



ECC Group acquires a majority stake in leading Egyptian beauty e-commerce platform, Source Beauty

The majority acquisition by the Egyptian Company for Cosmetics ('ECC' or 'ECC Group') will enable both companies to transform the beauty industry in Egypt.

Cairo, Egypt — September 17, 2022- Source Beauty, the first and leading Egyptian-based beauty platform, received an investment from ECC in return for a majority stake in the business. ECC is one of the leading beauty and personal care manufacturers in Egypt and provides a substantial opportunity to offer an enhanced service to Source Beauty's clients, including new product innovation, and manufacturing know-how among others. The group offers 360-degree services in manufacturing and distributing scientifically proven innovative cosmetic products in the country. Lorax Capital Partners recently acquired a significant minority stake in ECC and is supporting the company's expansion plans.

Launched in 2018, Source Beauty is a women-led one-stop-shop with over 85 local and international beauty brands and 60,000 users. This marketplace provides customers an affordable and available solution to beauty products in the country and exposes them to products sourced from the best raw materials by female start-ups. It also provides established and emerging brands with the most incredible interactive shop window.

Lydia Schoonderbeek, the founder and CEO of Source Beauty, will continue in her role as CEO, in addition to assuming the role of Chief Creative Officer of ECC. "The funds will reinforce an accelerated digital and physical marketing strategy to reach a broader customer base, enhancing customer retention and brand visibility as well as expanding the team." Lydia commented. "This strategic investment by ECC is a game changer for Source Beauty and we're all hugely excited about the future. Since Source Beauty's inception, I have been determined to change the beauty space in Egypt to truly address the needs of the Egyptian consumer".

The beauty industry in Egypt is growing exponentially reaching a market volume of US\$187.70m by 2025. Factors such as the increasing customs on international beauty products and high demand for variety has made customers less dependent on imported beauty products, giving way to local manufacturers. There is therefore a profound need to promote inclusivity, sustainability, availability and affordability for the average Egyptian beauty consumer. "We will continue to develop and work towards becoming Egypt's largest multi-brand online beauty retailer. We are confident that this partnership with ECC will get us there." Lydia added.

Dr Mohamed Salah, Co-Founder and CEO of ECC, commented, "We are excited about Source Beauty's role as part of the group and are equally excited about working with Lydia and her team to continue their journey in a market that is price sensitive and seeks sustainability." Dr Ahmed Abo El Hamail, Co-Founder and Vice-Chairman of ECC also added, "Source Beauty's brand and Company values make it a great fit for us. We are delighted to back Lydia, and believe that her continued role at Source Beauty as well as her new role at ECC complement the new chapter we are building for the group."

Al-Tamimi and HVK Stevens advised ECC as local and international counsel for this transaction. Van Campen Liem advised Source Beauty with this transaction.

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About SB

Source Beauty began its operations in 2018 and is one of Egypt's leading beauty e-commerce platforms focusing on local millennial price-friendly beauty products. The company offers carefully curated and selected products from all over Egypt with selected leading international brands, who source and manufacture many of their products locally. Source Beauty houses over 87 brands where it offers a curated beauty platform.

Source Beauty has built a growing business model based on fair trade principles, sustainability, cruelty-free, women empowerment and economic development.

For more info on Source Beauty, please visit our website at: www.sourcebeauty.com

About ECC

ECC Group is a specialized contract manufacturer for the cosmeceutical and personal care industries led by two industry veterans with over 20 years of experience. ECC's product portfolio includes creams, lotions, gels, wax, and soaps used for skincare, haircare, bath and body, and cosmetics. The company offers its customers a one-stop shop, providing them with product development, registration, design, packaging, raw material sourcing, manufacturing, and warehousing. The Group has been able to grow rapidly over the years, supported by longstanding relationships with leading cosmeceutical and personal care brands. ECC Group's brands include Infinity, one of the fastest growing cosmeceutical players in Egypt as well as Bobana which focus on commercial haircare and skincare products. In 2021, Lorax Capital Partners acquired a minority stake in ECC.

For more info on ECC Group, please visit our website at: <https://ecc-hub.com>

About Lorax Capital Partners

Incorporated in 2015, Lorax Capital Partners is an Egypt-focused private equity firm with more than USD 400 million under management. Lorax's team has extensive experience in sourcing, executing, and managing transactions in Egypt with a combined value of over US\$ 46 billion. Lorax believes that its deep knowledge of the Egyptian market, extensive track record, a strong network of reliable and trusted operational and financial contacts as well as a hands-on investment approach, position it well to identify and execute on attractive investment opportunities.

For more info on Lorax Capital Partners, please visit our website at: <http://www.loraxcapitalpartners.com>

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