



## Media Release

### **SOCIAL CHAIN US: Focus on Social Commerce and Direct-to-Consumer Brands**

- **Acquisition of 25 percent in mint marketing agency LLC and option for majority: Full-service agency for performance marketing with focus on Social Commerce**
- **Sale of stake in A4D as part of strategic shift**
- **Despite portfolio adjustment in the US: Confirmation of recently raised 2021 annual forecast of EUR 350m total revenue and EUR 15m EBITDA**
- **2021 roadmap of the US business:**
  - **Social Chain Agency US to more than double revenue in 2021**
  - **Urbanara.com: first webshop for German Social Chain brand in the US launched in May**
  - **US market entry for further Social Chain owned brands in the pipeline**
- **Wanja S. Oberhof: "The US is a key growth market for us, giving us valuable know-how for our Social Commerce business in Europe."**

**Berlin, Los Angeles, New York, 21 June 2021:** Social Chain AG (WKN: A1YC99, ISIN DE000A1YC996) is aligning its agency business in the US with its overall corporate strategy: a stronger focus on Social Commerce and direct-to-consumer brands. As part of this strategic shift, Social Chain is acquiring 25 percent of mint marketing agency LLC, based in Los Angeles. In addition, Social Chain AG secured a further 26 percent call option to gain a majority shareholding. mint specializes in digital performance marketing for new end-consumer brands (B2C) and customer relations marketing. As part of the new focus, Social Chain AG's Management Board has commenced to sell its stake in A4D which continues to focus on performance marketing only. A respective term sheet was signed today. Both transactions are subject to confidentiality agreements regarding the financial details.

Despite the recent M&A activities in the US, Social Chain AG confirms its recently increased forecast for 2021. Due to the positive business development in all segments, the management projects revenues of EUR 350m and, even excluding A4D, an EBITDA of EUR 15m.

The business of the company's own Social Chain Agency US is also doing well. After winning major contracts, the agency is set to double its revenue in 2021 compared to 2020. The first US web shop of a German Social Chain owned brand has been launched on schedule. [Urbanara.com](https://urbanara.com) has been online since May offering sustainable home & living accessories for the US market, shipping directly from the US. Other Social Chain owned brands are currently planning their US market entry. The logistics infrastructure being built as part of this internationalization is another milestone for the US market.



The Social Chain AG®

The US is one of the most important markets for E-commerce and Social Commerce. For 2022, the latest Adobe Digital Report forecasts E-commerce revenues in excess of USD 1tn for the first time. The proportion of Social Commerce within the total E-commerce market is growing rapidly. In 2020, for the first time, more than 80 million Americans purchased a product through Social Commerce, up 25 percent from the previous year (source: eMarketer). According to the eMarketer forecast, revenue from Social Commerce will grow by almost 35 percent to more than USD 36bn in 2021. The conditions for Social Chain to also grow rapidly via Social Commerce in the US are extremely favourable, with the company able to leverage its broad social reach. Social Chain AG's social media communities currently count more than 30 million followers in the US.

Wanja S. Oberhof, CEO of Social Chain AG: "Social Commerce is currently establishing itself in the US as a fast growing part within the overall E-commerce business. Social Chain AG is one of the few non-American companies playing a key role in this transition. The innovation drive towards Social Commerce, which has been gaining momentum in Asia, will soon reach Europe via the US. For Social Chain AG, its US commitment is therefore, in addition to its international revenue, of significant strategic importance. With our growing knowledge and broad data pool, we will sustainably strengthen our pioneering role for Social Commerce in Europe. That's why the acquisition and integration of know-how and key players is one of the most important acquisition targets, especially in the US."

#### **Acquisition of mint: Benefits of know-how also for Social Chain's owned brands**

With mint, Social Chain AG is investing in a 360-degree performance agency that has been focusing on Social Commerce marketing since its launch. The current 30-strong team serves clients in creation, social media marketing, but also in the for Social Commerce relevant areas of email and SMS marketing. mint specialises in bringing new consumer brands to Social Commerce.

Daniel Graham, CEO of mint: "I am very excited about Social Chain AG's investment in mint. We, along with other Social Chain social media units, will provide unique opportunities for brands to truly be at the forefront of the fast-growing Social Commerce space. In the US, Social Commerce is the fastest growing segment in the entire thriving E-commerce segment. The expertise we are building here will also be of great benefit to Social Chain's owned brands internationally."

#### **Social Chain Agency US wins global accounts with Zalando and Tik Tok**

After a series of successful contract wins, Social Chain Agency US expects to double its revenue in 2021. In recent weeks, the social media marketing experts have won global accounts including Tik Tok and Zalando, among others. In addition, Social Chain Agency US recently became the social lead agency for the American market of Australian fintech company AfterPay. Due to rapid growth, Social Chain Agency US recently moved into new offices in Williamsburg, New York.



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

[www.socialchain.com](http://www.socialchain.com)

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