



CONFIDENTIAL

BETABRAND IS A POPULAR ACTIVEWEAR BRAND FOR WOMEN THAT IS SOLD ATOP A UNIQUE SOCIAL COMMERCE PLATFORM. THEY'VE MOVED MILLIONS OF DRESS PANT YOGA PANTS AND YOGA DENIM, LEADING TO \$54 MILLION IN REVENUES IN 2020. THE CORE YOGA PANT BRAND HAS EXPANDED TO SWEATERS, DRESSES, AND JET SETTERS.

THESE PRODUCT LINES HAVE THRIVED BY INVITING CONSUMERS TO PARTICIPATE IN HIGHLY INTERACTIVE PRODUCT DEVELOPMENT AND PRODUCT LAUNCHES. BETABRAND IS THE LEADING LIVESTREAM RETAIL BRAND IN THE US, LAUNCHING OVER 400 PRODUCTS INTO SHOP & CHAT EXPERIENCES SINCE 2019. BETABRAND'S HOMEGROWN TECHNOLOGY CREATES HIGHLY EFFICIENT SUPPLY AND UNIQUE DEMAND, AS HIGHLY-ENGAGED CONSUMERS PURCHASE UP TO 30% OF MONTHLY REVENUES ON PREORDER. LEADING BRANDS LIKE THE NORTH FACE AND TIMBERLAND HAVE LAUNCHED PRODUCTS ON BETABRAND, AS HAVE CELEBRITIES LIKE BILL MURRAY AND MARGARET CHO.

Rock Creek Advisors (the "Sale Agent") is contacting you regarding the sale of the assets of Betabrand Inc. (the "Company" or "Betabrand").

This Offering and Executive Summary Memorandum (the "Memorandum") provides information regarding the Company Overview, Market Information, Company Solutions and Intellectual Property, Management Team, Financial Outlook, Available Assets, and an outline of the Sale Process.

This will be a 45-to-60-day sales process.

Disclaimer

This Memorandum contains information regarding the Company's business and operations, and the information contained herein has been prepared for the purpose of providing interested parties with general information to assist them in their evaluation of the Company's business. Nothing contained in this Memorandum is, or shall be relied upon as, a promise or representation as to the past or future performance of the Company or their products.

COMPANY OVERVIEW

Betabrand is an online retailer that sells activewear products for women from a unique technology platform that brings social network experiences to E-Commerce.

Betabrand is the first US brand to make livestream social commerce a daily event. Since 2019, the company has launched over 400 products into interactive community shopping experiences popularized by retailers like Taobao and Pinduoduo in China.

Backed by Foundry Group and Morgan Stanley, the company was launched in 2010 and is based in San Francisco, California, United States.

Company: Betabrand Inc.

Formed: 2009

HQ: San Francisco, CA

Industries: Retail & Wholesale
Discretionary, Retail Apparel,
E-Commerce Discretionary

Other Industries: Social Commerce

MARKET OPPORTUNITY AND THE BETABRAND PLATFORM

SOCIAL COMMERCE IS THE FUTURE PATH FOR RETAIL

Live Social Commerce has exploded in China, with unicorns like Taobao, Pinduoduo and Red offering consumers a more-engaging way to shop. Their outsized success foretells the arrival of this style of interactive commerce in America in 2021 and beyond.



In a [recent article on mytotalretail.com](#), Thibaud Clément, chief executive officer and co-founder of Loomly, concludes: “The idea of social commerce has been around for more than a decade, but only recently has it gained impressive momentum among brands and consumers. As social media and e-commerce permeate more aspects of our lives, it's no surprise that the two are merging. Social commerce makes it possible for consumers not just to discover new products in the places they're spending more of their time, but to buy them directly. With social media platforms rolling out more and more features to enable those transactions, social commerce is becoming the 21st century shopping mall.”



BETABRAND IS BEST POSITIONED TO BRING THIS EXPERIENCE TO AMERICAN CONSUMERS

Social Commerce is a megatrend in China and this uniquely-interactive style of engagement is predicted to come to the U.S. in 2021 – we have been developing a communications & commerce platform for this for years. Betabrand tripled the investment in its social commerce infrastructure in 2020, cementing its first-mover advantage in the U.S. market. Beginning in the spring of 2021, all-day live broadcasting has been available. The website has broadcasted over 400 live product drops. The company has a platform and playbook to expand this to all-day programming for 3rd party brands and influencer programming.

Betabrand also offers an unparalleled interactive community. Hundreds of thousands of highly-engaged Betabrand social consumers will train the millions that follow.

A Checklist For *Anyone* Looking To Chase Live Social Commerce In 2021:

1. Create a communication platform that inspires a virtuous circle of participation & purchasing
2. Fill an all-day LIVE broadcast calendar that shoppers anticipate & enthusiastically consume
3. Build a critical mass of social shoppers to define the category and win first
4. Develop a roster of KOLs & 3rd party brands to introduce their fans to a new way to shop
5. Rapidly produce high-margin, low-risk product drops
6. Scale efficiently: Sell product before you pay for it.

Click on the link to see how Betabrand has followed this checklist for success: [Betabrand success formula](#)

BETABRAND PRODUCT LINES

Betabrand is a leading yoga pant manufacturer and distributor in the US. The Company's pants are based on yoga denim. They offer activewear for work and travel that comes in various cuts and colors. Sweaters, dresses, and jet setters complement the flagship yoga pants line, enabling women to feel comfortable and stylish at work and at home.



Reactions to the Betabrand fashion line have been overwhelmingly positive. Reviewed.com [reports](#) that “THESE DRESS PANTS ARE SECRETLY YOGA PANTS—AND THEY’RE AMAZING. Betabrand's 'formal' yoga pants are a game-changer.” And Good Housekeeping [concludes](#) that “...we all agree that we’ll be slipping into our Betabrand dress pant yoga pants again. If you want to be comfy and polished from the start of your day to when you put on your PJs, consider these stretchy suit pants, too.”

New product ideas are being [dropped daily](#), and they are road-tested with highly-engaged consumers on a real-time basis. Consumers vote on the new product lines and go-live decisions are made on that basis. They are getting what they want when they want it – based on this direct interaction.



OPERATIONS

Betabrand is focused entirely on what they do best: generating demand.

The Company has partnered with a Hong Kong based trading company, CFL, to manage its supply chain from end to end. CFL manages a network of mills and factories located around the world to manufacture Betabrand products. At present, Betabrand’s product is being manufactured in China and Indonesia, with volume split roughly evenly across between the two locations. Among the benefits of our trading company approach is geographic manufacturing flexibility. As the geopolitical climate evolves, we’re able to be malleable with our manufacturing base to align with both economic policy and consumer sentiment.

Once the product is manufactured, it’s fulfilled to the end consumer out of Hong Kong. Since most items are produced in Asia, this cuts weeks out of the go-to-market process. The Company works with ZTO a publicly traded, highly reputable 3PL. These relationships have improved Betabrand’s operational efficiency, pick accuracy and SLA adherence.

The Company also works with a domestic 3PL in Chino, California (Port Logistics Group) for the purpose of reverse logistics. This team refurbishes and repackages resalable items, puts them back on the shelf, and fulfills customer orders when inventory isn’t available in Hong Kong, or as needed, to ensure appropriate inventory throughput.

The approach to manufacturing and logistics has been built in a highly scalable manner. The Company has the ability to grow multiples above current volume and without any changes to the existing operational process. The Company operates on net-90 post-delivery payment terms, and a given PO is generally completely sold before the bill is paid.

Betabrand manages both an in-house and a third-party customer support and retention team. An internal staff of 9 are principally used for escalations of more complex tickets as well as pre-sale questions. And they’ve partnered with Simplr, an outsourced customer support firm, to provide 24/7 coverage as well as the ability to scale customer support up and down as needed and to support seasonal changes within the business.

MANAGEMENT TEAM

The Betabrand management team represents an entrepreneurial, founder-led group of retail innovators:

				
CHRIS LINDLAND Founder & CEO	DOUG HOGGATT VP of Marketing	JARED RAPP VP of Engineering	MARIE ANDRESEN Creative VP	GARRETT WARSHAW Director of Finance
 	  	 	  	 

FINANCIAL INFORMATION

The company has built a strong supply foundation, a state-of-the-art communications platform, a compelling live shopping experience, and a broad and diverse community for America's first social commerce breakout.

\$54M 2020 Revenue	~50 # of Employees	3K # of SKUs sold	~980K 2020 Units Sold
2M Mailing List	6K Peak Betabrand Live Concurrent Watchers	37% 2018-2019 Revenue CAGR	\$52M Capital Raised to Date

Additional financial information (historical performance and revenue projections) will be made available in the virtual data room, accessible upon signing an NDA with the Company.

SALE PROCESS

Assets Available for Sale consist of substantially all Betabrand assets, including, without limitation (the “Assets”):

- All intellectual property, including software, patent portfolio, formulations, URLs and trademarks
- All existing product inventory

Indications of Interest:

Due Diligence and Participation

To participate in the Sale Process, conduct due diligence upon the Company and subsequently submit an Indication of Interest, a party (each an “Interested Party”) must deliver the following to Sale Agent:

- a) executed confidentiality agreement in form and substance substantially similar to the form confidentiality agreement attached hereto as composite and incorporated herein by reference (the “Confidentiality Agreement”);
- b) a statement and other factual support demonstrating to the Sale Agent’s reasonable satisfaction, after consultation with the Company, that the Interested Party has a bona fide interest in submitting an offer for assets of the Company; and
- c) sufficient information, as determined by the Sale Agent in consultation with the Company, to confirm that the Interested Party has the financial wherewithal and any required corporate, legal or other authorization necessary to close the transaction, including, but not limited to, an acceptable form of financial disclosure.

Upon satisfactory receipt of the items above, the Sale Agent will deliver to such Interested Party access to information from the Agent’s confidential electronic data room concerning the Company (the “Data Room”). The Agent will deliver a list of all current Interested Parties to the Company as each Interested Party is added.

Until the business day immediately preceding the Indication of Interest Deadline, the Sale Agent will provide any Interested Parties such due diligence access or additional information as the Sale Agent determines to be reasonably requested and appropriate under the circumstances. If any such due diligence material is in written form and has not previously been provided to any other Interested Parties, the Sale Agent will provide such materials to all Interested Parties to the extent practicable.

Interested Parties

An Interested Party should provide the following information:

- a) Assets to which the offer applies,
- b) Amount, form and timing of consideration being offered for the assets, and
- c) Other material terms and conditions applicable to the proposal

Terms of Collateral; “As Is, Where Is”

Collateral included in the financing is provided on an “as is, where is” basis with all faults and without representations or warranties of any kind, nature or description by the Sale Agent, its successors or assigns, whether written or verbal, whether express, implied or by operation of law, except and solely to the extent expressly set forth in the financing agreement of the successful Interested Party or Parties, as applicable. Each Interested Party shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding

the Company prior to providing its Indication of Interest, that it has relied solely upon its own independent review and investigation in making such Indication of Interest.

SAFE HARBOR STATEMENT

This Memorandum contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by words or phrases such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the business outlook and statements provided by management contain forward-looking statements. Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. The Sale Agent or any of its affiliates do not undertake any obligation to update any forward-looking statement, except as required under applicable law.

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