

Next Generation Fund capital D Sells 75% Stake in Invincible Brands' Cosmetics Group to Henkel

- *capital D remains committed investor*
- *First exit for the next-gen fund*
- *Transaction showcases capital D's expertise in identifying disruptive opportunities*

London, 31 July 2020 – capital D, the next-generation private equity fund manager investing in disruptive mid-market businesses across Europe, today announced a partial exit from its investment in Invincible Brands.

Henkel, one of the world's leading FMCG companies, has acquired a 75% majority stake in a business of Invincible Brands, comprising the three attractive fast-growing premium D2C brands HelloBody, Banana Beauty and Mermaid+Me. capital D will continue to play an active role in the business alongside Henkel and the founders of the business, Bjoern Keune and Gennadi Tschernow.

The brands, HelloBody, Banana Beauty and Mermaid+Me, are mostly sold in Europe. The brands offer premium beauty care products and they also address the growing trend of sustainable and clean beauty. HelloBody is active in the skin, body and hair care categories, Mermaid+Me focuses on hair care products. Banana Beauty offers decorative cosmetics such as lipsticks and eyeliners.

In the last twelve months as of June 2020, the businesses generated total sales of around 100 million euros and employed around 180 people, including an experienced incubator team with a strong track record of launching new D2C brands.

The transaction allows capital D to realise some of its investment while continuing to support the long-term growth of Invincible Brands.

Stephan Lobmeyr, co-founder of capital D, said: "Two years ago we identified the disruptive nature and strength of the business model of Invincible Brands, a pioneer social media marketing and first-class brand incubator. We have supported Bjoern, Gennadi and the team to grow and conquer this nascent market and are pleased that Henkel's investment validates the strengths of the brands and the concept and that we will continue to be part of the business alongside Henkel."

capital D has helped the founders to bring the company to the next level, having built a wider senior team supporting the founders, helping to create brand value, diversifying the marketing channel and adding purpose and agility to the company.

Through this transaction, Henkel will significantly expand its D2C go-to-market footprint in Beauty Care and add strong digital capabilities in areas such as performance marketing, analytics and fast innovation.

Following the transaction, holding the remaining 25% of the business, capital D and the founders will be co-shareholders with Henkel. The founders of Invincible Brands will stay onboard to further expand the existing as well as establishing new businesses.

Carsten Knobel, CEO of Henkel, said: "As part of our strategic framework for purposeful growth we pursue value-adding acquisitions to strengthen our businesses. This agreement is a proof point of how we consistently implement our strategy. It is also in line with our objective to strengthen our competitive edge in the area of digitalization by expanding our direct-to-consumer activities."

Jens-Martin Schwaerzler, Executive Vice President and responsible for Henkel's Beauty Care business, commented: "With this acquisition we will strengthen our portfolio with fast-growing premium brands in attractive categories. Through 1:1 interactions with consumers we will gain valuable insights that will help us to create meaningful innovations for the entire retail business."

Bjoern Keune, co-founder of Invincible Brands, commented: "I would like to thank our entire team at Invincible Brands, together with capital D, for executing a phenomenal growth plan over the past two years. With Henkel there is now an exciting opportunity to continue building on that. The combination of our direct-to-consumer and social media marketing skills with Henkel's R&D, product knowledge and global footprint provides a winning formula. I am very much looking forward to working with the team at Henkel."

capital D's financial advisor on the transaction was Baylor Klein. The sell-side due diligence was conducted by BCG and Deloitte and capital D's lawyers were Goodwin Procter.

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About capital D

capital D is a next-generation private equity fund manager focussed on disruptive mid-market businesses across Europe. capital D invests at the intersection of macro, technological and behavioural trends, in businesses which will be the winners of the disruption economy. capital D adds purpose and agility to traditional investment lenses and believes companies with those characteristics are better equipped to succeed. capital D understands "what's next" through an ecosystem comprising experts in digital, innovation and sustainability which creates unique investment opportunities. www.capitalD.com

About Invincible Brands

Invincible Brands is a platform creating direct to consumer brands which pioneered innovative and data driven social commerce and performance marketing in Europe. It was founded in November 2015 in Berlin by Bjoern Keune and Gennadi Tschernow. Invincible Brands has a highly differentiated approach to marketing and a fast product innovation process leveraging deep consumer insights from millions of weekly client and influencer interactions as well as its 250 employees across all brands. For more information, please visit: www.invinciblebrands.com.

About Henkel

Henkel operates globally with a well-balanced and diversified portfolio. The company holds leading positions with its three business units in both industrial and consumer businesses thanks to strong brands, innovations and technologies. Henkel Adhesive Technologies is the global leader in the adhesives market – across all industry segments worldwide. In its Laundry & Home Care and Beauty Care businesses, Henkel holds leading positions in many markets and categories around the world. Founded in 1876, Henkel looks back on more than 140 years of success. In 2019, Henkel reported sales of more than 20 billion euros and adjusted operating profit of more than 3.2 billion euros. Henkel employs more than 52,000 people globally – a passionate and highly diverse team, united by a strong company culture, a common purpose to create sustainable value, and shared values. As a recognized leader in sustainability, Henkel holds top positions in many international indices and

rankings. Henkel's preferred shares are listed in the German stock index DAX. For more information, please visit www.henkel.com

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