



DERMA E, LEADING NATURAL SKINCARE BRAND, TO JOIN TOPIX FAMILY OF BRANDS

Acquisition creates independent leader in skincare with differentiated portfolio of clinically-proven products and brands sold across high-growth channels

Amityville, NY and Simi Valley, CA – May 29, 2018 – Topix Pharmaceuticals, Inc., the leading provider of premium, micro-branded and branded skincare products, today announced the acquisition of DERMA E. California-based DERMA E is a rapidly growing trailblazer of eco-ethical skincare and is one of only four brands to garner the highest recognition for ‘naturalness’ from independent industry analysts. For nearly 35 years, DERMA E has been providing natural, vegan and cruelty-free products to address a wide range of skincare concerns, with distribution at leading natural and beauty retailers.

The partnership with Topix will provide DERMA E with additional resources to support its category-leading growth while expanding the Topix family of brands, and Topix’s commitment to advancing healthy, beautiful skin, into the increasingly important and high-growth naturals category. Following the acquisition, DERMA E will continue to operate in Simi Valley, CA and will continue its commitment to providing consumers with the leading portfolio of clinically-supported, natural skincare products.

Topix is backed by New Mountain Capital, a growth-oriented investment firm that currently manages more than \$20 billion in assets. New Mountain Capital invested in Topix in July 2016 to provide equity capital for Topix to execute a growth strategy, including both organic and acquisition-led growth.

“We are thrilled to welcome DERMA E into the Topix family,” said Andre Moura, Managing Director at New Mountain Capital and Chairman of the Topix Board of Directors. “Topix is a leader in the dermatologist market with differentiated innovation and FDA-certified manufacturing capabilities. We look forward to supporting DERMA E and its customers with these resources and believe the partnership will create multiple new avenues of long-term growth for both DERMA E and the broader Topix business.”

“David and I have been on a journey to create affordable and high-quality products from clean ingredients since 1984,” added Dr. Linda Miles, Co-Founder and President of DERMA E. “We have seen tremendous growth – from offering just a single product to offering over 80 products, spanning facial, body and hair care. We are proud of the success that we have achieved and we look forward to the next chapter of growth for DERMA E with Topix.”

“DERMA E is an important first step in expanding Topix into adjacent, high-growth categories with a highly complementary brand that resonates deeply with consumers and shares Topix’s commitment to innovation,” said Burt Shaffer, Founder and Chief Executive Officer of Topix.

“Topix is an ideal partner to help DERMA E not only accelerate its growth plans but also ensure that the integrity of the brand and its mission remain,” commented David Stearn, Co-Founder and Chief Executive Officer of DERMA E. “Topix is highly regarded amongst dermatologists as a leader in innovative and clinically-validated skincare products and we believe several new opportunities can be opened for DERMA E as a result of this transaction.”

Piper Jaffray & Co. served as exclusive financial advisor to DERMA E and Winston & Strawn LLP served as legal counsel to DERMA E. Lowenstein Sandler LLP provided legal counsel to Topix and New Mountain Capital.

About Topix

Topix is an independent leader in skincare with a differentiated portfolio of clinically-proven products and brands sold across high-growth channels. Topix was founded in 1981 and built its reputation in the physician market where it is the largest provider of premium, micro-branded and branded skincare products, partnering with over 3,000 physicians in the U.S. Topix’s portfolio of products are clinically-validated and manufactured in the Company’s state-of-the-art, FDA-registered facility in New York. For more information on Topix, please visit: <http://www.topixpharm.com/>

About DERMA E

DERMA E is a leading natural, eco-ethical skincare brand with a global presence. Founded in 1984 and headquartered in Simi Valley, California, DERMA E’s mission is to deliver high quality, affordable and natural skincare products to consumers. DERMA E’s products are 100% vegan and cruelty-free and do not contain parabens, sodium lauryl sulfates, petrolatum, mineral oil, artificial colors, gluten, soy or GMOs. For more information on DERMA E, please visit: <https://www.dermae.com>

About New Mountain Capital

New Mountain Capital is a New York based investment firm that emphasizes business building and non-cyclical growth, rather than debt, as it pursues long-term capital appreciation. The firm currently manages private equity, public equity, and credit funds with over \$20 billion in assets under management. New Mountain seeks out what it believes to be the highest quality growth leaders in carefully selected industry sectors and then works intensively with management to build the value of these companies. For more information on New Mountain Capital, please visit: www.newmountaincapital.com