Warning: Contains Some Claims not valid in the United States

- Some of the claims and other information presented in the following materials are informational in nature and may **not** be used in any promotion, marketing, or information relating to products intended for sale in the United States or communicated to U.S. consumers. Such prohibited claims are identified on the applicable slide.
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Agenda



INTRODUCTION

UNDERSTANDING THE MARKET

ABOUT OUR PRODUCT

DATA AND TEST RESULTS



Agenda



- 1 INTRODUCTION
- 2 UNDERSTANDING THE MARKET
- 3 ABOUT OUR PRODUCT
- 4 DATA AND TEST RESULTS



What is CBD?

- CBD stands for cannabidiol.
- Cannabidiol is the second most prevalent active ingredient in cannabis.
- Cannabis includes both industrial hemp from which ComfortBD is derived, and marijuana. The plants are related, but distinct.
- In December 2015, the FDA eased the regulatory requirements to allow researchers to conduct CBD trials.
- In 2018, the Farm Bill made hemp legal in the United States, making it virtually impossible to keep CBD illegal – that would be like making oranges legal, but keeping orange juice illegal.
- All 50 states have laws legalizing CBD with varying degrees of restriction.







All Hemp is Cannabis; Not all Cannabis is Hemp



INDUSTRIAL HEMP PRODUCTS

- CBD oil
- Hemp oil
- Cannabis oil (made from hemp)

No psychoactive effects – Contains 0.3% or less of tetrahydrocannabinol (THC)

- Hemp and industrial hemp refer to the strain of cannabis plant that is grown for agricultural products such as textiles, seeds, and oils.
- Grows in most climates bunched together with other plants, require little care.
- Grows up to 20 feet high with leaves bunched near the top of the stem.



MARIJUANA PRODUCTS

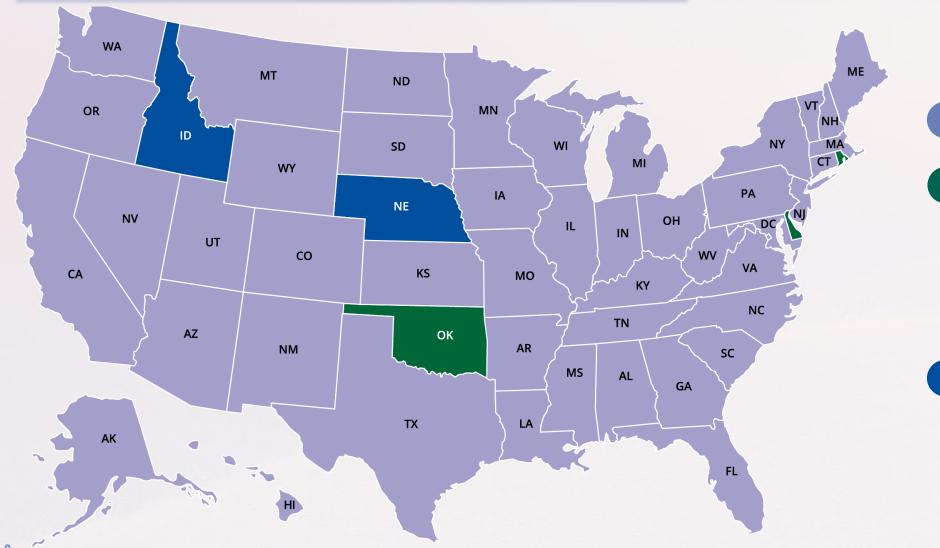
- THC oil
- Marijuana oil
- Cannabis oil (made from marijuana)

Psychoactive effects – Contains greater than 0.3% of tetrahydrocannabinol (THC)

- Marijuana is known for its flowering tops of the plant which are typically bared to have a high THC.
- Growth is carefully monitored, and controlled in an isolated warm humid area to maximize psychoactive uses.
- Cross-pollination can ruin THC content.
- Shorter plant resembles a bush with more leaves and buds surrounding the plant's body.



Legalized Cannabis & CBD in the US



- CBD is legal
- States expected to legalize cannabis for recreational use in 2022
 - Rhode Island
 - Oklahoma
- CBD is NOT legal or has serious restrictions



Agenda



Understanding the Market

- 1 INTRODUCTION
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- 3 PRODUCT FEATURES AND BENEFITS
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Hemp & CBD offer broad-based uses















Third-party product names and images are used for reference only and are not intended to suggest endorsement by, or an existing licensing relationship with, the trademark owner.



CBD Market Size

\$2,359.5 M (USD)

Estimated CBD skin care market size 2022

\$10,376.4 M (USD)

Projected CBD skin care market size by 2028

~28%

Value CAGR over next 6 years (2022-2028)

 $\sim 30 - 35\%$

CBD skin care market share held by top players in 2021



Market and regulatory situation

Positive regulatory trend in US will contribute to market growth and reduce regulatory risks for launch and potential future related products



North American topical CBD market expected to grow at a 24% CAGR

Source: Euromonitor

REGULATORY SUMMARY

United States:

- Expect federal action to reduce restrictions on marijuana and industrial hemp in next 2 years
- Expect regulatory environment in US to become more favorable, leading to sales growth in CBD

Key markets in rest of world:

- Mexico has recently passed a bill to legalize cannabis for recreational use
- Canada only allowing medical & scientific research on imports
- EU recently reduced limitations on CBD
- China expected to outlaw all cannabis/CBD





Sephora commits to CBD endcaps

CBD Skincare endcaps at 180 locations nationwide (US) will house 17 face, bath, and body care items priced from \$15 to \$125 from Sephora's three anchor CBD beauty brands: Lord Jones, Prima and Saint Jane.²

CBD AT SEPHORA

If it's here, it's the best-this is how we decide what makes the cut.

- Only full- or broad-spectrum CBD from US grown hemp
- Tested at least three times for quality and purity
- Publicly available certificate of analysis (COA) to verify the formula matches the label
- Meets our clean at Sephora standards
- P.S. CBD won't get you high! For more detail, check out the ingredients tab.



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Eco and botanical remain fastest-growing claims





Eco-Concious 30%

of adults¹ agree it is
worth paying more for
BPC products made with
natural/organic
ingredients

Base: 1,000 internet users ages 16+ in France

of 16 to 24-year-old women² who use facial care/cleansing products, <u>prioritize</u> <u>eco-friendliness</u>

Base: 956 female internet users ages 16+ in the UK who have used cleansing or caring products on their face in the last 12 months and who typically buy their own facial skincare products



of beauty users² are

very concerned with the

environmental impact of
the brands/products that
they use

Base: 1,942 internet users ages 18+ who purchased beauty or personal care products in the last 12 months in the US



of consumers² say they
try to act in a way that is
not harmful to the
environment

Base: 1,000 internet users ages 16+ in Brazil







IN THE US

50%

of consumers¹ say that proven product efficacy is most important to them when shopping for skincare

Base: 1,536 US internet users ages 18+ who use certain skincare products at home

IN MEXICO

35%

of shoppers² are willing to trade up if a product is developed by scientists/researchers

Base: 1,000 internet users ages 18+ in Mexico

Stress Relief

58%

of US adults² who currently use CBD take the compound to reduce stress;

Base: 418 internet users 18+ who currently use CBD in the US

Skin-Soothing 52%

of US adults² find the skin-soothing benefits of beauty products that contain hemp or CBD appealing

Base: 1,149 internet users in the US aged 18+ who have any interest in using beauty products with hemp or CBD

Efficacious ingredients are important and help products stand out

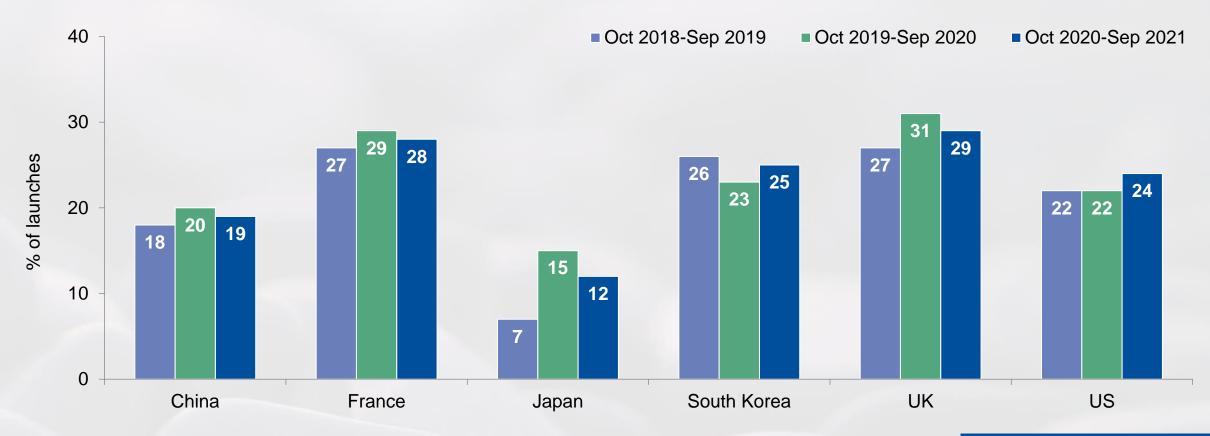
Relaxing CBD beauty trend evolves and continues to inspire NPD





Sensitive claims maintain a presence globally

SENSITIVE SKINCARE LAUNCHES BY COUNTRY, 2018-21



Acne concerns persist

IN BRAZIL



35%

of adults1 have experienced acne in the last 12 months, rising to 50% of 16-24s

Base: 1,500 internet users aged 16+ in Brazil

IN THE UK



36%

of acne sufferers² say wearing a face mask has been a top three trigger for their skin condition in the last 12 months

Base: 201 internet users in the UK aged 16+ who have experienced acne in the last 12 months

IN THAILAND



of adults² with skin issues have adopted an acne-fighting skincare regime in the last six months

Base: 1,870 internet users in Thailand aged 18+ who have experienced any skin issues in the past six months

NOTE: The above claims may not be used in any promotion, marketing, or information relating to products intended for sale or reasonably anticipated for use in the United States



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Product Features and Benefits

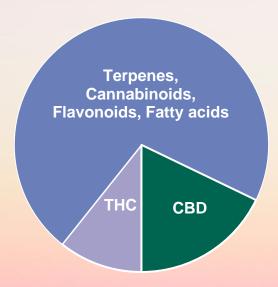
- 1 INTRODUCTION
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Types of CBD – What's the difference?

FULL-SPECTRUM

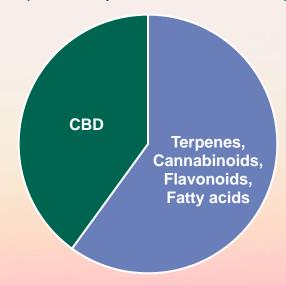
(Whole plant)



Contains mostly CBD with less of the other cannabinoids and other natural compounds found in cannabis such as terpenes and amino acids, including trace amounts of THC.

BROAD SPECTRUM

(Whole plant minus THC)



Similar to full-spectrum, but removes the trace amounts of THC. May lack the entourage effect.

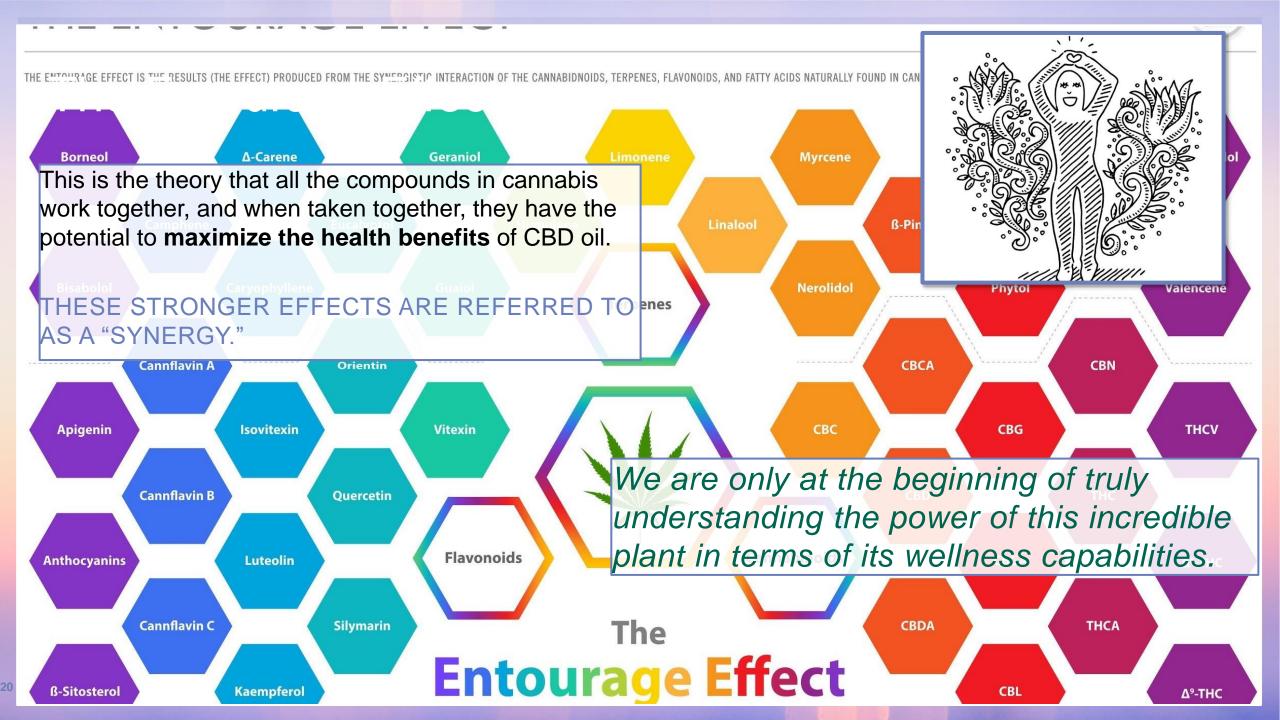
CBD ISOLATE

(Just CBD)



Contains a pure concentration of CBD only, so it's ideal for those who need high doses of CBD. Lacks the "entourage effect..





Introducing ComfortBD TM



ComfortBD is a high-quality, high-purity, full-spectrum CBD extract from US-grown Industrial hemp with ≥80% CBD and </=0.2% THC.

BASF is proud to bring this product to market with a full *in vitro* and *in vivo* data package, and a process in place that ensures a consistent, high-quality product with demonstrated results for our customers.

United States local sourcing

From Industrial hemp, Cannabis sativa L.

Grown using Organic Farming Practices & Solvent-free, subcritical CO₂ extraction

(organic certification underway)

Improvement in the appearance of mattification, skin barrier, redness and irritation in skin

Thanks to demonstrative in vivo results

Incorporated into a formula able to improve the appearance of oily, shiny skin, and/or red, irritated skin, ComfortBD offers comfortable, gorgeous skin.



Agenda



Data and Test Results

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ComfortBD™ - Proven in vitro efficacy

Calms irritation in the epidermis

follows by irritation induction on human

IL-1α, II-6 and II-8 measurements; significant vs. irritation alone

Prevents irritation of immune cells -25%

Results of preventive treatment with ComfortBD™ follows by irritation induction on human monocytes IL-1β measurement; significant vs. irritation alone

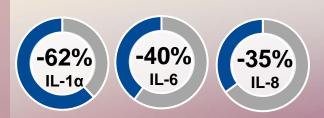
Reduces irritation of Sebocytes

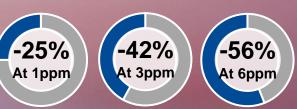
Results on human sebocytes treated with Propionic acid w/wo ComfortBD™ PGE-2 measurement ;significant vs. placebo

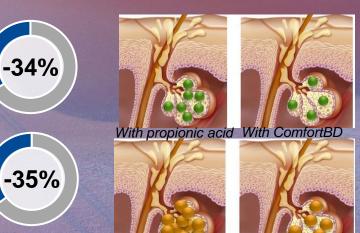
Reduces lipids synthesis on Sebocytes

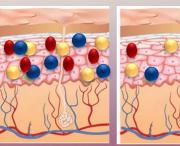
Results on human sebocytes treated with Linoleic acid w/wo ComfortBD™

Lipids measurement; significant vs. irritation alone

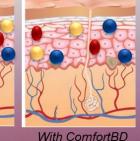








Irritated skin



irritated skin

and may contribute

to reduce oily skin

With ComfortBD Helps calming

Efficacy of ComfortBD™ on keratinocytes

Available in vitro studies:

In vitro results with multiple

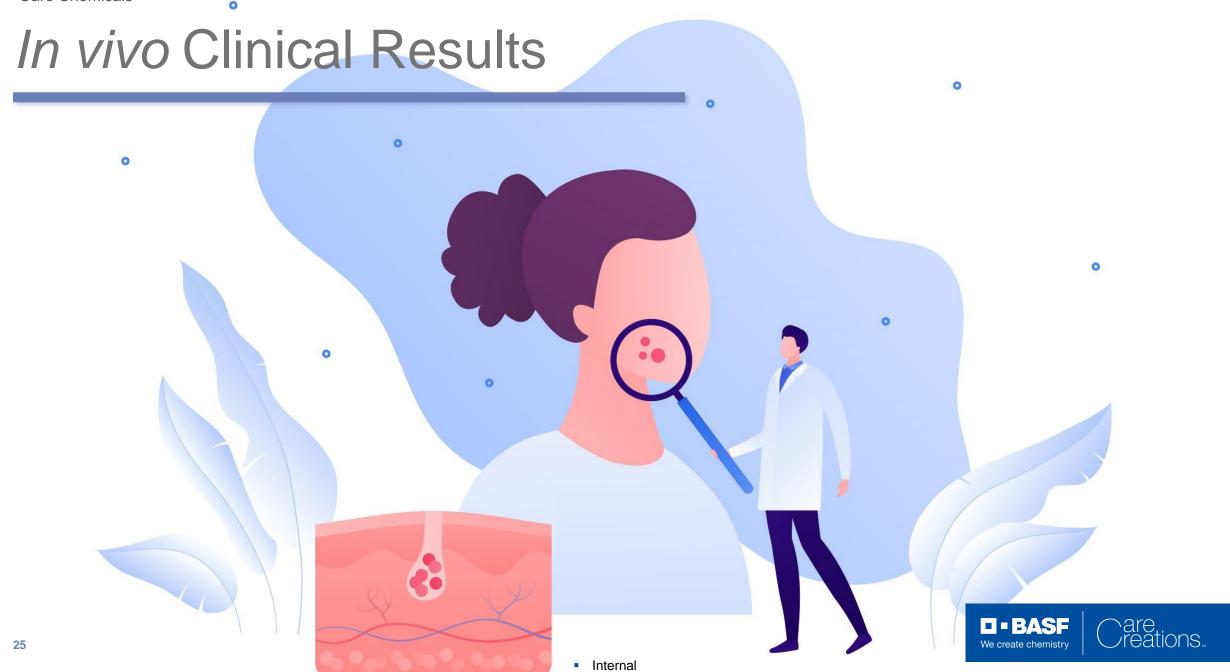
benefits on different skin cells types with significant efficacies

Description:

- Efficacy of ComfortBD™ on monocytes
- Efficacy of ComfortBD™ on sebocytes

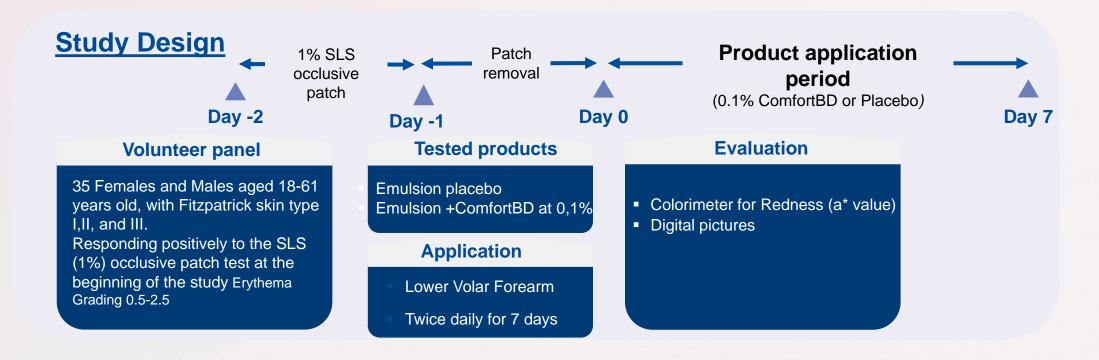






Study Design: In vivo data on soothing

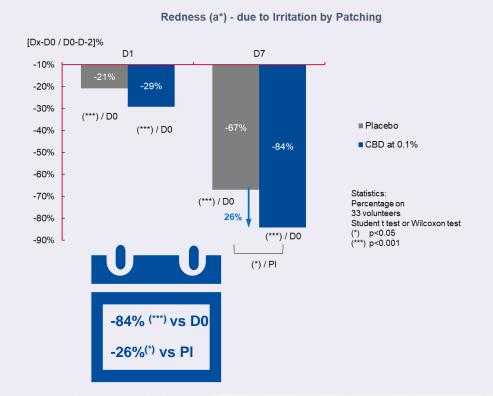
<u>Objective</u>: To evaluate the efficacy of 0.1% ComfortBD™ to sooth skin by reducing skin irritation after SLS patch application.



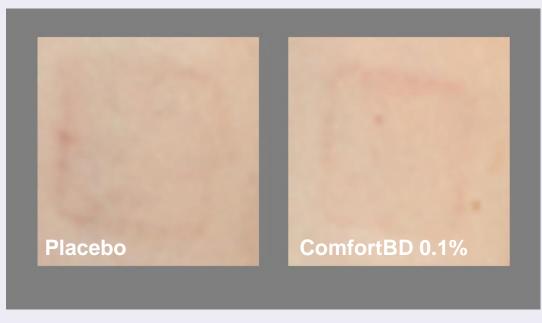


In vivo data on soothing

Results





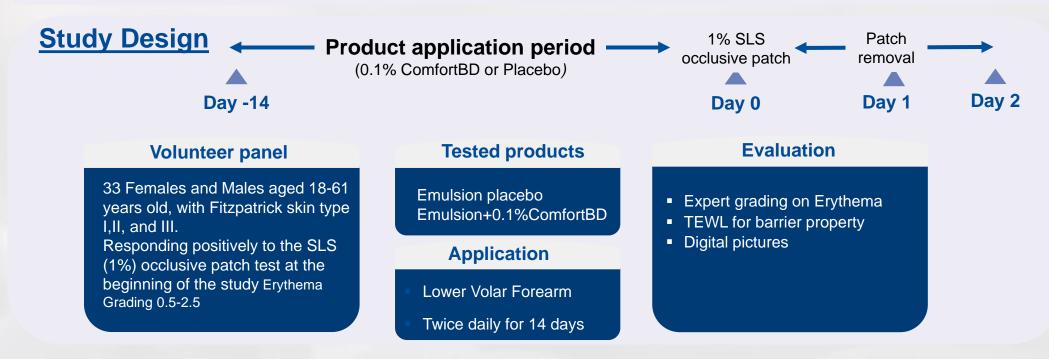


ComfortBD at 0.1% significantly soothes the skin by reducing the appearance of redness due to irritation



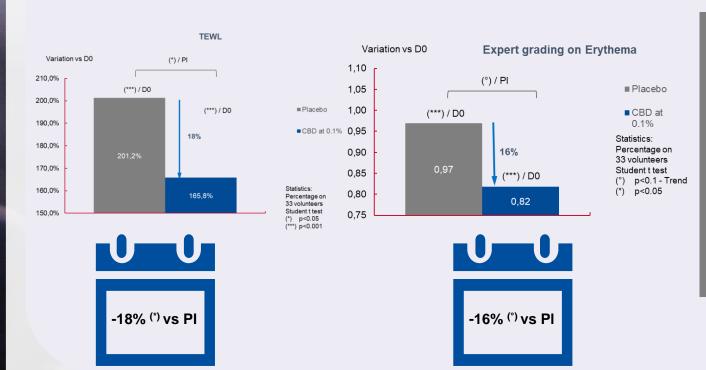
Study Design: In vivo data on prevention

Objective: To evaluate the efficacy of 0.1% ComfortBD to prevent skin from irritation and skin barrier damage after SLS patch application.



In vivo data on prevention

Results



D2



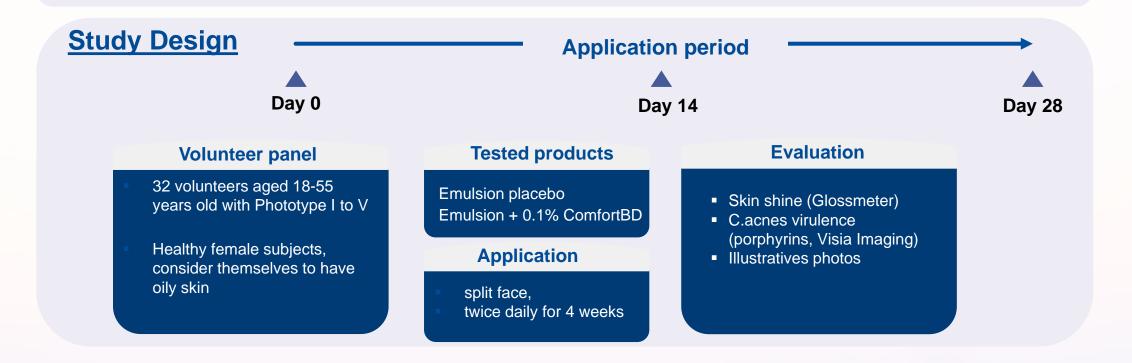
D-BASF

We create chemistry

Preventive application of ComfortBD at 0.1% significantly improves skin barrier and may contribute to irritation reduction

Study Design: In vivo data on skin shine

Objective: To evaluate the efficacy of 0.1% ComfortBD on skin shine and on *C.acnes* virulence





In vivo data on skin shine

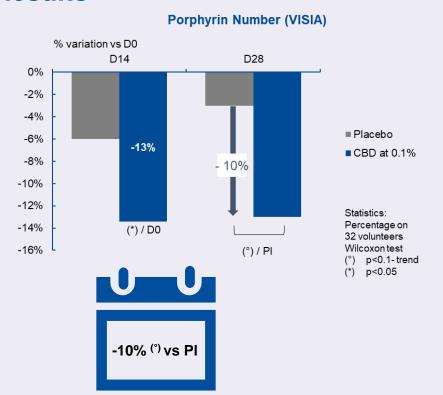


ComfortBD at 0.1% significantly reduces skin shine after 28 days by 8.5% vs. placebo

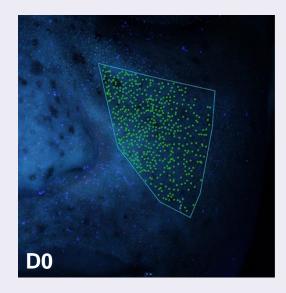


In vivo data on Porphyrins

Results



ComfortBD 0.1%





D-BASF

We create chemistry

ComfortBD at 0.1% may contribute to a reduction of the appearance of porphyrins on skin and could lead to a reduction in the appearance of skin irritation

ComfortBD™ – Wellness for the skin

Redness Appearance vs. placebo

Result of 7 days *post*-application with 0.1% ComfortBD™ twice daily, after SLS induced irritation, significant vs. placebo; colorimetry



-8% Skin

Skin shine vs. placebo

0.1% ComfortBD™ twice daily, 4 weeks, significant vs. placebo. Independent on ethnicity:



Erythema Appearance vs. placebo

7 days *pre-application* with 0.1% ComfortBD™ twice daily, result 2 days after SLS induced irritation shows a trend vs. placebo; expert grading



Support for Reduction of Porphyrins

0.1% ComfortBD™ twice daily, 4 weeks, porphyrin fluorescence evaluation

TEWL vs. placebo 7 days *pre-*application with 0.1% ComfortBD™

7 days **pre-**application with 0.1% ComfortBD™ twice daily, result 2 days after SLS induced irritation, significant vs. placebo





Monitored, solvent-free CO₂ extraction and THC remediation, yielding a highly concentrated distillate, containing ≥80% CBD with THCs </= 0.2%.

Description:

Viscous oil, obtained by solventfree CO_2 extraction of hemp, with content of CBD \geq 80% and THCs </=0.2%.

Dose of use:

0.1%

Available in vivo studies:

- Skin soothing pre-/postapplication
- Skin shine
- Support for reduction of Cutibacterium acnes virulence

Formulation notes:

- Recommended pH: 4-8
- Oil-soluble
- Stable up to 2 hrs at 80°C
- · Fresh and characteristic odor

INCI:

Cannabidiol

Calms, comforts & purifies stressed skin

NOTE: THE ABOVE CLAIMS MAY NOT BE USED IN ANY PROMOTION, MARKETING, OR INFORMATION RELATING TO PRODUCTS INTENDED FOR SALE OR REASONABLY ANTICIPATED FOR USE IN THE UNITED STATES.













ComfortBD Formulation & storage conditions

Formulation method

Oil soluble. Incorporate into oil phase of emulsion or anhydrous formulation
Can tolerate normal processing temperatures of 75-85 C° for short periods of time.
ComfortBD BC10174 should be warmed at 45-60°C minimum in water bath or warm room and mixed well prior to use
Recommended to add to formula just prior to emulsification or pour off temp for anhydrous formulations.
Recommended pH range for

emulsions is 4-8.

Storage conditions

Keep sealed at a temperature of 10-30°C
Protect from heat and light.
Shelf life: 18 months

Package for Easy Warming & Rehomogenization



Color impact

When used at the dose in use of 0.1%, there is no color impact to the formula.



Regulatory Data

BC10174	ComfortBD™
Description	High concentration full-spectrum CBD (>=80%) distillate of industrial hemp with
Aspect	Yellow to red viscous oil (may crystallize) with characteristic odor
Solubility	Soluble in oil
Preservative system	None
INCI	Cannabidiol
Natural origin content (ISO 16128)	100% (tbc)
Dose of Use	0.1 %
Regulatory data	PCPC IECSC IECIC 2015 JP cosmetics QD additive
	✓ x x x



ComfortBD Aspect

- This image shows samples of ComfortBD
- As is shown here and stated in the regulatory slide, these samples can have a wide range to their appearance
- Please note that this should not cause alarm as the visual differences are a matter of shipping conditions
- All ComfortBD is tested before being sent to our customers to ensure it meets our spec, so regardless of its appearance, please be reassured that it will meet our spec





ComfortBD



United States local sourcing From *Cannabis sativa L.*

Grown using Organic Farming Practices (organic certification underway)

Improvement in the appearance of mattification, redness and irritation, thanks to demonstrative *in vivo* results

Incorporated into a formula able to improve the appearance of oily, shiny skin, and/or red, irritated skin, ComfortBD comfortable, gorgeous skin



ComfortBD Concept Box: Supporting the Customer Experience

We have developed 5 formulas to show its flexibility in an array of formulations, see its low-to-no color

impact, and low-to-no odor impact in formula.

Weightless Comfort Facial Moisturizer: Calming moisture in a lightweight format for daytime comfort

Silky Body Oil: Lush, but light, this body oil offers silky, soothing comfort for dry skin after a shower

2-phase Blemish Control Treatment: The addition of salicylic acid makes this formula a winner for blemishand redness-prone skin

Bedtime Ritual Cooling Mist: Designed with optimal sleeping temperature in mind, this fragranced mist helps cool skin and transition its user into wind-down mode

Soothing Facial Balm: A rich, moisturizing CBD experience to help hydrate and calm skin



Care Chemicals

Weightless Comfort Facial Moisturizer

SC-US-21-31208-130

ComfortBD®

This formulation is an inspirational example only. Any reader is solely responsible for determining whether any rights to any intellectual property rights are needed for any formulation and for obtaining any necessary rights to practice any formulation.

Phase	Ingredients	INCI	% by weight	Function
Α	Water, demin.	Water	81.36	
	Euxyl PE 9010 (Ashland)	Phenoxyethanol, Ethylhexylglycerin	1.10	Preservative
	Glycerin	Glycerin	2.00	Humectant
	Eumulgin® SG	Sodium Stearoyl Glutamate	0.50	Emulsifier (O/W)
В	Cosmedia® SP	Sodium Polyacrylate	0.70	Rheology modifier
	Emulgade® Sucro Plus	Sucrose Polystearate (and) Cetyl Palmitate	3.00	Emulsifier (O/W)
	Myritol® 312	Caprylic/Capric Triglyceride	3.00	Emollient
	Cutina® PES	Pentaerythrityl Distearate	1.00	Skin feel modifier
	Cetiol® C 5C	Coco-Caprylate/Caprate	3.00	Emollient
	Cetiol® CC	Dicaprylyl Carbonate	3.00	Emollient
	Sensiva SC 10 (Ashland)	Caprylyl Glycol (and) Ethylhexylglycerin	0.50	Auxiliary
	ComfortBD™	Cannabidiol	0.10	Active ingredient
С	Citric Acid (10% solution)	Citric Acid	0.74	pH Adjustment

Specifications	
pH value (23°C)	5.5 - 6.5
Viscosity (Brookfield; RVT; spindle TB, Helipath; 10 rpm; 23°C)	5000 - 15,000 cP
Appearance	thin, white emulsion



Care Chemicals

Silky Body Oil

SC-US-21-31208-131

ComfortBD®

This formulation is an inspirational example only. Any reader is solely responsible for determining whether any rights to any intellectual property rights are needed for any formulation and for obtaining any necessary rights to practice any formulation.

Phase	Ingredients	INCI	% by weight	Function
А	Myritol® 312	Caprylic/Capric Triglyceride	47.40	Emollient
	Cetiol® Ultimate	Undecane (and) Tridecane	20.00	Emollient
	Myritol® 331	Cocoglycerides	20.00	Emollient
	LipofructyI™ MO LS 9305	Moringa Pterygosperma Seed Oil, Moringa Oleifera Seed Oil	10.00	Active ingredient
	Cegesoft® SH	Shorea Stenoptera Seed Butter	2.00	Emollient
	Vitamin E-Acetate Care	Tocopheryl Acetate	0.30	Antioxidant
	ComfortBD™	Cannabidiol	0.10	Active ingredient
	Fragrance	Fragrance	0.20	Fragrance

Specifications Appearance - Clear, -off-white liquid



2-Phase Blemish Control Treatment

SC-US-21-31208-141

ComfortBD®

This formulation is an inspirational example only. Any reader is solely responsible for determining whether any rights to any intellectual property rights are needed for any formulation and for obtaining any necessary rights to practice any formulation.

Phase	Ingredients	INCI	% by weight	Function
Α	Water, demin.	Water	31.76	
	Salicylic Acid	Salicylic Acid	1.00	Active ingredient
	SDA Alcohol 40B	Ethanol	20.00	
	Hamamelis Extract	Hamamelis Virginiana (Witch Hazel) Extract	10.00	Active ingredient
	Glycerin	Glycerin	2.00	Humectant
	Cibafast® H Liquid	Sodium Benzotriazolyl Butylphenol Sulfonate, Buteth-3, Tributyl Citrate	0.10	Light stabilizer
	FD&C Green No. 3 (1% solution)	Green 3	0.05	Colorant
	FD&C Yellow No. 5 (1% solution)	Yellow 5	0.05	Colorant
В	Eutanol® G	Octyldodecanol	33.84	Emollient
	Salicylic Acid	Salicylic Acid	1.00	Active ingredient
	ComfortBD™	Cannabidiol	0.10	Active ingredient
	Vitamin E-Acetate Care	Tocopheryl Acetate	0.10	Antioxidant

clear/green two phase water thin system



Care Chemicals

Bedtime Ritual Cooling Mist

SC-US-21-31208-143

ComfortBD®

This formulation is an inspirational example only. Any reader is solely responsible for determining whether any rights to any intellectual property rights are needed for any formulation and for obtaining any necessary rights to practice any formulation.

Phase	Ingredients	INCI	% by weight	Function
А	Water, demin.	Water	77.28	
	Euxyl K 712 (Ashland)	Aqua, Sodium Benzoate, Potassium Sorbate	1.50	Preservative
	Citric Acid (50% solution)	Citric Acid	0.15	pH Adjustment
В	SDA Alcohol 40B	Ethanol	20.00	
С	Cibafast® H Liquid	Sodium Benzotriazolyl Butylphenol Sulfonate, Buteth-3, Tributyl Citrate	0.10	Light stabilizer
	Eumulgin® HPS	Coceth-7, PPG-1-PEG-9 Lauryl Glycol Ether, PEG-40 Hydrogenated Castor Oil	0.50	Solubilizer
	Fragrance	Fragrance	0.20	Fragrance
	Vitamin E-Acetate Care	Tocopheryl Acetate	0.05	Antioxidant
	ComfortBD™	Cannabidiol	0.06	Active ingredient
D	FD&C Red No. 40 (1% solution)	Red 40	0.06	Colorant
	FD&C Blue No. 1 (0.1% solution)	Blue 1	0.10	Colorant

Specifications	
Appearance	water thin, purple liquid
-	



Soothing Facial Balm

SC-US-21-31208-146B

ComfortBD®

This formulation is an inspirational example only. Any reader is solely responsible for determining whether any rights to any intellectual property rights are needed for any formulation and for obtaining any necessary rights to practice any formulation.

Phase	Ingredients	INCI	% by weight	Function
А	Myritol® 331	Cocoglycerides	41.95	Emollient
	Myritol® 312	Caprylic/Capric Triglyceride	17.35	Emollient
	Cetiol® C 5	Coco-Caprylate	15.00	Emollient
	Cegesoft® PFO	Passiflora Incarnata Seed Oil	2.00	Emollient
	Lipofructyl™ Cyperus LS 9892	Cyperus Esculentus Root Oil	2.00	Emollient
	Sensiva SC 50 (Ashland)	Ethylhexylglycerin	1.00	Auxiliary
	Vitamin E-Acetate Care	Tocopheryl Acetate	0.20	Antioxidant
В	HDK H20 (Kobo Products)	Silica Dimethyl Silylate	4.50	Skin feel modifier
	MSS-500 (Kobo Products)	Silica	2.50	Skin feel modifier
С	Cegesoft® SH	Shorea Stenoptera Seed Butter	1.00	Consistency agent
	Cegesoft® HF 62	Hydrogenated Vegetable Oil	4.00	Consistency agent
	White Beeswax NF Pastilles (Strahl & Pitsch)	Beeswax	6.00	Structurant
	ComfortBD™	Cannabidiol	2.50	Active ingredient

S	pecifications	
А	ppearance	solid, off white paste



Care Chemicals

Questions?



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While the descriptions, designs, data and information contained herein are presented in good faith and believed to be accurate, it is provided gratis and for your guidance only. Because many factors may affect processing or application/use, we recommend that you make tests to determine the suitability of a product for your particular purpose prior to use. NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARE MADE REGARDING PRODUCTS DESCRIBED OR DESIGNS, OR THAT DATA OR INFORMATION MAY BE USED WITHOUT INFRINGING THE INTELLECTUAL PROPERTY RIGHTS OF OTHERS. IN NO CASE SHALL THE DESCRIPTIONS, INFORMATION, DATA OR DESIGNS PROVIDED BE CONSIDERED A PART OF OUR TERMS AND CONDITIONS OF SALE.

For more information visit us at www.personal-care.basf.com or www.carecreations.basf.com



