



Waldencast Announces Entry into \$225m Term Loan and Revolving Credit Facilities

June 27, 2022

NEW YORK, June 27, 2022 (GLOBE NEWSWIRE) -- Waldencast Acquisition Corp. (NASDAQ: WALD) ("Waldencast"), a special purpose acquisition company, announced that, on June 24, 2022, its wholly-owned subsidiary Waldencast Finco Limited ("Waldencast Finco") entered into a Credit Agreement (the "Waldencast Credit Agreement"), by and among Waldencast Finco, as the borrower (the "Borrower"), Waldencast Partners LP, as the parent guarantor, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent. Credit Suisse AG, New York Branch acted as documentation agent and JPMorgan Chase Bank, N.A., Banco Santander, S.A. and Wells Fargo Securities, LLC acted as joint bookrunners and joint lead arrangers under the Waldencast Credit Agreement.

As a result of the entry into the Waldencast Credit Agreement, Waldencast will receive aggregate proceeds of up to approximately \$1.02 billion (if no Waldencast shareholders exercise their rights to redeem their shares). This includes, in addition to the \$225m debt facility described above, the following previously announced commitments:

- Forward Purchase Agreements with Burwell Mountain Trust, Dynamo Master Fund (each members of Waldencast Long-Term Capital LLC, Waldencast's sponsor) and Beauty Ventures LLC in the aggregate total amount of \$333 million.
- PIPE commitments with certain PIPE investors in the aggregate total amount of \$113 million.
- Waldencast's SPAC proceeds of \$345 million (if no Waldencast shareholders exercise their right to redeem their shares).

Michel Brousset, Waldencast Founder and CEO, said: "We are pleased to enter into a new credit agreement which reflects the strength of our business model, cash flow generation, and ability to generate long term profitable growth. Interest expense associated with the Waldencast Credit Agreement will represent approximately half of the borrowing cost of the Existing Credit Agreements, and accordingly, an encouraging expression of confidence by an outstanding group of first-tier financial institutions. We thank JPMorgan, Banco Santander, Wells Fargo, and Credit Suisse for their support."

The Waldencast Credit Agreement provides for a four-year secured first-lien (i) term loan facility in an aggregate principal amount of \$175 million and (ii) revolving loan facility in an aggregate principal amount of up to \$50 million (of which an aggregate principal amount of up to \$7.5 million will be available, at the Borrower's option, to be drawn in the form of letters of credit) (collectively, the "Waldencast Credit Facilities"). The initial borrowings under the Waldencast Credit Agreement will be subject to negotiated limited conditions precedent and are expected to become available on the Funding Date (as defined in the Waldencast Credit Agreement).

Proceeds from the borrowings under the Waldencast Credit Facilities may be used to: (i) pay the cash consideration due to the equity holders of Milk Makeup and Obagi Skin Care upon consummation of the transactions contemplated by the Transaction Agreements, (ii) repay in full all outstanding amounts under, and terminate, the Existing Credit Agreements and (iii) fund working capital needs or other general corporate purposes of Waldencast.

As previously disclosed, on November 15, 2021, Waldencast entered into (i) an Agreement and Plan of Merger (the "Obagi Merger Agreement"), by and among Waldencast, Obagi Merger Sub, Inc., a Cayman Islands exempted company limited by shares and an indirect wholly owned subsidiary of Waldencast, and Obagi Global Holdings Limited, a Cayman Islands exempted company limited by shares ("Obagi Skin Care"), and (ii) an Equity Purchase Agreement (the "Milk Equity Purchase Agreement" and together with the Obagi Merger Agreement, the "Transaction Agreements"), by and among Waldencast, Obagi Holdco 1 Limited, a limited company incorporated under the laws of Jersey, Waldencast Partners LP, a Cayman Islands exempted limited partnership, Milk Makeup LLC, a Delaware limited liability company ("Milk Makeup"), certain members of Milk Makeup and Shareholder Representative Services LLC, a Colorado limited liability company, solely in its capacity as representative of Milk Makeup's equity holders.

About Waldencast

Founded by Michel Brousset and Hind Sebti, Waldencast's vision is to build a global best-in-class beauty and wellness operating platform by developing, acquiring, accelerating, and scaling the next generation of conscious, purpose-driven brands. Waldencast entered into agreements regarding its proposed business combination with Obagi Skin Care and Milk Makeup as a first step in realizing its vision. Waldencast intends to seek brands with a direct connection to today's evolving consumers whose goals include pursuing social responsibility, inclusiveness, sustainability, and transparency. Its goal is to become the partner of choice for next-generation brands and consumers by leveraging the collective leadership and the industry-specific operating experience of its management team.

Additional Information and Where to Find It

This communication relates to proposed transactions between Obagi Skin Care and Waldencast and Milk Makeup and Waldencast. This communication is not a proxy statement or solicitation of a proxy, consent or authorization with respect to any securities or in respect of the potential transactions and shall not constitute an offer to sell or a solicitation of an offer to buy the securities of Obagi Skin Care or Milk Makeup, the combined company or Waldencast, nor shall there be any sale of any such securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such state or jurisdiction. In connection with the proposed transactions, Waldencast filed a registration statement on Form F-4 with the SEC on February 14, 2022, as amended by Amendment No. 1 to the registration statement on Form F-4 filed with the SEC on March 4, 2022, Amendment No. 2 to the registration statement on Form F-4 filed with the SEC on March 18, 2022, Amendment No. 3 to the registration statement on Form F-4 filed with the SEC on April 27, 2022, Amendment No. 4 to the registration statement on Form F-4 filed with the SEC on May 13, 2022 and Amendment No. 5 to the registration statement on Form F-4 filed with the SEC on

June 16, 2022, which includes a document that serves as a prospectus and proxy statement of Waldencast (the “proxy statement/prospectus”). The proxy statement/prospectus will be sent to all Waldencast shareholders. Waldencast also will file other documents regarding the proposed transactions with the SEC. This communication does not contain all the information that should be considered concerning the proposed transactions and is not intended to form the basis of any investment decision or any other decision in respect of the proposed transactions. Before making any voting decision, investors and security holders of Waldencast are urged to read the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC in connection with the proposed transactions as they become available because they will contain important information about the proposed transactions.

Investors and security holders may obtain free copies of the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC by Waldencast through the website maintained by the SEC at www.sec.gov.

The documents filed by Waldencast with the SEC also may be obtained free of charge at Waldencast's website at <https://www.waldencast.com> or upon written request to 10 Bank Street, Suite 560, White Plains, NY 10606.

Participants in the Solicitation

Waldencast, Obagi Skin Care, and Milk Makeup, and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Waldencast's shareholders in connection with the proposed transaction. A list of the names of the directors and executive officers of Waldencast and information regarding their interests in the business combinations is set forth in Waldencast's registration statement on Form S-1 (File No. 333-253370) filed with the SEC on March 15, 2021. Additional information regarding the interests of such persons will be contained in the registration statement and the proxy statement/prospectus when available. You may obtain free copies of these documents as described in the preceding paragraph.

Forward-Looking Statements

This communication contains certain forward-looking statements within the meaning of the federal securities laws with respect to the proposed transactions among Obagi Skin Care, Milk Makeup and Waldencast, including statements regarding the intended benefits of the transactions, the anticipated timing of the transactions and the growth strategies of Waldencast, Obagi Skin Care and Milk Makeup. These forward-looking statements generally are identified by the words “estimates,” “projects,” “expects,” “anticipates,” “forecasts,” “plans,” “intends,” “believes,” “seeks,” “may,” “will,” “would,” “should,” “future,” “propose,” “target,” “goal,” “objective,” “outlook” and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the control of Waldencast, Obagi Skin Care, and Milk Makeup, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others, that may affect actual results or outcomes include, but are not limited to: (i) the risk that the transactions may not be completed in a timely manner or at all, which may adversely affect the price of Waldencast's securities, (ii) the risk that Waldencast shareholder approval of the proposed transactions is not obtained, (iii) the inability to recognize the anticipated benefits of the proposed transactions, which may be affected by, among other things, the amount of funds available in Waldencast's trust account following any redemptions by Waldencast's shareholders, (iv) the failure to receive certain governmental and regulatory approvals, (v) the inability to complete the PIPE Investment or the Forward Purchase Agreements investments (as such terms are defined in the registration statement on Form F-4 discussed above), (vi) the occurrence of any event, change or other circumstance that could give rise to the termination of the Obagi Merger Agreement or the Milk Equity Purchase Agreement (as such terms are defined in the registration statement on Form F-4 discussed above), (vii) changes in general economic conditions, including as a result of the COVID-19 pandemic, (viii) the outcome of litigation related to or arising out of the proposed transactions, or any adverse developments therein or delays or costs resulting therefrom, (ix) the effect of the announcement or pendency of the transactions on Obagi Skin Care's or Milk Makeup's business relationships, operating results, and businesses generally, (x) the ability to continue to meet Nasdaq's listing standards following the consummation of the proposed transactions, (xi) costs related to the proposed transactions, (xii) that the price of Waldencast's securities may be volatile due to a variety of factors, including Waldencast's, Obagi Skin Care's or Milk Makeup's inability to implement their business plans or meet or exceed their financial projections and changes in the combined capital structure, (xiii) the ability to implement business plans, forecasts, and other expectations after the completion of the proposed transactions, and identify and realize additional opportunities and (xiv) the ability of Obagi Skin Care and Milk Makeup to implement their strategic initiatives and continue to innovate their existing products and anticipate and respond to market trends and changes in consumer preferences. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the “Risk Factors” section of Waldencast's registration statement on Form S-1 (File No. 333-253370), the registration statement on Form F-4 discussed above, the proxy statement/prospectus and other documents filed or that may be filed by Waldencast from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Obagi Skin Care, Milk Makeup and Waldencast assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Neither Waldencast, Obagi Skin Care, or Milk Makeup gives any assurance that Waldencast, Obagi Skin Care or Milk Makeup, or the combined company, will achieve their expectations.

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