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Ulta Beauty Launches Digital Innovation Fund, Prisma Ventures

Leading retailer invests in disruptive tech startups to unlock beautiful possibilities

BOLINGBROOK, Ill.--(BUSINESS WIRE)-- Ulta Beauty, the nation's largest beauty retailer, today announced the official launch of Prisma Ventures, a digital innovation fund set to invest \$20 million in emerging technology startups that seek to shape future online and in-store experiences by unlocking new technology that fuels greater discovery, personalization, and convenience.

This press release features multimedia. View the full release here:

<https://www.businesswire.com/news/home/20220803005180/en/>

Ulta Beauty's digital innovation fund will shape the future of retail and light the way for tomorrow's visionaries and technology. (Photo: Ulta Beauty)

"Launching Prisma Ventures is yet another way Ulta Beauty innovatively

leads and delivers forward-thinking retail experiences. We believe this fund presents opportunities for creative disruptors to further propel the industry forward," said Prama Bhatt, chief digital officer, Ulta Beauty. "We set out to build lasting relationships with startups, welcoming them into our ecosystem, co-creating and experimenting in ways that tap each other's expertise and ultimately leverage our resources to imagine – and reimagine – what's next for retail and beauty."

Established to accelerate innovation by nurturing long-term, strategic partnerships, the fund pairs Ulta Beauty's size and scale with the agility and singular focus of tech startups. Beyond capital investment, Prisma Ventures provides access to the retailer's deep expertise and resources. To optimize and meaningfully deliver disruptive technologies, fund participants will have access to Ulta Beauty's innovation team, unparalleled consumer insights, and in-market testing opportunities.

Since its announcement at Ulta Beauty's 2021 investor day, Prisma Ventures has partnered with and invested in a variety of start-ups including Haut.ai, Adeptmind, Revea, LUUM, and ReStyle. To date, these investments have enabled greater personalization and diagnosis within Ulta Beauty's digital skin and hair experiences. The company does not intend for all investments to directly impact its offerings but where synergies exist, the partners will co-create to bring innovation to the market.

"Ulta Beauty's investment was a gamechanger, providing us both with an incredible opportunity to test, learn, deploy, and scale our low-code AI innovation platform. Ulta Beauty leveraged our platform to create engaging, differentiated experiences for beauty lovers

nationwide, plus it added to Iterate's credibility," said Jon Nordmark, co-founder, and CEO, Iterate.ai. "The collaborative spirit has been a constant throughout our six-year relationship which grew from a small agreement in 2016 into an eventual investment. Together, we're pushing the industry forward with incredible AI-, AR-, and IoT-related innovation."

How it Works

Prisma Ventures partners with early-stage startups that are primarily Series Seed and Series A technology companies within the following innovation pillars:

- Personalized & Data Driven Technology
- AR, VR & the Metaverse
- Technology-Powered Custom Beauty Products & In-Store Services
- Social Commerce

These pillars mirror Ulta Beauty's digital innovation priorities and growth mindset, accounting for the majority of Prisma Ventures investments. The remaining investments are reserved for opportunistic technologies beyond the company's core digital strategy to disrupt other facets of retail, beauty, or commerce more broadly.

The Ulta Beauty Prisma Ventures team will evaluate applicants based on five key metrics:

- **Alignment with a Focus Area:** Companies that align with Ulta Beauty's four primary innovation pillars
- **Leadership & Cultural Compatibility:** The startups' management experience, ability to execute, and cultural fit to enable successful collaboration
- **Diligence & Risk Assessment:** Successful completion of diligence across functions such as legal, technical, and business
- **Business Plan & Scalability:** Strength of value proposition, vision, plans to reach financial goals and scale
- **IP & Differentiation:** Novel capabilities, patents, and technologies

To learn more about Prisma Ventures, please visit www.ulta.com/prisma-ventures.

About Ulta Beauty

At Ulta Beauty (NASDAQ: ULTA), the possibilities are beautiful. Ulta Beauty is the largest U.S. beauty retailer and the premier beauty destination for cosmetics, fragrance, skin care products, hair care products and salon services. In 1990, the Company reinvented the beauty retail experience by offering a new way to shop for beauty – bringing together all things beauty, all in one place. Today, Ulta Beauty operates more than 1,300 retail stores across 50 states and also distributes its products through its website, which includes a collection of tips, tutorials, and social content. For more information, visit www.ulta.com.

Ulta Beauty was recently added to the Bloomberg Gender Equality Index, which tracks the financial performance of public companies committed to supporting gender equality through policy development, representation, and transparency. More information about Ulta Beauty's corporate responsibility efforts can be found at <https://ulta.com/investor/esg>.

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Eileen Ziesemer, Vice President, Public Relations

eziesemer@ulta.com

(708) 305-4479

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