

Function of Beauty Announces \$150 Million Strategic Investment from L Catterton to Accelerate Growth

NEW YORK and GREENWICH, Conn. – November XX, 2020 -- Function of Beauty (the “Company”), a leading creator of customizable hair, skin, and body care products, today announced that it has received a \$150 million strategic minority investment from L Catterton, the largest and most global consumer-focused private equity firm in the world. CircleUp and GGV also reinvested during this round. The investment will accelerate the Company’s product development, support its continued worldwide expansion, and build upon its already industry-leading customized manufacturing capabilities.

Function of Beauty was founded in 2015 by CEO Zahir Dossa, COO Joshua Maciejewski, and CSO Hien Kaplan, with the purpose of bringing the benefits of customization to a broad audience, not only a privileged few. They took a problem-solution approach, utilizing each co-founder’s unique skillset. Dossa and Kaplan developed the first proprietary quiz in the industry, defining which ingredients and formulations would meet each customer’s unique goals, and Maciejewski created the first-of-its-kind custom production system to fill each order. Function of Beauty is a true global leader, currently selling its products in 45 markets. Across its three locations, Function of Beauty employs more than 400 people.

In July 2020, Function of Beauty launched customizable body products (body lotion and body wash) and quickly followed in October 2020 with customizable skin care products (cleanser, serum, moisturizer). These new categories were adopted faster by Function of Beauty’s customer base than any other product innovation to date and are currently among the highest-rated products the Company offers.

Function of Beauty’s Co-Founders said: “In the last five years, the brand has seen phenomenal growth and this investment from L Catterton will further fuel our continued expansion. We are excited to partner with a proven investor in some of the world’s leading consumer brands to realize the many growth opportunities ahead. International expansion beyond our existing 45 markets will continue to be a key priority, along with the pursuit of new avenues for growth within the U.S. as we introduce more customers to the benefits of customization.”

“Function of Beauty has cracked the code of mass customization and is poised to redefine the beauty landscape,” said Avik Pramanik, a Partner of L Catterton’s Flagship Buyout Fund. “We are delighted to partner with Zahir, Joshua, Hien, and the Company’s passionate team to grow the brand. Together, we look forward to deploying an even more aggressive growth marketing strategy in domestic and international markets while fostering breakthrough product innovation in haircare, skincare, and more.”

L Catterton has significant experience investing globally in differentiated consumer brands including those in the beauty and skincare space. Current and past investments include The Honest Company, Elemis, Bliss, Il Makiage, Frederic Fekkai, Nutrafol, and Tula.

Goldman Sachs & Co. acted as financial advisor and Cooley LLP acted as legal advisor to Function of Beauty. Gibson, Dunn & Crutcher LLP acted as legal advisor to L Catterton. The transaction, which is subject to customary closing conditions, is expected to close in fourth quarter 2020.

About Function of Beauty:

Function of Beauty is the world leader in customizable beauty, with hair, skin, and body care products made for you (and only you). Founded by a dream team of world-class MIT engineers, cosmetic scientists, and developers, each product is individually formulated using the latest science and technology

to help ensure that your formulas are every bit as unique as you. There are literally trillions of possible formulations, and one new custom self-care ritual for you, only.

Function of Beauty was founded in 2015, and when they launched in 2016, they quickly realized that the only way to create customizable beauty products at scale was to find a fully operational production facility that fit their needs. The problem? That facility didn't exist. Tasked with a seemingly impossible challenge, they decided to do something a little different for a new start-up: they went ahead and built their own state-of-the-art factories from the ground up. The team created a truly first-of-its-kind facility in Pennsylvania, where all of the filling equipment was designed, built, and coded in-house. To this day, there is nothing comparable anywhere else in the world.

For more information, visit www.functionofbeauty.com

About L Catterton:

With approximately \$20 billion of equity capital across seven fund strategies in 17 offices globally, L Catterton is the largest and most global consumer-focused private equity firm in the world. L Catterton's team of nearly 200 investment and operating professionals partners with management teams around the world to implement strategic plans to foster growth, leveraging deep category insight, operational excellence, and a broad partnership network. Since 1989, the firm has made over 200 investments in leading consumer brands. For more information about L Catterton, please visit www.lcatterton.com.

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