

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 15, 2021 (November 13, 2021)

Waldencast Acquisition Corp.
(Exact name of registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction
of incorporation)

001-40207
(Commission File Number)

98-1575727
(I.R.S. Employer
Identification No.)

10 Bank Street, Suite 560
White Plains, New York
(Address of principal executive offices)

10606
(Zip Code)

(917) 546-6828
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Units, each consisting of one Class A ordinary share, par value \$0.0001, and one-third of one redeemable warrant	WALDU	The Nasdaq Stock Market LLC
Class A ordinary shares, par value \$0.0001 per share	WALD	The Nasdaq Stock Market LLC
Redeemable warrants, each whole warrant exercisable for one Class A ordinary share at an exercise price of \$11.50	WALDW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

Obagi Merger Agreement and Related Agreements

Waldencast Acquisition Corp. (“Waldencast”) is a blank check company incorporated as a Cayman Islands exempted company and formed for the purpose of effecting a merger, amalgamation, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses or entities. On November 15, 2021, Waldencast entered into 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 (“Merger Sub”), and Obagi Global Holdings Limited, a Cayman Islands exempted company limited by shares (“Obagi”).

The Merger

The Obagi Merger Agreement provides that, among other things and upon the terms and subject to the conditions thereof, the following transactions will occur (together with the other agreements and transactions contemplated by the Obagi Merger Agreement, the “Obagi Transaction”):

(i) at the closing of the transactions contemplated by the Obagi Merger Agreement (the “Obagi Closing”), upon the terms and subject to the conditions of the Obagi Merger Agreement and in accordance with the Companies Act (As Revised) of the Cayman Islands (“Cayman Act”), Merger Sub will merge with and into Obagi, the separate corporate existence of Merger Sub will cease and Obagi will be the surviving company and an indirect wholly owned subsidiary of Waldencast (the “Merger”);

(ii) as a result of the Merger, among other things, each share of common stock of Obagi that is issued and outstanding immediately prior to the effective time of the Merger (other than in respect of Excluded Shares (as defined in the Obagi Merger Agreement)) will be cancelled and converted into the right to receive (i) an amount in cash equal to (A) the Obagi Cash Consideration (as defined in the Obagi Merger Agreement), subject to substitution for Obagi Stock Consideration (as defined in the Obagi Merger Agreement) based on the amount of cash available to Waldencast at the Closing (as defined below), taking into account, among other things, the level of shareholder redemptions, divided by (B) the number of Aggregate Fully Diluted Company Common Shares (as defined in the Obagi Merger Agreement), and (ii) a number of shares of Waldencast Common Stock equal to (A) the Obagi Stock Consideration divided by (B) the number of Aggregate Fully Diluted Company Common Shares; and

(iii) upon the effective time of the Domestication (as defined below), Waldencast will immediately be renamed “Waldencast plc”.

The Board of Directors of Waldencast (the “Board”) has unanimously (i) approved and declared advisable the Obagi Merger Agreement, the Obagi Transaction and the other transactions contemplated thereby and (ii) resolved to recommend approval of the Obagi Merger Agreement and related matters by the shareholders of Waldencast.

Milk Equity Purchase Agreement

On November 15, 2021, Waldencast entered into 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 (“Holdco Purchaser”), Waldencast Partners LP, a Cayman Islands exempted limited partnership (“Waldencast LP” and together with Holdco Purchaser, the “Purchasers”), Milk Makeup LLC, a Delaware limited liability company (“Milk”), certain members of Milk (the “Milk Members”), and Shareholder Representative Services LLC, a Colorado limited liability company, solely in its capacity as representative of Milk’s equityholders (the “Equityholder Representative”).

The Transaction

The Milk Equity Purchase Agreement provides that, among other things and upon the terms and subject to the conditions thereof, the following transactions will occur (together with the other agreements and transactions contemplated by the Milk Equity Purchase Agreement, the "Milk Transaction" and, together with the Obagi Transaction, the "Business Combinations"):

(i) at the closing of the transactions contemplated by the Milk Equity Purchase Agreement (the "Milk Closing" and together with the Obagi Closing, the "Closing"), upon the terms and subject to the conditions of the Milk Equity Purchase Agreement, the Purchasers will acquire from the Milk Members and the Milk Members will sell to the Purchasers all of the issued and outstanding membership units of Milk in exchange for the Milk Cash Consideration (as defined in the Milk Equity Purchase Agreement), and the Milk Equity Consideration (as defined in the Milk Equity Purchase Agreement), which consist of partnership units of Waldencast LP exchangeable for Domesticated Acquiror Common Stock, and the Domesticated Acquiror Non-Economic Common Stock (each as defined in the Milk Equity Purchase Agreement);

(ii) as a result of the Milk Transaction, among other things, (i) Holdco Purchaser will purchase from the Milk Members a percentage of the outstanding membership units in exchange for the Milk Cash Consideration and the Domesticated Acquiror Non-Economic Common Stock equal to the Milk Equity Consideration and (ii) Waldencast LP will purchase from the Milk Members the remainder of the outstanding membership units in exchange for the Milk Equity Consideration;

(iii) upon the effective time of the Domestication, Waldencast will immediately be renamed "Waldencast plc."

Immediately following consummation of the Milk Transaction, (i) Holdco Purchaser will contribute its equity interest in (a) Milk to Waldencast LP in exchange for limited partnership units in Waldencast LP and (b) Holdco 2 in exchange for limited partnership units in Waldencast LP. The combined company will be organized in an "Up-C" structure, in which the equity interests of Obagi and Milk will be held by Waldencast LP. Waldencast will in turn hold its interests in Obagi and Milk through Waldencast LP and Holdco Purchaser.

The Board has unanimously (i) approved and declared advisable the Milk Equity Purchase Agreement, the Milk Transaction and the other transactions contemplated thereby and (ii) resolved to recommend approval of the Milk Equity Purchase Agreement and related matters by the shareholders of Waldencast.

Certain Related Transactions and Agreements

The Domestication

Prior to the Closing, subject to the approval of Waldencast's shareholders, and in accordance with the Cayman Act, the Companies (Jersey) Law 1991, as amended (the "Jersey Companies Law") and Waldencast's Amended and Restated Memorandum and Articles of Association, Waldencast will effect a deregistration under the Cayman Act and a domestication under Part 18C of the Jersey Companies Law (by means of filing a memorandum and articles of association with the Registrar of Companies in Jersey), pursuant to which Waldencast's jurisdiction of incorporation will be changed from the Cayman Islands to Jersey (the "Domestication").

In connection with the Domestication, (i) each of the then issued and outstanding Class A ordinary shares, par value \$0.0001 per share, of Waldencast, will convert automatically, on a one-for-one basis, into an ordinary share of common stock, par value \$0.0001 per share, of Waldencast (following its Domestication) (the "Waldencast Common Stock"), (ii) each of the then issued and outstanding Class B ordinary shares, par value \$0.0001 per share, of Waldencast, will convert automatically, on a one-for-one basis, into a share of Waldencast Common Stock, (iii) each then issued and outstanding warrant of Waldencast will convert automatically into a warrant to acquire one share of Waldencast Common Stock ("Domesticated Waldencast Warrant"), pursuant to the Warrant Agreement, dated March 15, 2021, between Waldencast and Continental Stock Transfer & Trust Company, as warrant agent, and (iv) each then issued and outstanding unit of Waldencast shall be cancelled and will entitle the holder thereof to one share of Waldencast Common Stock and one-third of one Domesticated Waldencast Warrant.

Subscription Agreements

On November 13, 2021, Waldencast entered into initial subscription agreements (the “Initial Subscription Agreements”) with certain investors (collectively, the “Initial PIPE Investors”), pursuant to, and on the terms and subject to the conditions of which, the Initial PIPE Investors have collectively subscribed for 10,500,000 shares of the Waldencast Common Stock for an aggregate purchase price equal to \$105,000,000 (the “Initial PIPE Investment”). Under the Transaction Agreements, Waldencast may enter into subsequent subscription agreements (together with the Initial Subscription Agreements, the “Subscription Agreements”) with certain investors (collectively with the Initial PIPE Investors, the “PIPE Investors”) (any such subsequent investments, together with the Initial PIPE Investment, the “PIPE Investment”). The PIPE Investment will be consummated substantially concurrently with the Closing.

Sponsor Support Agreements

On November 15, 2021, Waldencast entered into a Sponsor Support Agreement (the “Obagi Sponsor Support Agreement”), by and among the Sponsor, Obagi, Waldencast and the persons set forth on Schedule I attached thereto (the “Sponsor Persons”), pursuant to which the Sponsor and the Sponsor Persons agreed to, among other things, vote in favor of the Obagi Merger Agreement and the transactions contemplated thereby, in each case, subject to the terms and conditions contemplated by the Obagi Sponsor Support Agreement.

On November 15, 2021, Waldencast entered into a Sponsor Support Agreement (the “Milk Sponsor Support Agreement”), by and among the Sponsor, the Equityholder Representative, Waldencast and the Sponsor Persons, pursuant to which the Sponsor and the Sponsor Persons agreed to, among other things, vote in favor of the Milk Equity Purchase Agreement and the transactions contemplated thereby, in each case, subject to the terms and conditions contemplated by the Milk Sponsor Support Agreement.

Stockholder Support Agreement

On November 15, 2021, Waldencast also entered into a Stockholder Support Agreement (the “Stockholder Support Agreement”), by and among Waldencast, Obagi and Cedarwalk. Pursuant to the Stockholder Support Agreement, Cedarwalk agreed to, among other things, within two (2) business days after the proxy statement/prospectus relating to the approval by Waldencast shareholders of the Business Combinations is declared effective by the SEC and delivered or otherwise made available to Waldencast shareholders, execute and deliver a written consent with respect to the outstanding shares of Obagi common stock held by Cedarwalk adopting the Obagi Merger Agreement and related transactions and approving the Business Combinations.

A copy of the Obagi Merger Agreement, the Milk Equity Purchase Agreement, the form of the Subscription Agreements, the Obagi Sponsor Support Agreement, the Milk Sponsor Support Agreement and the Stockholder Support Agreement will be filed by amendment on Form 8-K/A to this Current Report within four business days of the date hereof as Exhibits 2.1, 2.2, 10.1, 10.2, 10.3 and 10.4, respectively, and the foregoing description of each of the Obagi Merger Agreement, the Milk Equity Purchase Agreement, Subscription Agreements, Obagi Sponsor Support Agreement, Milk Sponsor Support Agreement and Stockholder Support Agreement is qualified in its entirety by reference thereto.

Item 3.02 Unregistered Sales of Equity Securities

The disclosure set forth above in Item 1.01 of this Current Report on Form 8-K with respect to the PIPE Investment is incorporated by reference in this Item 3.02. The shares of Waldencast Common Stock to be issued in connection with the PIPE Investment will not be registered under the Securities Act, and will be issued in reliance on the exemption from registration requirements thereof provided by Section 4(a)(2) of the Securities Act.

Item 7.01 Regulation FD Disclosure

On November 15, 2021, Waldencast, Obagi and Milk issued a joint press release (the “Press Release”) announcing the execution of the Obagi Merger Agreement and the Milk Equity Purchase Agreement. The Press Release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

Attached as Exhibit 99.2 and incorporated herein by reference is the investor presentation, relating to the Business Combinations and PIPE Investment, as described in this Current Report on Form 8-K.

The information in this Item 7.01, including Exhibit 99.1 and Exhibit 99.2, is furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liabilities under that section, and shall not be deemed to be incorporated by reference into the filings of Waldencast under the Securities Act or the Exchange Act, regardless of any general incorporation language in such filings. This Current Report on Form 8-K will not be deemed an admission as to the materiality of any information of the information contained in this Item 7.01, including Exhibit 99.1 and Exhibit 99.2.

Additional Information and Where to Find It

This Current Report on Form 8-K relates to proposed transactions between Obagi, Milk and Waldencast. This Current Report on Form 8-K 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 or Milk, 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. No offer of securities shall be made except by means of a prospectus meeting the requirements of the Securities Act. Waldencast intends to file a registration statement on Form S-4 or Form F-4 with the SEC, which will include a document that serves as a prospectus and proxy statement of Waldencast, referred to as a proxy statement/prospectus. A proxy statement/prospectus will be sent to all Waldencast shareholders. Waldencast also will file other documents regarding the proposed transactions with the SEC. 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 will be able to 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 and Milk 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.

Cautionary Statement Regarding Forward-Looking Statements

This Current Report on Form 8-K contains certain forward-looking statements within the meaning of the federal securities laws with respect to the proposed transactions among Obagi, Milk and Waldencast, including statements regarding the intended benefits of the transactions, the anticipated timing of the transactions and the growth strategies of Waldencast, Obagi and Milk. 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, and Milk, 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 Transaction (as defined in the Transaction Agreements), (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, (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’s or Milk’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’s or Milk’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 and Milk 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 S-4 or 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, Milk 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, or Milk gives any assurance that Waldencast, Obagi or Milk, or the combined company, will achieve their expectations.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Joint Press Release, dated as of November 15, 2021
99.2	Investor Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Waldencast Acquisition Corp.

Date: November 15, 2021

By: /s/ Michel Brousset

Name: Michel Brousset

Title: Chief Executive Officer



Waldencast Announces \$1.2 Billion Three-Way Business Combination with Obagi and Milk Makeup as a First Step in its Strategy to Create a Global Multi-Brand Beauty and Wellness Platform

- Waldencast’s ambition is to build a global best-in-class beauty and wellness multi-brand platform by creating, acquiring and accelerating the next generation of high-growth, purpose-driven brands that can benefit from the platform’s strong product and brand development capabilities.
- Obagi is an industry-leading, advanced skin care line positioned in the high-growth dermo-cosmetic category and recognized for its clinical excellence, innovation, and science-backed approach.
- Milk Makeup is a high-growth, cult-favorite beauty brand among Gen-Z consumers and a leader in clean beauty known for its strong community, cultural relevance, and iconic products.
- Waldencast Founder and CEO Michel Brousset will lead the combined business, alongside Waldencast Founder and COO Hind Sebti and CFO/CTO Tassilo Festetics. Felipe Dutra will serve as Executive Chairman of the Board. Both Obagi’s CEO, Jaime Castle and Milk Makeup’s CEO, Tim Coolican, will remain responsible for their respective businesses and report to Michel Brousset.
- The transaction values Waldencast at approximately \$1.2 billion and will be funded by \$345 million of IPO cash proceeds; fully committed \$333 million Forward Purchase Agreements (of which \$160 million is provided by the Sponsor, Waldencast Long-Term Capital LLC, and Dynamo Master Fund, a member of the Sponsor); a fully committed \$105 million PIPE priced at \$10.00 per share, and \$475 million of Sellers’ rollover equity.

Nov. 15, 2021 – New York, NY – Waldencast Acquisition Corp., (NASDAQ: WALD), a special purpose acquisition company today announced it has entered into definitive simultaneous business combination agreements with leading science-based, results-driven skin care brand Obagi and award-winning makeup and skin care brand Milk Makeup. The approximately \$1.2 billion three-way transaction is a first step in Waldencast’s strategy to create a global best-in-class multi-brand beauty and wellness platform.

Obagi is a leading physician-dispensed brand in the dermo-cosmetic space, the highest-growth category in skin care. Obagi is ranked number one by US dermatologists and plastic surgeons and is recognized for its clinical excellence, industry-leading innovation, and science-backed approach¹. Strongly anchored in the medical space through practitioners’ recommendation, its products also span the consumer and spa segment. Obagi’s ambition is to become the top professionally recommended brand in the world, by extending its portfolio into new consumer and retail channels, as well as expanding geographically to new key skin care markets.

Milk Makeup is a high-growth, cult-favorite beauty brand among Gen-Z consumers and a leader in clean beauty that has grown organically through a diverse and inclusive community and is known for its cultural relevance and iconic products. Milk Makeup is built on the promise of clean, cool beauty that works with best-selling hero products at key retailers. The brand values of Good for You, Good for the Planet and Good for the Community resonate strongly with its passionate community. The brand’s ambition is to become one of the world’s top make-up brands, expanding its community, portfolio, and geographic reach.

¹ Source: “2020 Kline Physician-Dispensed Skincare: U.S. Perception and Satisfaction Survey,” Kline & Company.

Waldencast will be led by Founder and CEO Michel Brousset, who has over 25 years of experience leading and scaling global consumer and beauty brands at L'Oréal and Procter & Gamble. Prior to founding Waldencast, Mr. Brousset was Group President of L'Oréal North America Consumer Products. Waldencast's Co-Founder, Hind Sebti, who has over 20 years of beauty-specific operational experience at L'Oréal and Procter & Gamble will act as Chief Operating Officer. Tassilo Festetics, who will serve as Chief Financial Officer and Chief Technology Officer, has held various financial roles across multiple geographies over a nearly 15-year career at AB InBev, where he served as Global VP of Technology as well as CFO of AB InBev Asia. Felipe Dutra, who will serve as Executive Chairman of Waldencast, is the former CFO/CTO of AB InBev and has over 30 years of global experience in M&A, capital markets execution, implementation of financial and operational strategy best practices, and delivery of superior growth and shareholder value. Obagi CEO Jaime Castle and Milk Makeup CEO Tim Coolican will remain responsible for their respective businesses, reporting to Michel Brousset and working closely with the Waldencast's leadership team to accelerate profitable growth while preserving each brand's distinct DNA and entrepreneurial spirit.

Michel Brousset, Waldencast Founder and CEO, said: "Partnering with Obagi and Milk Makeup is a major milestone in our ambition to build a best-in-class global multi-brand beauty platform, which will be home for the next generation of high-growth, purpose-driven brands. I greatly admire Obagi and Milk Makeup, both leaders in their respective categories, and I am looking forward to working with Jaime and Tim to further accelerate the growth of their respective brands, while preserving each brand's unique business model. We believe the brands will benefit strongly from the Waldencast ecosystem, bringing operational scale, and attracting best-in-class talent and capabilities."

Jaime Castle, CEO of Obagi, said: "Waldencast's ambition to build a global best-in-class beauty and wellness company that embraces conscious, purpose-driven brands is aligned with Obagi's purpose, vision and values, making Waldencast an ideal fit. I look forward to working with Michel and the team as we continue to develop effective, science-based skin care that includes and embraces the full spectrum of beauty and self-care."

Tim Coolican, CEO of Milk Makeup, remarked: "Our community has always been the heartbeat of our company and Milk Makeup's mission is to celebrate and serve them. We found in Waldencast like-minded partners who share our values and commitment to building a global beauty movement rooted in community, self-expression, inclusion, and social purpose."

Mazdack Rassi, Milk Makeup co-founder and Chief Brand Officer, added: "We built Milk Makeup to be a movement as much as a business, and Waldencast is the perfect home for Milk Makeup to achieve its full potential. I am so grateful to our team and our community and look forward to a great future together."

Waldencast Chairman Felipe Dutra said, "The Board and I are excited about the growth opportunities that this combination can create under the outstanding leadership of Michel, Hind, Tassilo and the management teams of Obagi and Milk Makeup – who together have world-class beauty expertise with a proven track record. This transaction brings to life the Waldencast dream of building a global best-in-class beauty and wellness multi-brand platform, and I am honored to be a part of this journey."

Details of the transaction:

Under the terms of the definitive merger agreement, the transaction is valued at a proforma enterprise value of approximately \$1.2 billion. The transaction will be funded by \$345 million of IPO cash proceeds (subject to any redemptions); a fully committed \$333 million Forward Purchase Agreement of which \$160 million is provided by the sponsors (Waldencast Long-Term Capital LLC and Dynamo Master Fund); a fully committed \$105 million PIPE priced at \$10.00 per share; and \$475 million of Seller rollover equity. Obagi's and Milk Makeup's existing shareholders are expected to hold equity of 20.5% and 14.9% respectively (without giving effect to any redemptions), in Waldencast.

The transaction includes significant sponsor alignment with other shareholders in the form of the \$160m FPA committed capital. Notably, the leadership team of Waldencast will directly operate the combined business with a focus on driving growth and shareholder value.

The business combination has been unanimously approved by the boards of Waldencast, Obagi, and Milk Makeup. The combination with Obagi and Milk Makeup is expected to close in the first half of 2022, subject to, among other things, approval by Waldencast shareholders and the satisfaction, or waiver, of other customary closing conditions. Upon the closing of the transactions with Obagi and Milk Makeup, both companies will become part of the Waldencast portfolio, and listed on Nasdaq under the symbol "WALD."

Investor Presentation

A copy of the investor presentation can be found at <https://www.waldencast.com/investors-relations>.

Advisors

J.P. Morgan Securities LLC acted as capital markets advisor and lead financial advisor, and Credit Suisse acted as capital markets advisor and financial advisor to Waldencast. Skadden, Arps, Slate, Meagher & Flom LLP acted as legal advisor to Waldencast. Lazard was financial advisor to Obagi, and Financo Raymond James was financial advisor to Milk Makeup. Latham & Watkins served as legal counsel to Obagi, and Goodwin Procter served as legal counsel to Milk Makeup.

About Obagi

Obagi is an industry-leading, advanced skin care line formulated with scientifically proven ingredients, refined with a legacy of 30 years' experience. First known as leaders in the treatment of hyperpigmentation with the Obagi Nu-Derm® System, Obagi products are designed to restore skin's natural radiance by visibly improving balance, tone and texture, and diminishing the appearance of premature aging, photodamage, skin discoloration, acne, and sun damage. More information about Obagi is available on the brand's website, Facebook, Twitter and Instagram pages.

About Milk Makeup

Founded in 2016, Milk Makeup quickly became a cult-favorite among the beauty community for its values of self-expression and inclusion, captured by its signature Live Your Look, its innovative formulas and clean ingredients. The brand creates vegan, cruelty-free, clean formulas from its Milk Makeup HQ in Downtown NYC. Currently, Milk Makeup offers over 300 products through its US website www.MilkMakeup.com, and its retail partners including Sephora in North America, Europe, the Middle East and Australia and Cult Beauty and Selfridges in the UK.

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. The Company 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 press release relates to proposed transactions between Obagi and Waldencast and Milk Makeup and Waldencast. This press release 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 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. No offer of securities shall be made except by means of a prospectus meeting the requirements of the Securities Act. Waldencast intends to file a registration statement on Form S-4, or other appropriate forms, with the SEC, which will include a document that serves as a prospectus and proxy statement of Waldencast, referred to as a proxy statement/prospectus. A proxy statement/prospectus will be sent to all Waldencast shareholders. Waldencast also will file other documents regarding the proposed transactions with the SEC. 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 will be able to 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, 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.

Cautionary Statement Regarding Forward-Looking Statements

This release contains certain forward-looking statements within the meaning of the federal securities laws with respect to the proposed transactions among Obagi, 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 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, 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, (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 Makeup Equity Purchase Agreement, (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’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’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 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 S-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, 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, or Milk Makeup gives any assurance that Waldencast, Obagi or Milk Makeup, or the combined company, will achieve their expectations.

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waldencast[®]
Waldencast Acquisition Corp.

Investor Presentation
November 2021

Disclaimer

This presentation (this "Presentation") relates to a proposed business combination (the "Business Combination") between Waldencast Acquisition Corp. ("Waldencast") and OBAGI Global Holdings Limited and its subsidiaries ("OBAGI") and Milk Makeup, LLC ("Milk").

Forward-Looking Statements

This Presentation contains certain forward-looking statements within the meaning of the federal securities laws with respect to the proposed transactions among OBAGI, Milk and Waldencast, including statements regarding the intended benefits of the transactions, the anticipated timing of the transactions and the growth strategies of Waldencast, OBAGI and Milk. 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). 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, and Milk, 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; (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; (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 or Milk's business relationships, operating results, and business generally; (x) the ability to meet Nasdaq's listing standards following the consummation of the proposed transactions; (xi) costs related to the proposed transactions; (xii) the price of Waldencast's securities may be volatile due to a variety of factors, including Waldencast's, OBAGI's or Milk'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 resolve additional opportunities and (xiv) the ability of OBAGI and Milk 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 S-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 Waldencast, OBAGI and Milk 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 or Milk gives any assurance that Waldencast, OBAGI or Milk, or the combined company, will achieve their expectations.

You should carefully consider the risks and uncertainties described in the "Risk Factors" section of Waldencast's registration statement on Form S-1, the proxy statement/prospectus on Form S-4, or other appropriate form, relating to the Business Combination, which is expected to be filed by Waldencast with the Securities and Exchange Commission (the "SEC") and other documents 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 Waldencast and each of OBAGI and Milk 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. None of Waldencast, OBAGI, or Milk gives any assurance that any of Waldencast, OBAGI or Milk will achieve its expectations.

This Presentation contains certain financial projections, forecasts, estimates and targets of OBAGI and Milk. Such financial projections, forecasts, estimates and targets constitute forward-looking information, and are for illustrative purposes only and should not be relied upon as necessarily being indicative of future results. The assumptions and estimates underlying such financial projections, forecasts, estimates and targets are inherently uncertain and are subject to a wide variety of significant business, economic, competitive and other risks and uncertainties. See "Forward-Looking Statements" above. While all financial projections, forecasts, estimates and targets are necessarily speculative, Waldencast, OBAGI and Milk believe that the preparation of prospective financial information involves increasingly higher levels of uncertainty the further out the projection, forecast, estimate or target extends from the date of preparation. Actual results may differ materially from the results contemplated by the financial projections, forecasts, estimates and targets contained in this Presentation, and the inclusion of such information in this Presentation should not be regarded as a representation by any person that the results reflected in such forecasts will be achieved.

Trademarks

Waldencast, OBAGI and Milk own or have rights to various trademarks, service marks and trade names that they use in connection with the operation of their respective businesses. This Presentation may also contain trademarks, service marks, trade names and copyrights of third parties, which are the property of their respective owners. The use or display of third parties' trademarks, service marks, trade names or products in this Presentation is not intended to, and does not imply, a relationship with Waldencast, OBAGI or Milk, or an endorsement or sponsorship by or of Waldencast, OBAGI or Milk. Solely for convenience, the trademarks, trade names and copyrights referred to in this Presentation may appear without the TM, SM, ® or ® symbols, but such references are not intended to indicate, in any way, that Waldencast, OBAGI or Milk will not assert, to the fullest extent under applicable law, their rights or the right of the applicable licensor to these trademarks, service marks, trade names and copyrights.

Financial Information: Non-GAAP Financial Measures

The financial information and data contained in this Presentation has not been audited in accordance with the standards of the Public Company Accounting Oversight Board and does not conform to Regulation S-X. Such information and data may not be included in, may be adjusted in or may be presented differently in the registration statement to be filed by Waldencast relating to the proposed Business Combination and the proxy statement/prospectus contained therein.

This Presentation also includes certain financial measures not presented in accordance with U.S. generally accepted accounting principles ("GAAP") including Adjusted EBITDA and Adjusted EBITDA Margin, and certain ratios and other metrics derived therefrom. OBAGI defines Adjusted EBITDA as earnings before interest, taxes, depreciation, and amortization, excluding the impact of the China distribution carve-out and the business combination transaction costs as of December 31, 2021 ("OBAGI Adjusted EBITDA"). OBAGI defines Adjusted EBITDA margin as Adjusted EBITDA divided by net revenue ("OBAGI Adjusted EBITDA margin"). Milk defines Adjusted EBITDA as earnings before interest, taxes, depreciation, and amortization, excluding the business combination transaction costs as of December 31, 2021 ("Milk Adjusted EBITDA"). The post-transaction combined company defines EBITDA as earnings before interest, taxes, depreciation, and amortization ("Combined Company EBITDA"). The post-transaction combined company defines Adjusted EBITDA margin as combined Company EBITDA divided by net revenue ("Combined Company Adjusted EBITDA margin"). These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing OBAGI's and Milk's financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income under GAAP. You should be aware that OBAGI's and Milk's presentation of these measures may not be comparable to similarly titled measures used by other companies. Waldencast, OBAGI and Milk believe these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to OBAGI's and Milk's financial condition and results of operations. Waldencast, OBAGI and Milk believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in comparing OBAGI's and Milk's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. Additionally, there can be no assurance that OBAGI and Milk will not modify the presentation of these or similar non-GAAP measures in the future, including to make adjustments for future expenses or other items that the OBAGI and Milk believe are appropriate in comparing its operating performance across reporting periods on a consistent basis.

This Presentation also includes certain projections of non-GAAP financial measures. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these projected measures, together with some of the excluded information not being ascertainable or accessible, Waldencast, OBAGI and Milk are unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable effort. Consequently, no disclosure of estimated comparable GAAP measures is included and no reconciliation of the forward-looking non-GAAP financial measures is included. For the same reasons, OBAGI and Milk are unable to address the probable significance of the unavailable information, which could be material to future results.

Additional Information and Where to Find It

This Presentation does not constitute (i) solicitation of a proxy, consent or authorization with respect to any securities or in respect of the proposed transaction or (ii) an offer to sell or exchange, or the solicitation of an offer to buy or exchange, any security of Waldencast, OBAGI, Milk, the combined company or any of their respective affiliates, nor shall there be any sale of any such securities in any state or jurisdiction in which such offer, solicitation, sale or exchange would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of the Securities Act of 1933, as amended, in connection with the proposed transaction. Waldencast intends to file a registration statement on Form S-4 with the SEC, which will include a document that serves as a prospectus and proxy statement/prospectus. A proxy statement/prospectus will be sent to all Waldencast shareholders. Waldencast also will file other documents regarding the proposed transaction with the SEC. This Presentation does not contain all of the information that should be considered concerning the proposed transaction and is not intended to form the basis of any investment decision or any other decision in respect of the proposed transaction. Before making any voting or investment 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 transaction as they become available because they will contain important information about the proposed transaction. Investors and security holders will be able to obtain free copies of the registration statement, 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. In addition, the documents filed by Waldencast with the SEC may be obtained free of charge from Waldencast's website at <https://www.waldencast.com/> or upon written request to 10 Bank Street, Suite 500, White Plains, NY 10606.

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No Offer or Solicitation

This communication is for informational purposes only and does not constitute, or form a part of, an offer to sell or the solicitation of an offer to sell or an offer to buy any securities, and there shall be no sale of securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933 as amended, and otherwise in accordance with applicable law.

NEITHER THE SEC NOR ANY OTHER SECURITIES COMMISSION OR SIMILAR REGULATORY AUTHORITY, IN THE UNITED STATES, CANADA OR ELSEWHERE, HAS REVIEWED, APPROVED OR DISAPPROVED OF THE SECURITIES OR THIS PRESENTATION OR DETERMINED IF THIS PRESENTATION IS TRUTHFUL OR COMPLETE, AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENSE.

The Waldencast executive team

We are a team deeply experienced across the **beauty, wellness, and consumer goods** industries, building a **world-class brand development platform** to identify, conceptualize, launch, and profitably scale brands



Michel Brousset

Founder and CEO

25+ years experience

- Previously Group President of L'Oréal North America Consumer Products Division and CEO of L'Oréal UK
- Variety of roles at L'Oréal and Procter & Gamble successfully building billion-dollar brands and businesses



Felipe Dutra

Founder and Executive Chairman

30+ years experience

- Former Chief Financial and Technology Officer of Anheuser-Busch InBev (AB InBev)
- Served as Board Director of Grupo Modelo, Budweiser APAC, and AMBEV3



Hind Sebti

Founder and COO

20+ years experience

- Former General Manager at L'Oréal UK across the consumer and professional divisions
- Brand leadership roles at L'Oréal, Procter & Gamble, Maybelline and Redken



Tassilo Festetics

CFO and CTO

20+ years experience

- Former CFO of ABI Asia and Global VP of Technology of ABI
- Former General Partner at Anheuser-Busch InBev (AB InBev)





Nwaldencast[®]

Our ambition is to build a global best-in-class beauty and wellness multi-brand platform by creating, acquiring, accelerating, and scaling the next generation of high-growth, purpose-driven brands.





The Opportunity

NW

Beauty is a proven and resilient, high-growth and highly profitable market

Massive addressable market with attractive category dynamics...

	Global market size ¹	% of BPC market ¹	2021-2023 CAGR ¹	Key drivers of industry growth: →
Skincare	\$155bn	30%	7.9%	✓ Shifting desire for quality over price
Color cosmetics	\$66bn	13%	7.0%	✓ Increasing appetite for clean, natural, and higher-performance products
Haircare	\$83bn	16%	5.2%	✓ Emerging market expansion
Bath and shower	\$49bn	9%	4.6%	✓ Adaptability to e-commerce channels, particularly by skincare and makeup consumers
Fragrance	\$48bn	9%	7.2%	

...and proven resiliency through economic cycles

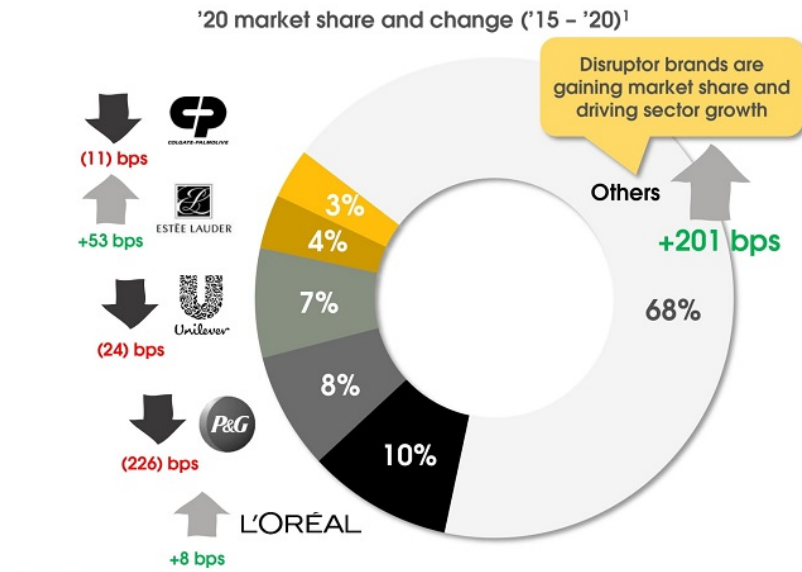


¹ Euromonitor International; Beauty & Personal Care, 2021ed, retail value sales, current prices, 2020 fixed ex rates

Highly fragmented market with growth driven by independent brands

New consumer trends and technology are driving an explosion of new independent brands

Clear opportunity to aggregate emerging brands under a new platform to accelerate growth and scale



Fragmented industry
Top 5 players represent only 32%

Not a "winner takes all" market
Expandable consumption category

Emerging players driving growth and gaining market share

NW ¹ Euromonitor International, Beauty & Personal Care, 2021 ed., retail value sales, current prices, 2020 fixed ex rates
Note: bps indicates market share change from 2015 to 2020

INCUMBENTS vs INDIES

EROSION OF TRADITIONAL SOURCES OF COMPETITIVE ADVANTAGE FOR INCUMBENTS

- Large advertising budgets allocated primarily toward traditional media
- Diminishing ability to dominate physical shelf space in retailers
- Asset-heavy infrastructure to support in-house R&D and manufacturing facilities results in longer reaction times to emerging trends
- Talent attrition to other attractive opportunities

RISE OF INDEPENDENT BRANDS LIMITED BY THEIR ABILITY TO SCALE GLOBALLY

- Digital/social media reshaped traditional marketing and product discovery
- eCommerce provides direct access to consumers, bypassing incumbents' strength in traditional distribution channels
- Outsourced innovation, production, and logistics enables asset-lite structures
- Limited ability to scale globally with the resources and expertise of a single-brand

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- Talent attrition to other attractive opportunities

Waldencast[®] OPERATING MODEL

Operational scale
of a multi-brand platform

Expertise in managing global
beauty brands at scale

Asset-light efficiency and
market responsiveness of
entrepreneurial indie brands

RISE OF INDEPENDENT BRANDS LIMITED BY THEIR ABILITY TO SCALE GLOBALLY

Digital/social media reshaped traditional marketing and product discovery

eCommerce provides direct access to consumers, bypassing incumbents' strength in traditional distribution channels

Outsourced innovation, production, and logistics enables asset-lite structures

Limited ability to scale globally with the resources and expertise of a single-brand

Waldencast[®]

GROWTH AND PROFITABILITY OPERATING MODEL

Growth-Oriented Business Model

Identify and create high potential brands that we can leverage and scale through our platform

Allocate capital across organic and inorganic opportunities with strong internal product and brand development capabilities

Brand-Led Independence

Ensures proximity to customers, business agility, and market responsiveness

Drives entrepreneurial spirit and ownership mindset of our brand operators

Asset Light Modularity

Leveraging external open development and R&D partnerships, supply chain solutions, and modular cloud technology

Intelligent Synergies

Consolidate support functions where there is no advantage to executing at brand-level

Combines the strength of a multi-brand platform while respecting the identities and autonomy of individual brands

Waldencast Culture

Rooted in performance, ownership and entrepreneurship and our dreamer/maker values – ambition with humility, idealism with practicality, grit with kindness, and vision with action

Beauty and Wellness Pure- Player

Deep and broad expertise in the industry, resulting in excellence across every link in the value chain

Conscious Entrepreneurship

Supporting the beauty and wellness industry by prioritizing core values of sustainability, inclusivity, and social responsibility

Balanced Business Portfolio

Across categories, geographies, price points and commercialization models

Delivering consistent growth across a portfolio designed to withstand economic and category shifts



Nwaldencast[®]

Following our first acquisitions, we intend to embark on a **multi-year journey** to build a **multi-branded platform** focused on the next generation of high growth, purpose-driven brands



We are building the next-generation beauty and wellness platform

NWaldencast[®] investment criteria

OBAGI

Milk
MAKEUP

①	Strong brand identity with enduring brand equity	✓	✓
②	High level of consumer affinity	✓	✓
③	Differentiated offering and market positioning	✓	✓
④	Multiple levers for long-term sustainable growth	✓	✓
⑤	Strong online community and omni-channel growth	✓	✓
⑥	Long-term sustainable business model	✓	✓
⑦	Leverage management team's operating expertise and network	✓	✓
⑧	Attractive value creation opportunity	✓	✓



OBAGI®



VITAMIN C
eye brightener
INSTANTLY BURS
FINE LINES WHILE
BRIGHTENING THE
EYE AREA
OBAGI
CLINICAL
0.5 fl. oz. (15 ml)



Best-in-class dermo-cosmetic brand with strong anchor capabilities and attractive potential growth opportunities

With a 33-year legacy of science and innovation, OBAGI created the professional skincare category and has continued to pioneer its space since launching in 1988



OBAGI

\$168mm

2021E
net revenue¹

14%

2019 – 2021E
net revenue
CAGR¹

25%

2021E
Adj. EBITDA
margin¹

#1

perceived best
performing brand
among US
providers²

200+

SKUs
from Rx to
Consumer³

80+

patents
worldwide³

¹ OBAGI management projections; 2021 OBAGI financial estimates exclusive of China business
² 2020 Kline Physician-Dispensed Skincare: U.S. Perception & Satisfaction Survey,™ Kline & Company
³ OBAGI information

An experienced leadership team of dermo-cosmetics experts



Jaime Castle
President & CEO



Lisa Errecart
EVP, Global Operations



Trish Mentas
VP, Finance



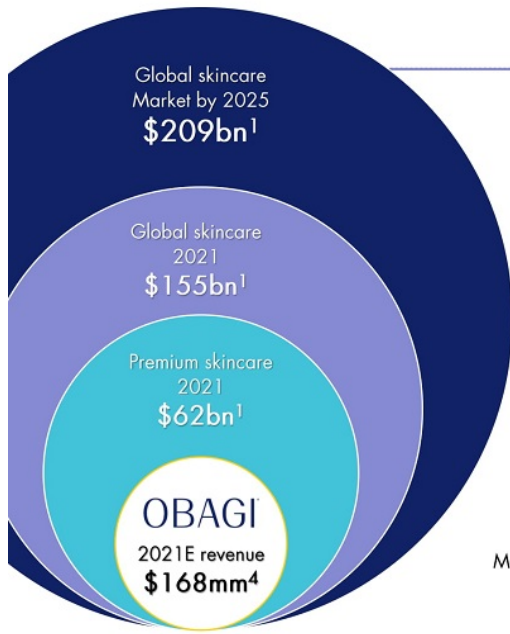
David Bell
EVP, Global Sales



Dr. Laurence Dryer
EVP, R&D

YEARS IN SPECIALTY	21+	18+	25+	21+	28+
YEARS AT OBAGI	7+	18+	13+	8+	8+
EXPERIENCE	 	 	 	 	

OBAGI is a leader in the fastest growing segment of skincare



Key markets

	2021 skincare market size (\$bn)	CAGR 2021-2025
Asia Pacific	\$86	10%
North America ²	\$24	4%
Western Europe	\$23	3%
Latin America	\$8	7%
Eastern Europe	\$5	5%
Middle East and Africa	\$5	10%

Category dynamics

High-growth segment with strong momentum in post-lockdown era
Growth of science-backed skincare bolstered by rise of "skin-tellectual" consumers increasingly focused on product potency and efficacy

2.5x
percentage growth for dermo-cosmetics skincare versus premium from 2018-2020¹

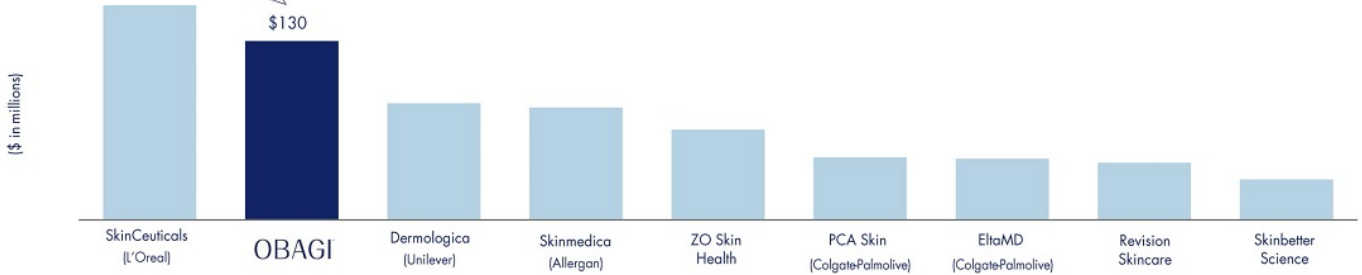
47%
premium buyers
versus 20% non-premium buyers use ~8-14 skincare products weekly³

¹ Euromonitor International; Beauty & Personal Care, 2021 ed, retail value sales, current prices, 2020 fixed ex rates; ² Including the United States and Canada; ³ "How to Target Premium Beauty Buyers," report by Euromonitor; ⁴ OBAGI management projections, OBAGI 2021 financial estimates exclusive of China business

Market leader within professional skincare

30+ years
of clinical experience

LARGEST U.S. PROFESSIONAL SKINCARE PRODUCTS COMPANIES¹ BY ESTIMATED SALES (2019)



Independent brands in professional skincare by ranking	-	#1	-	-	#2	-	-	#3	#4
Best performing brands among U.S. providers' perception and satisfaction	#5	#1	-	-	#2	-	#4	#3	-
Best performing brands with regard to product portfolio and innovation	#5	#1	-	-	#4	-	#2	#3	-
Best performing brands with regard to marketing	#5	#1	-	-	#4	-	#3	#2	-

Source: *2020 Kline Physician-Dispensed Skincare: U.S. Perception & Satisfaction Survey; * Kline & Company, company financials; ¹ Euromonitor International, Beauty & Personal Care, 2021 ed, retail value sales, current prices, 2020 fixed ex rates

Science-backed formulations and services trusted and recommended by physicians worldwide

High-performance products with high standards of medical efficacy...

...widely recognized by physicians, driving long-standing customer relationships²



ELASTIderm® Facial Serum
95% of subjects showed improvement

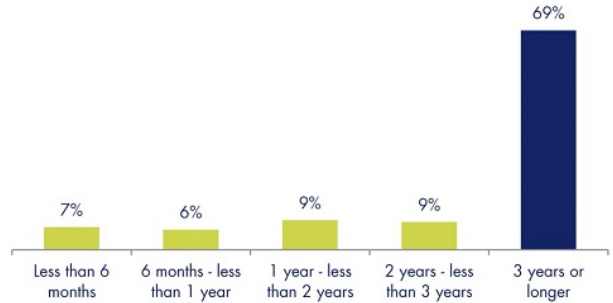


OBAGI360® System
88% of patients saw improvement as early as week 3



OBAGI-C® RX
97% of patients reported smoother skin

OBAGI's treatments complete rigorous testing from panels comprising leading dermatologists from universities and research organizations across the U.S.



80+
Patents worldwide¹

World class R&D team members leading new product development

Studied by board-certified dermatologists to ensure product efficacy

"OBAGI has the strongest clinical efficacy profile in the category"

"OBAGI offers more practice support than other skin care lines"

"OBAGI is the cornerstone of my aesthetic practice"

Source: ¹2020 Kline Physician-Dispensed Skincare: U.S. Perception & Satisfaction Survey; ²Kline & Company¹ OBAGI Information; ² Length of relationship refers to the period of time between a customer's first order date and November 10, 2021, and is limited to customers who have placed an order in the previous 12 months

Robust portfolio of highly-effective science-based products

CORE BUSINESS
(90%+ SALES)

GROWTH OPPORTUNITIES

MEDICAL

CONSUMER

DEVICES

PROFESSIONAL SPA



Transformational skincare products formulated to brighten, nourish, protect and enhance skin tone and texture

Accessible, dermatologist-backed products designed for retexturizing, brightening, and minimizing fine lines & wrinkles

First professional-use device designed by Obagi for in-clinic use

High-quality products designed for customers that want sensory and high performance "clinical spa" experience

~25%

Revenue in 2020 generated from prescription solutions¹

\$22-\$471

Product price range^{1, 2}

Launched in 2018

\$7mm

2021E revenues²

\$38-\$145

Product price range^{1, 2}

Launched in
Q2 2021

Launching in
Q4 2021

¹ OBAGI information; ² Refers to MSRP; ³ Revenue from Obagi Clinical

Our ambition is to make OBAGI the top dermo credentialed brand in the world, driving strong growth through channel and geographic diversification

BRAND EXPANSION	CHANNEL EXPANSION	INTERNATIONAL GROWTH	WALDENCAST PLATFORM
			
<p>Capitalize on medical credentials and technology</p>	<p>Deepen penetration of dermo channel and expand into consumer and professional spa</p>	<p>Diversify business model to strengthen footprint abroad</p>	<p>Leverage data-driven, asset-light Waldencast platform</p>
<ul style="list-style-type: none"> ■ Expansion into consumer channels with ultra-high performance consumer line ■ Leverage medical brand credentials and technology to drive credibility for "Rx-to-OTC switch" 	<ul style="list-style-type: none"> ■ Significant opportunity to expand with specialty and mass retailers ■ Meet consumers online and capture new shoppers ■ Continue to develop and expand spa presence 	<ul style="list-style-type: none"> ■ Build and execute global e-Commerce initiative ■ Expand presence in key large international markets (EU, ME, Brazil, SEA) ■ Drive strategic distribution in China and Japan via local partnerships 	<ul style="list-style-type: none"> ■ End-to-end e-Commerce solution enabling brands to rapidly scale ■ Leverage Waldencast's innovation and product development expertise ■ Smart synergies in supply chain, finance, IT, etc.



Milk

MAKEUP



Milk

MAKEUP

Leading clean make-up brand with a cult following among Gen-Z consumers known for its cultural relevance and iconic products

Anchored by strong community following with significant growth opportunities





Milk MAKEUP

\$47M

2021E
Net revenue¹

24%

2018-2021E
Net revenue
CAGR¹

#2

Clean Brand at
Sephora US²

Best-Seller

Face primer
at Sephora³

Best-Seller

Mascara at
Sephora³

1.9M

Instagram
Followers⁴

¹ Milk financials for 2018 and management projections for 2021; ² Sephora management; ³ Sephora website; ⁴ As of September 21, 2021 at 3:00 pm ET



MILK MAKEUP LEADERSHIP TEAM



Tim Coolican
CEO



Steve Nguyen
CFO



Mazdack Rassi
Co-Founder & Chief Brand Officer



Dianna Ruth
Co-Founder and COO

YEARS IN SPECIALTY

20+

18+

20+

15+

YEARS AT MILK

1+

3+

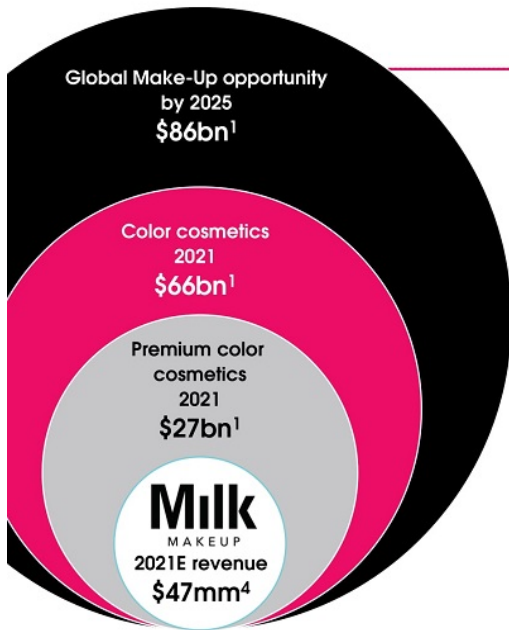
6+

6+

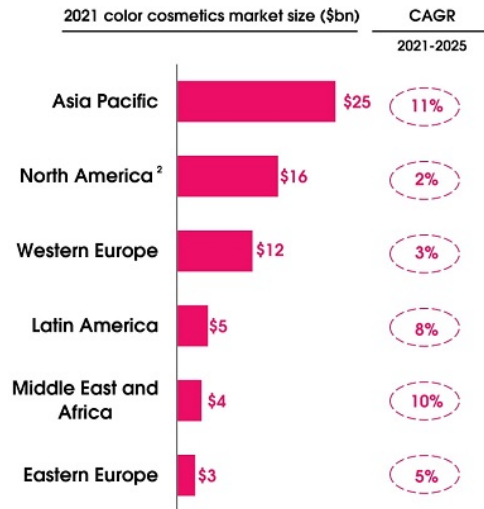
EXPERIENCE



MILK IS A LEADER IN THE HIGH GROWTH, CLEAN MAKE-UP SEGMENT



Key markets



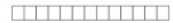
Category dynamics

Large and exciting category with potential for growth fueled by consumer demand for clean beauty
Untapped growth opportunity among Gen-Z consumers

+12%
Growth of clean beauty 2020-2027⁵

Strong rebound category post-pandemic
+71%
Q/Q growth in Q2 2021 for U.S. make-up sales³

¹ Euromonitor International; Beauty & Personal Care, 2021ed, retail value sales, current prices, 2020 fixed ex rates;² Including the United States and Canada; ³ Just the Numbers: Q2 2021 NPD US Prestige Beauty" report by the NPD Group; ⁴ Milk management projections; ⁵ Brand Essence Research; "Clean Beauty Market Size," 2021, public summary



LEADING BRAND WITH EXCITING PORTFOLIO OF CULT PRODUCTS

AMPLE OPPORTUNITY TO INNOVATE WITHIN MAKE-UP AND SKIN AND EXPAND INTO OTHER BEAUTY CATEGORIES



Innovative, iconic products

Vegan, clean, cruelty-free

Category champions with global resonance

Cross-category heroes





A BRAND BUILT ORGANICALLY ON COMMUNITY AND CULTURE

INCLUSIVE COMMUNITY¹



1.9M
INSTAGRAM FOLLOWERS

8.5M
TIKTOK LIKES

108.4K
FACEBOOK FOLLOWERS

VALUES ALIGNED WITH NEXT GENERATION

GOOD FOR YOU	100% vegan Paraben-Free Pledged never to use 2,500+ controversial ingredients
GOOD FOR THE PLANET	 pact Packaging ✓ Petroleum-free plant-based inks ✓ Recyclable
GOOD FOR OUR COMMUNITY	  <small>June 2021 Update</small> Here Are Our 5 Commitments to Ourselves and Our Community.

¹ As of September 21, 2021 at 3:00 pm ET



GROWTH DRIVEN BY BRAND AWARENESS AND INNOVATION

Milk Awareness by age¹

Gen-Z 100 Index ³	Millennial 84 Index	Gen-X 68 Index	Boomer 60 Index
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Strong Gen-Z following with opportunity to drive incremental awareness and trial across consumer segments



Active + Whitespace Milk Categories²

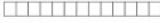
Milk	330 SKUs¹	v/s	Other Leading Make-Up Specialist Brands	1,500-7,000 SKUs
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Milk Makeup has the opportunity to grow through innovation and launches

■ Established ■ Emerging □ Whitespace⁴

	Mascara \$1.9B	Primer³ \$0.3B	Blusher & Bronzer \$0.5B	Skin Tints \$2.3B
Make-up	Foundation / Concealer \$3.8B	Lash & Brow \$1.0B	Lip \$2.8B	Shadow \$0.5B
Category Expansion	Skincare \$21.9B	Haircare \$14.1B	Bath / Shower \$9.5B	Fragrance \$8.7B

¹ Survey conducted June 11-21, 2020 with female participants ages 13-64 who have purchased beauty products for themselves in the past 3 months and do not work in the beauty industry; ² Market sizes reflect 2021E data for the USA market; Euromonitor International; Beauty & Personal Care and Color Cosmetics in the US, 2021ed, retail value sales, current prices, 2020 fixed ex rates ³ 100 implies 82% awareness for Gen-Z; ³ Primer refers to EMI's category BB/CC creams and skin tints refers to EMI's premium foundation / concealer; ⁴ Areas where management believes product offering expansions or introduction of new categories are possible



BUILDING ON STRONG PARTNERSHIP WITH SEPHORA

Established footprint in US with opportunity to increase presence in high-growth, international markets



Front of store takeover in Sephora Dubai flagship



1st Gondola 50 doors, all 2 bay



SST US front of store takeover



Pop up store in Sephora Time Square



Current 3 bay gondola



MILK Ad in Times Square



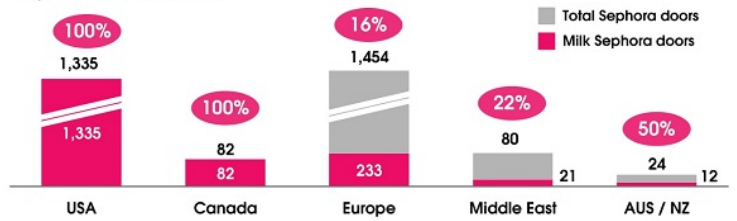
Front of store takeover in Sephora Champs Elysees



Unprecedented KUSH launch support

Strong position in Sephora today with room to grow

Sephora Door Penetration¹



Vast opportunity to further win share with Sephora's customer base

Sephora Customer Penetration

$$20\% \times 16\% = 3\%$$

Percentage of Sephora shoppers aware of Milk Makeup

Percentage of brand-aware Sephora shoppers who purchased Milk Makeup

Milk penetration of Sephora clientele

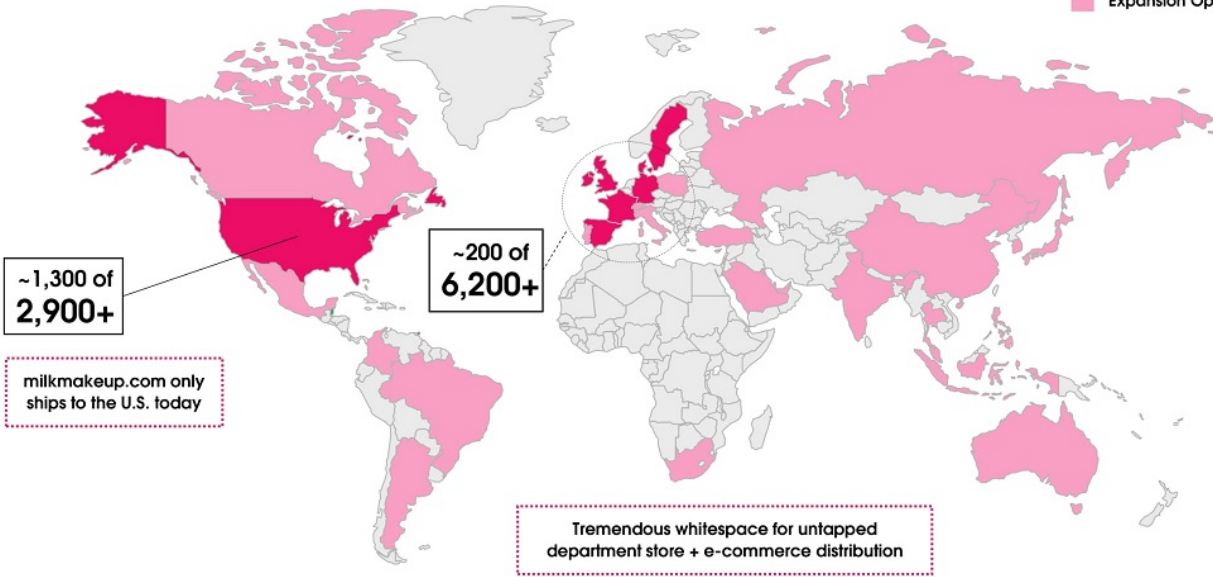
¹ Data provided by Sephora; Sephora doors include Kohl's and SJCP

UNTAPPED DISTRIBUTION OPPORTUNITIES

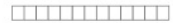
Significant opportunity to expand into other beauty retail doors worldwide



Current Milk Presence in Brick & Mortar
Expansion Opportunity



Note: Door counts represent expansion opportunities in brick and mortar stores
Source: Retailer company websites



OUR AMBITION IS TO BUILD THE TOP GLOBAL MAKE-UP BRAND OF THE NEW GENERATION



GROW CONSUMER BASE

Drive awareness and trial

- Reinvest operational efficiencies in increased marketing spend and leverage current ecosystem to drive awareness, trial and topline growth
- Broaden brand footprint to recruit millennials and build on Gen-Z strength



BRAND EXPANSION

Expand make-up assortment, enter new categories

- Accelerate product innovation and build on hero products to create category champions with global resonance
- Continue to develop skincare presence
- Evolve mix to higher margin products and expand into other categories



INTERNATIONALIZE

Build global brand availability

- Strengthen and maximize Sephora ecosystem
- Expand to key remaining markets
- Develop highly efficient international D2C model



WALDENCAST PLATFORM

Leverage data-driven asset light Waldencast platform

- Improve gross margins through operational efficiency in sourcing, forecasting, and COGS negotiation
- Leverage Waldencast's intelligent synergies in supply chain, finance, IT, etc.



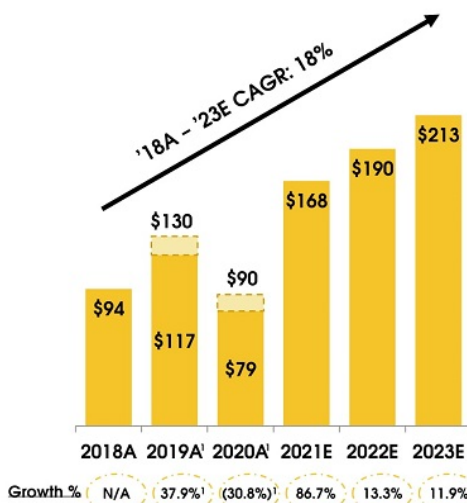


Financial Overview

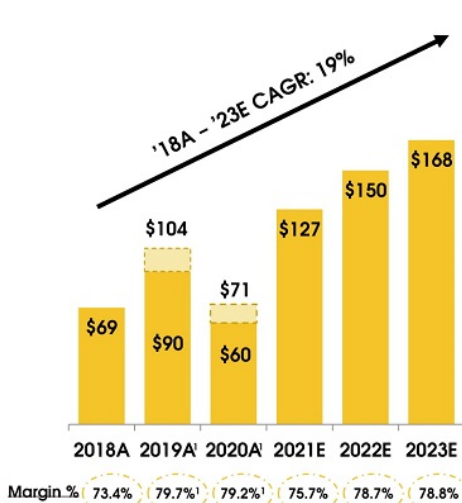


OBAGI financial profile

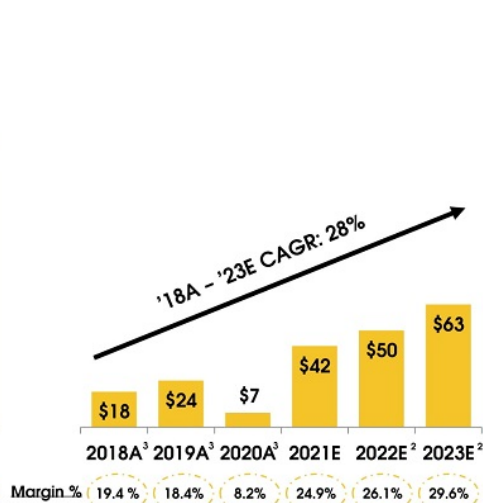
Net sales (\$mm)



Gross profit (\$mm)



Adjusted EBITDA (\$mm)



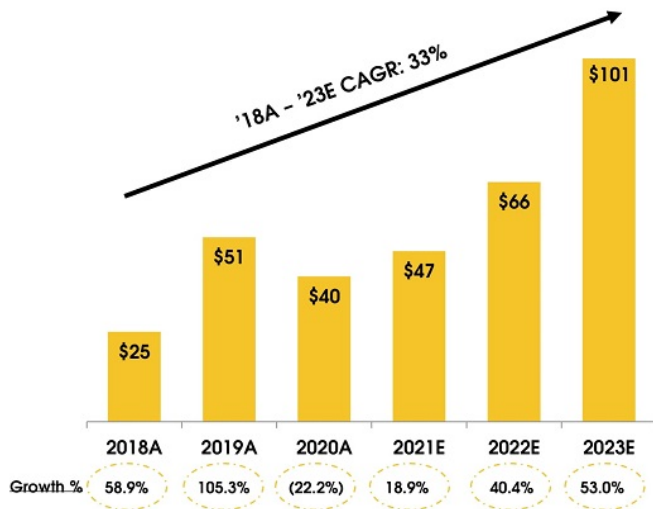
Year	2018A	2019A ¹	2020A ¹	2021E	2022E	2023E
Growth %	N/A	37.9% ¹	(30.8%) ¹	86.7%	13.3%	11.9%
Margin %	73.4%	79.7% ¹	79.2% ¹	75.7%	78.7%	78.8%

Note: OBAGI financials exclusive of China business for all periods presented
 Source: OBAGI financials for the periods from 2018 to 2020, management estimates for the periods from 2021 to 2023E

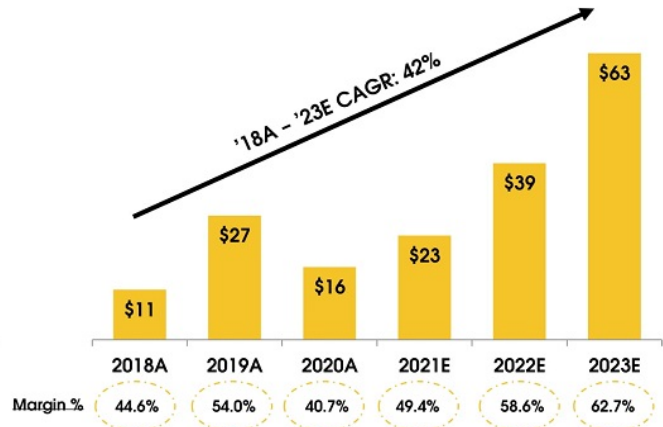
¹ In fiscal year 2021, OBAGI implemented certain contractual modifications that adjust its reporting of revenue for services provided by certain distributors on behalf of OBAGI. For the purpose of comparability with forecasted financials, the pro forma historical financials presented for FY2019 and FY2020 herein reflect estimates of the Net Revenue that would have been recognized by OBAGI had such contractual changes been in effect in prior periods. These contractual modifications and adjusted reporting of revenue have no impact on OBAGI Adjusted EBITDA; ² OBAGI financials inclusive of 5.5% royalty; ³ OBAGI Adjusted EBITDA is a non-GAAP measure. For a reconciliation of OBAGI Adjusted EBITDA to net income, the most comparable GAAP measure, see appendix



Net sales (\$mm)



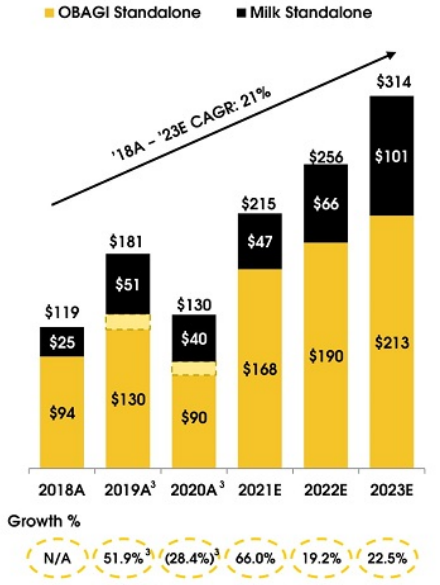
Gross profit (\$mm)



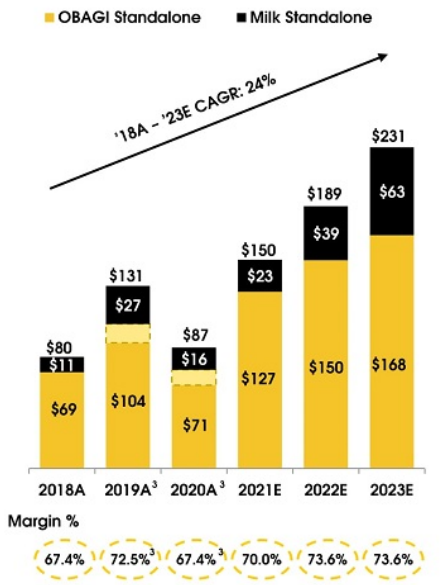
Source: Milk financials for the periods from 2018 to 2020, management estimates for the periods from 2021E to 2023E

OBAGI + Milk combined financial forecast

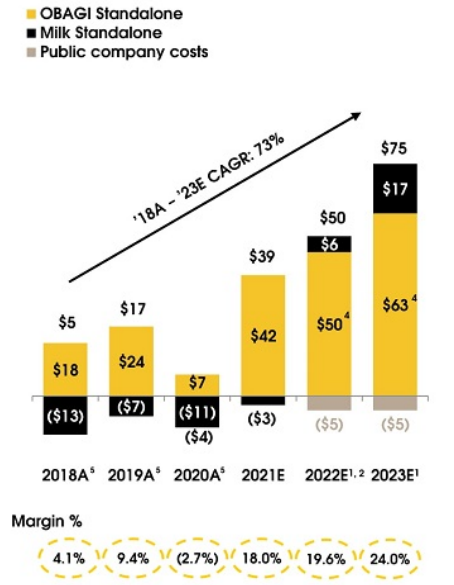
Net sales (\$mm)



Gross profit (\$mm)



Adjusted EBITDA (\$mm)



Note: OBAGI financials exclusive of China business
¹ Total combined company adjusted EBITDA reflects deduction of \$5mm for public company costs; ² Discrepancies in arithmetic are due to rounding; ³ In fiscal year 2021, OBAGI implemented certain contractual modifications that adjust its reporting of revenue for services provided by certain distributors on behalf of OBAGI. For the purpose of comparability with forecasted financials, the pro forma historical financials presented for FY2019 and FY2020 herein reflect estimates of the Net Revenue that would have been recognized by OBAGI had such contractual changes been in effect in prior periods. These contractual modifications and adjusted reporting of revenue have no impact on OBAGI's EBITDA; ⁴ OBAGI financials inclusive of 5.5% royalty; ⁵ OBAGI, Milk and combined company adjusted EBITDA are non-GAAP measures. For a reconciliation of OBAGI, Milk and combined company adjusted EBITDA to net income, the most comparable GAAP measure, see appendix

A woman with dark hair pulled back, smiling warmly at the camera. She is wearing a gold-colored top. The background is a textured, reddish-brown surface, possibly a wall or a natural rock formation. The lighting is soft and warm, highlighting her features.

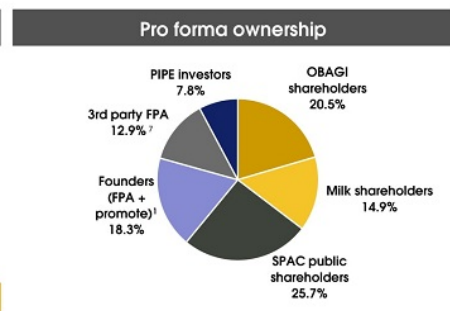
Transaction Overview

NW

Transaction summary	
■	Implied pro forma enterprise value of ~\$1.2 billion
■	Waldencast to combine substantially concurrently with OBAGI and Milk <ul style="list-style-type: none"> – Implies a 24.7x post-money FV / 2022E Adj. EBITDA⁵ and 16.5x FV / 2023E Adj. EBITDA⁵
■	Concurrent with the transaction, Waldencast has raised \$105 million of committed PIPE at \$10.00 per share
■	Existing shareholders of OBAGI and Milk to maintain ownership of approximately 21% and 15% respectively
■	OBAGI shareholders to retain OBAGI China
■	Sponsors investing an additional \$160m of committed capital through the FPA (at the top of the range of their \$130m to \$160m FPA commitment), resulting in a significant ownership in the company ⁴
■	Third-Party investors allocating \$173m of committed capital through an FPA ⁷

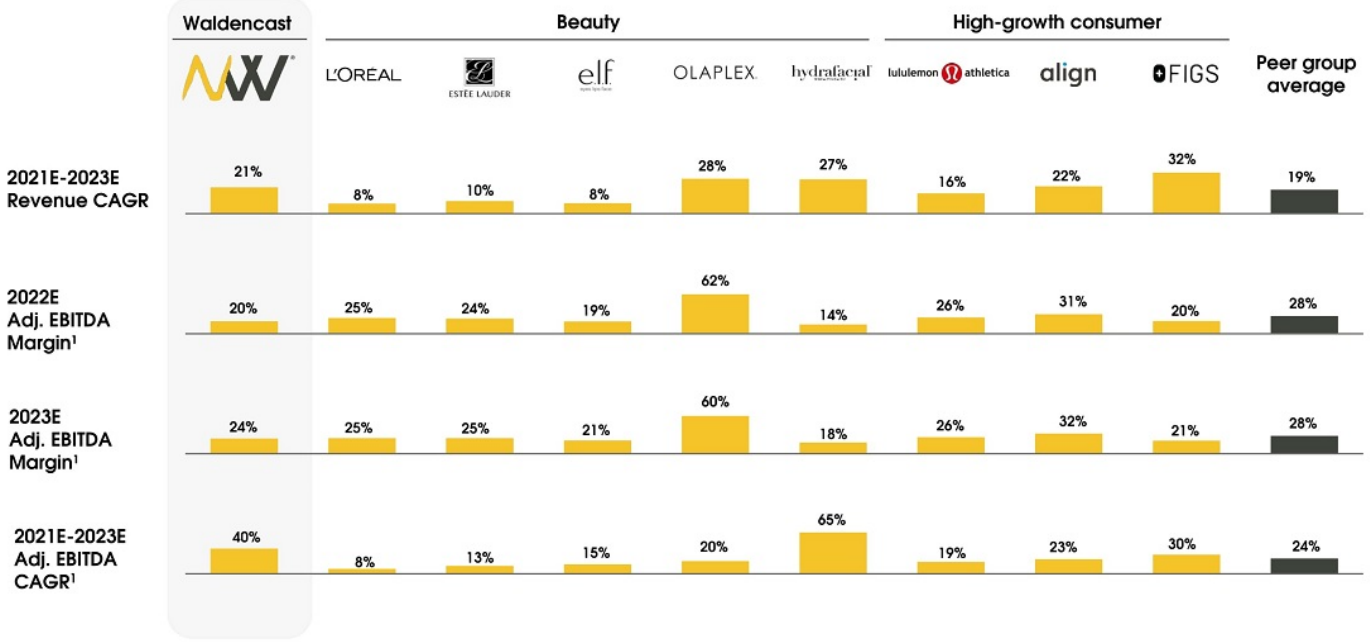
Pro forma enterprise value (\$mm)	
Share price	\$10.00
Pro forma shares outstanding	134.4
Equity value	\$1,344
Pro forma net (cash)	(\$104)
Pro forma enterprise value	\$1,240
Implied 2022E Adj. EBITDA multiple ⁵	24.7x
Implied 2023E Adj. EBITDA multiple ⁵	16.5x

Sources and uses (\$mm)	
<i>Sources for equity consideration:</i>	
IPO cash proceeds ⁶	345
PIPE Cash proceeds ³	105
Founder FPA proceeds	160
3 rd party FPA proceeds	173
Seller rollover equity	475
Total sources	\$1,258
<i>Uses for equity consideration:</i>	
Cash to balance sheet	202
Cash to sellers ⁸	520
Cash to OBAGI sellers	380
Cash to Milk sellers	140
Fees and expenses	61 ²
Seller rollover equity	475
Total uses	\$1,258



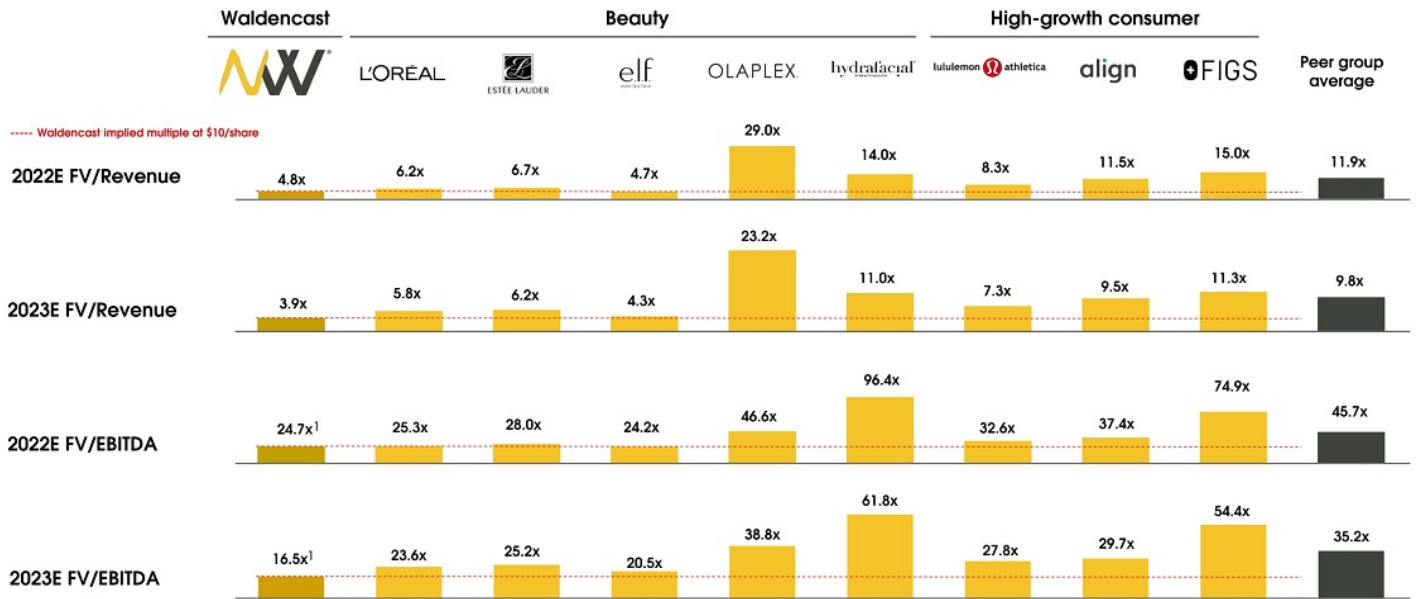
Note: The analysis and capital structure shown is at \$10 per share and does not reflect the impact from potential warrant dilution, or trust redemptions; ¹ Includes 16.0mm FPA shares and 8.6mm shares of founder promote; ² Illustrative based on latest estimates; ³ Represents total PIPE commitments; ⁴ Founders have entered into forward purchase agreement to purchase 16 million units, exercising their option therein, issued and sold by the Company on a private placement basis. Each unit is comprised of one Class A ordinary share of the Company and one-third of one redeemable warrant, where each whole redeemable warrant is exercisable to purchase one Class A ordinary share at an exercise price of \$11.50 per share; ⁵ EBITDA reflects deduction of \$5mm for public company costs; ⁶ Subject to reduction based on redemptions; ⁷ Sponsor is managing member of the Third-Party and therefore may be deemed beneficial owner. The Third-Party entered into forward purchase agreement to purchase 17.3 million units, exercising their option therein, issued and sold by the Company on a private placement basis. Each unit is comprised of one Class A ordinary share of the Company and one-third of one redeemable warrant, where each whole redeemable warrant is exercisable to purchase one Class A ordinary share at an exercise price of \$11.50 per share; ⁸ Cash consideration is subject to substitution for equity consideration based on the level of trust redemptions.

Peer benchmarking



Source: Historical data from company filings; projections from FactSet as of 11/8/2021
¹ 2022 and 2023 EBITDA reflects deduction of \$5mm for public company costs

Trading metrics for relevant peers



Source: Historical data from company filings; projections from FactSet as of 11/8/2021
¹ EBITDA reflects deduction of \$5mm for public company costs



Appendix

NW

Adjusted EBITDA reconciliation

OBAGI

\$mm	2020			2019		
	Consolidated	Carve-out	Post Carve-out	Consolidated	Carve-out	Post Carve-out
Net Income / (Loss)	(9.2)	(2.3)	(6.8)	5.8	-	5.8
Interest	6.3	-	6.3	6.8	-	6.8
Taxes	(5.1)	0.0	(5.1)	(1.6)	-	(1.6)
Depreciation & Amortization	13.4	0.4	13.1	12.9	-	12.9
Adjusted EBITDA	\$5.4	(\$1.9)	\$7.4	\$24.0	-	\$24.0

Milk MAKEUP

\$mm	2020	2019
Net Income / (Loss)	(12.9)	(11.0)
Interest	0.3	1.4
Taxes	-	-
Depreciation & Amortization	1.7	2.5
Adjusted EBITDA	(\$10.9)	(\$7.1)



OBAGI

	(\$mm)
Net sales 2022E	\$190
EBITDA 2022E	\$50
<i>Implied EBITDA multiple</i>	<i>17.2x</i>
OBAGI enterprise value¹	\$858
Net debt²	106
Equity value	\$752
Less: promote and fees	(97)
Equity value to OBAGI owners	\$655
Rollover equity to OBAGI owners	\$275
Cash proceeds to OBAGI owners⁴	\$380

Milk

MAKEUP

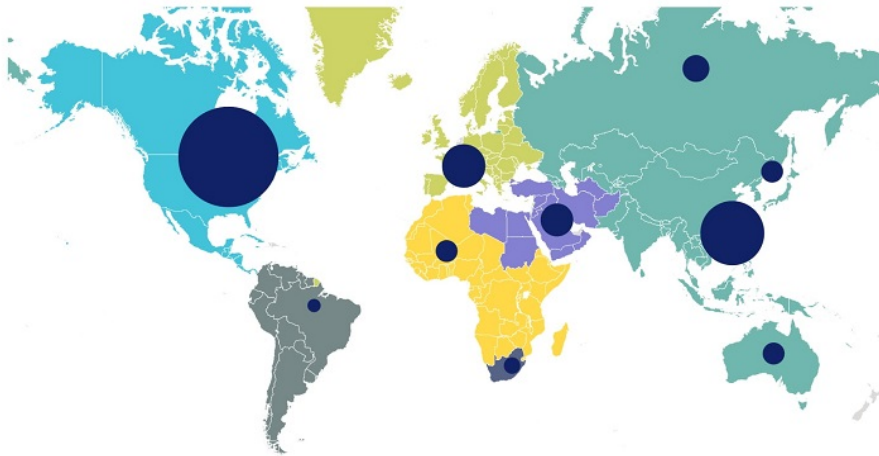
	(\$mm)
Net sales 2022E	\$66
EBITDA 2022E	\$6
<i>Implied net sales multiple</i>	<i>5.8x</i>
Milk enterprise value	\$382
Net debt (cash)³	(8)
Equity value	\$390
Less: promote and fees	(50)
Equity value to Milk owners	\$340
Rollover equity to Milk owners	\$200
Cash proceeds to Milk owners⁴	\$140



Source: Management estimates; ¹ OBAGI enterprise value, net sales 2022E and EBITDA 2022E exclusive of OBAGI China business; OBAGI EBITDA 2022E inclusive of 5.5% royalty; ² As of December 31, 2020; ³ As of June 30, 2021; ⁴ Subject to the substitution of an amount of Waldencast stock in the event of redemptions

Key expansion opportunities in the US and international markets

Expand internationally first through OBAGI Medical and then leverage OBAGI Rx-to-OTC virtuous circle in each market



● Represents OBAGI's global footprint
Source: Company information

Key strategic initiatives



Increase penetration and share of wallet among dermatologists



Growth driven by consumer and professional spa and launch of devices



Internationalization and expand distribution in key markets: EU, Brazil, Korea, Canada