BH stands for the rebel with a purpose. The ethos of this popular brush and color cosmetics brand is built upon three strong pillars: proud imperfection, radical kindness, and talented phenomenon. BH brings cruelty-free, vegan, clean, colorful, and unique styles to an economically powerful, young market.

OPPORTUNITY TO ACQUIRE ASSETS OF BH COSMETICS

Hilco Streambank is seeking offers for the intellectual property of color cosmetics and brush company BH Cosmetics. The assets available for acquisition include internationally registered trademarks, domain names, social media accounts with more than 6.5 million followers, a customer database of approximately 700,000 opt-in email addresses and approximately 150,000 U.S.-based SMS text numbers, as well as current inventory.

BID DEADLINE
February 11, 2022
at 12:00 p.m. Eastern

AUCTION
February 15, 2022
at 10:00 a.m. Eastern

STALKING HORSE BID SIGNED; SUBJECT TO HIGHER OR OTHERWISE BETTER OFFERS

BH Cosmetics has entered into an agreement with RBI Acquisition Holdings, LLC to sell its intellectual property and certain inventory for $4,300,000, subject to adjustments as described in the asset purchase agreement. The agreement is subject to higher or otherwise better offers through an auction process. A copy of the form of asset purchase agreement is available upon request, and access to a data room containing confidential documents will be provided to parties who execute a confidentiality agreement.

A STRONG BRAND ETHOS RESONATES WITH A VALUABLE CUSTOMER
A key contributor to the brand’s equity is its commitment to sustainability and diversity. The brand proudly promotes diversity and inclusion, female empowerment, sustainability, and civic engagement, messaging that resonates profoundly with its core customer.
MULTI-CHANNEL CAPABILITIES IN AN EXPANDING MARKET

BH Cosmetics is widely accepted in US and European markets, where it is distributed through direct-to-consumer, wholesale, and other online channels. Outlets include retailers such as Ulta Beauty, with over 1,250 stores in the US, and dm (drogerie markt), with more than 1,100 stores in 4 European countries.

Sales Overview

<table>
<thead>
<tr>
<th>FY2019 SALES</th>
<th>FY2020 SALES</th>
<th>FY2021 YTD (OCTOBER) SALES</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Net Sales</td>
<td>2020 Net Sales</td>
<td>2021 Net Sales</td>
</tr>
<tr>
<td>$55.8 Million</td>
<td>$33.6 Million</td>
<td>$27.5 Million</td>
</tr>
<tr>
<td>$16.5M</td>
<td>$13.8M</td>
<td>$11M</td>
</tr>
<tr>
<td>$39.3M</td>
<td>$19.8M</td>
<td>$16.5M</td>
</tr>
</tbody>
</table>

Channel Breakdown

- **U.S.**
  - D.T.C.: 54%
  - Wholesale: 46%
- **Germany**
  - D.T.C.: 73%
  - Wholesale: 27%

- **U.S.**
  - D.T.C.: 57%
  - Wholesale: 43%
- **Germany**
  - D.T.C.: 73%
  - Wholesale: 27%
Market trends project strong growth in the cosmetics and personal care industries and indicate that the buying power of BH’s core customer is increasing at rates higher than other groups. These positive market trends, coupled with BH’s deep cache of strong and persisting awareness amongst a massive and loyal market, all represent substantial opportunity for an acquirer.

**CUSTOMER PROFILE**

The company’s customer database currently contains approximately 700,000 opt-in email addresses and more than 150,000 U.S.-based SMS text numbers. Through positive branding and uncompromising core values, BH has successfully tapped into a highly valuable and loyal Gen Z and Millennial customer that is as diverse as its product lines. If BH were a person, they would be self-confident, loud, fun, sassy, bawdy, exuberant, and magnetic. BH is known for bringing authentic, fun, diverse, modern, colorful products to a consumer whose priority is self-expression and uniqueness.

**#beYOUtiful**

**Ethnicity**
- White: 46%
- People of Color: 54%

**Core Age**
- 18-34

**Gender**
- Male: 78.9%
- Female: 21.1%

**New vs. Repeat Orders**
(U.S. September 2020 to September 2021)
- New: 45.6%
- Repeat: 54.4%

**Average Order Value**
- 2020: $43
- 2021: $45

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1 “Global Beauty and Personal Care Market, By Product Type, By Distribution Channel By Region, Competition, Forecast and Opportunities, 2026,” TechSci Research (June 2021).
Sticky Customer Relationships & Successful Email Marketing

30% Open Rate
4% Click Rate
0.7% Bounce Rate
0.2% Unsubscribe Rate

SOCIAL MEDIA PENETRATION

BH Cosmetics is a digitally native cosmetics powerhouse that has successfully built a sizable, global, online footprint through multiple platforms.

- **3.7 M followers**
- **344k followers**
- **282k followers**
- **104k followers/500k monthly views**
- **1.7 M likes**
- **44k followers**
AVAILABLE ASSETS

Trademarks
• More than approximately 40 active U.S. trademarks
• Approximately 19 filed and/or registered trademarks in the E.U. and Germany
• More than approximately 100 trademarks registered, filed, or pending in other key jurisdictions, including Latin America, Canada, China, India, Southeast Asia, the Middle East, and Australia

Customer Data
Approximately 700,000 opt-in customer email addresses and more than 150,000 U.S.-based SMS text numbers.

Domain Names
More than 100 domain names, including:
• bhcosmetics.com, bh-cosmetics.com, bhcosmetics.de, bhcosmetics.co.uk, bhcosmetics.us, bhcosmetics.mx, bhlush.com, bhnails.com

Social Media Accounts
Eight social media accounts across Instagram, Facebook, TikTok, Twitter, YouTube, and Pinterest, accounting for an audience of more than 6.5 million globally.

Inventory
Interested parties may have the opportunity to acquire inventory and may bid on inventory separate and apart from the intellectual property.

Contracts
The company is reviewing contracts which may be available for assignment to a buyer.

SALE PROCESS

Please contact Hilco Streambank to learn more about the available assets and sale process. BH Cosmetics is operating as a chapter 11 debtor in possession in a bankruptcy case filed in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). Hilco Streambank's retention and the sale are subject to Bankruptcy Court approval.

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2 There are approximately 71 inactive trademarks in the BH trademark portfolio.