful cross-



promotions in Social Chain AG's product portfolio, from vegan burgers to accompanying salad toppings. LANDMANN is also high on the list of priorities when it comes to scaling products internationally. In the UK and the USA, Social Chain AG now has communities with a wide reach, such as Love Food, GameByte and Sporf, whose target groups have a particular affinity for the LANDMANN brand. The analysis of the company's own community data is intended to contribute to the development of new LANDMANN products. "At LANDMANN, Social Chain AG can fully utilize its expertise in terms of Social Commerce," says Oberhof. "LANDMANN is a perfect example of our equity story."

Positive conclusion for the capital market year 2021

After the capital increase, Oberhof draws a first positive conclusion for the entire year: "2021 was an extraordinarily successful year for Social Chain AG in terms of the capital market. Within one year, the share price of Social Chain AG has risen by 110 percent. We have switched our reporting to IFRS. Social Chain's shares have been listed in the Prime Standard of the Frankfurt Stock Exchange since 12 November 2021. And we are financing around 80 percent of the acquisition of DS Group, by far the largest and most important acquisition of Social Chain AG, through shares in Social Chain AG." In addition to a cash component of EUR 100 million, partly financed by the cash capital increase completed today, the purchase of DS Group will also be made possible by a non-cash capital increase.

As a result of the cash and non-cash capital increase, the number of Social Chain AG shares issued will rise to 15.492 million. Based on today's XETRA opening price (EUR 45.90), this would correspond to a market capitalisation of around EUR 711 million. A year ago, the market capitalization was still at EUR 238 million.

Operationally, 2021 has also been extremely successful so far. During the period from 1 January to 30 September 2021, Social Chain AG generated revenues of EUR 216 million. This corresponds to an increase of 137 percent compared to the same period of the previous year (1 January-30 September 2020: EUR 91 million). These figures do not yet include the acquisition of DS Group. Including revenues of the brand and trading company (proforma consolidated), total revenues of EUR 479 million for Social Chain AG in the first nine months of 2021 were realized. On this basis, the Group EBITDA is clearly positive and amounts to EUR 11 million. Following the acquisition of DS Group, Social Chain AG expects total revenue of EUR 620 million (proforma consolidated) in the 2021 financial year. For 2023, revenue of more than EUR one billion is targeted for the first time.

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About The Social Chain AG: Social Commerce on a global scale

Social Chain AG is reshaping the world of brands and commerce with Social 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 and Los Angeles. Social Chain AG shares (WKN: A1YC99) are being traded on XETRA and other German stock exchanges. Since 12 November 2021, the shares of Social Chain AG are also listed in the Prime Standard of the Frankfurt Stock Exchange.

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