

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): April 27, 2022

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, NY  
(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 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 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 7.01. Regulation FD Disclosure.

As previously disclosed, on November 15, 2021, Waldencast Acquisition Corp. (“Waldencast”) (i) 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, and Obagi Global Holdings Limited, a Cayman Islands exempted company limited by shares (“Obagi”) and (ii) 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”).

Attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated into this Item 7.01 by reference is the analyst day presentation that Waldencast, Obagi and Milk have prepared for use in connection with their analyst day, scheduled for April 27, 2022, related to the Business Combination (as defined in the Transaction Agreements).

The information in this Item 7.01 and Exhibit 99.1 attached hereto 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 the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”) or the Exchange Act, except as expressly set forth by specific reference in such filing.

### *Additional Information and Where to Find It*

This communication relates to proposed transactions between Obagi and Waldencast and Milk 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 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. 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 and Amendment No. 3 to the registration statement on Form F-4 filed with the SEC on April 27, 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](http://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.

## 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, 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 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’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 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.

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">Analyst Day Presentation, dated April 27, 2022</a>
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 report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 27, 2022

**Waldencast Acquisition Corp.**

By: /s/ Michel Brousset  
Name: Michel Brousset  
Title: Chief Executive Officer (Principal Executive and Accounting Officer)



waldencast<sup>®</sup>

Analyst Day Presentation  
April 27<sup>th</sup>, 2022

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# 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's 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) 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 F-4, 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 F-4 relating to the Business Combination, which was 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, service marks, 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 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, and Amendment No. 2 to the registration statement on Form F-4 filed with the SEC on March 18, 2022 which includes a document that serves as a prospectus and proxy statement of WaldenCast. 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 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](http://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 560, White Plains, NY 10606.

## Participants in Solicitation

WaldenCast, OBAGI, 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 combination is set forth in WaldenCast's registration statement on Form S-1 (File No. 333-253370) filed with the SEC on March 18, 2021. Additional information regarding the interests of those persons and other persons who may be deemed participants in the proposed transaction may be obtained by reading the proxy statement/prospectus regarding the proposed transaction. You may obtain free copies of these documents as described in the preceding paragraph.

## 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 or the solicitation of 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  
Various roles at L'Oréal and Procter & Gamble successfully building billion-dollar brands and businesses



**Hind Sebti**  
Founder, COO and CGO<sup>1</sup>

**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



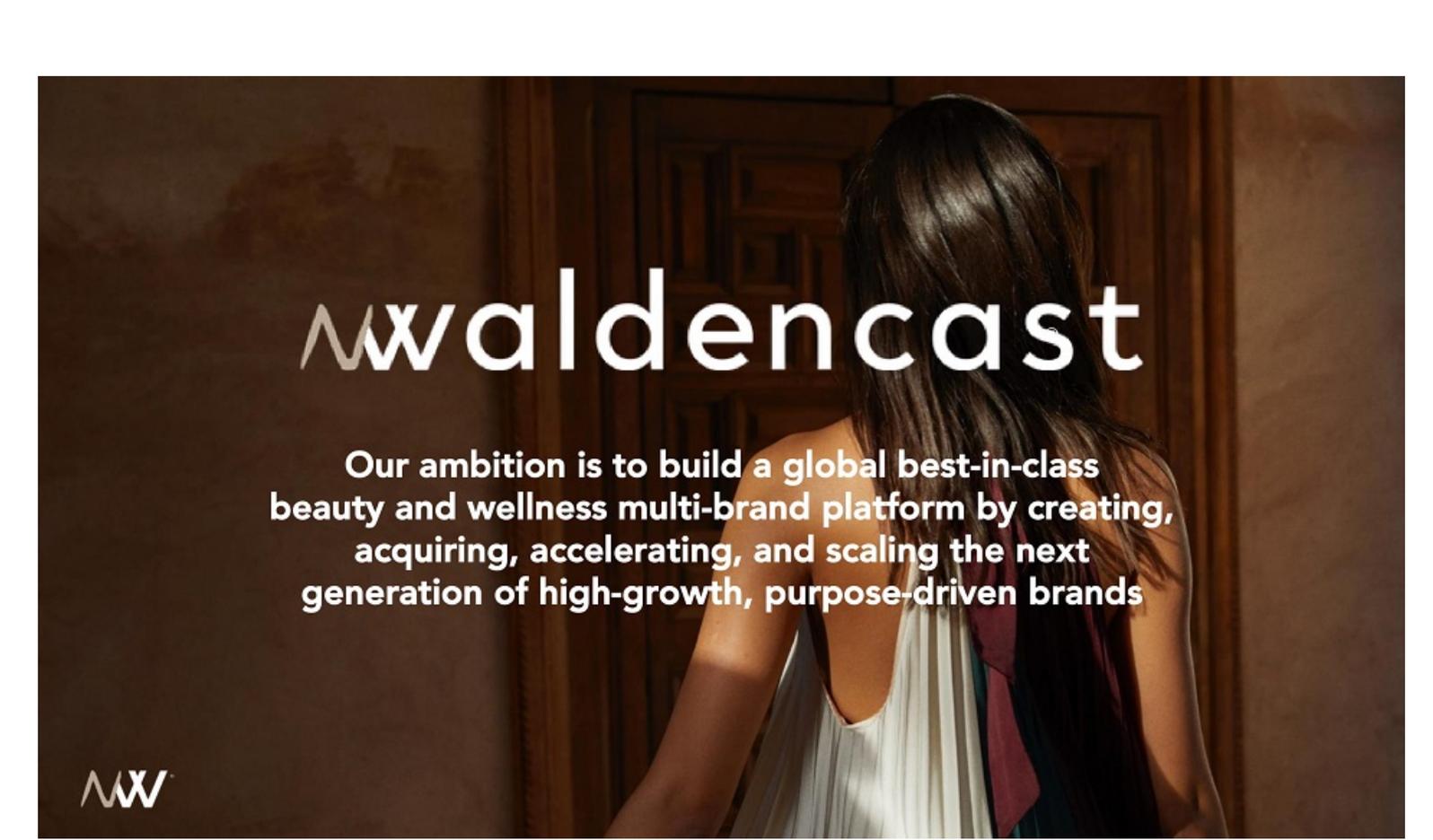
**Felipe Dutra**  
Founder and Executive Chairman

**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 AMBEV



<sup>1</sup>Title to be effective at closing of the transaction.



# 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**



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

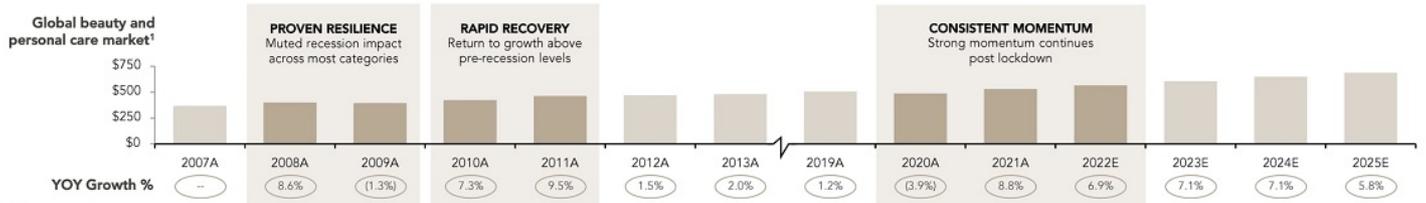
## Massive addressable market with attractive category dynamics...

	Global market size <sup>1</sup>	% of BPC market <sup>1</sup>	2021-2023 CAGR <sup>1</sup>
Skincare	\$155bn	29%	7.0%
Color cosmetics	\$66bn	12%	9.5%
Haircare	\$83bn	16%	6.3%
Bath and shower	\$48bn	9%	4.6%
Fragrance	\$54bn	10%	8.3%

### Key drivers of industry growth:

- ✓ Shifting desire for quality over price.
- ✓ Increasing appetite for clean, natural, and higher-performance products.
- ✓ Emerging market expansion.
- ✓ Adaptability to eCommerce channels, particularly by skincare and makeup consumers.

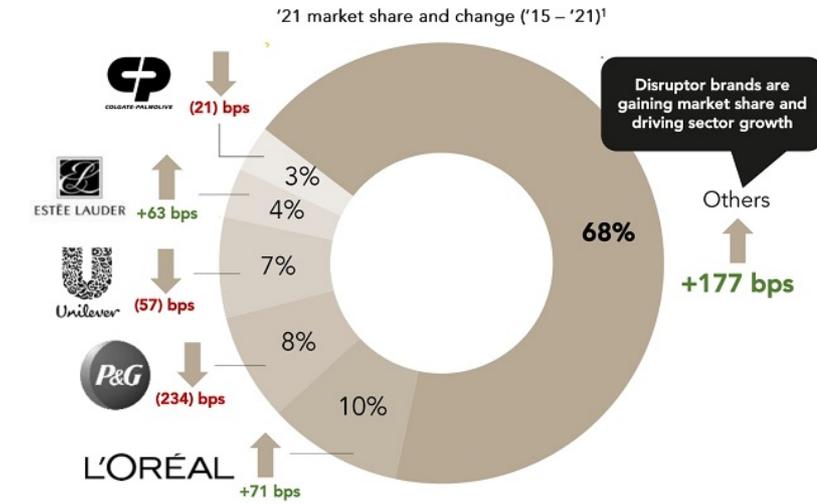
## ...and proven resiliency through economic cycles



<sup>1</sup> Euromonitor International; Beauty & Personal Care, 2022ed, retail value sales, current prices, 2021 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

<sup>1</sup> Euromonitor International; Beauty & Personal Care, 2022ed, retail value sales, current prices, 2021 fixed ex rates  
 Note: bps indicates market share change from 2015 to 2021

# Indie brands have been fueled by structural changes in consumer preferences and the beauty industry...

## FORCES DRIVING INDUSTRY CHANGE

- Consumer desire for authentic, purpose driven brands
- Digital channels allow modular scalability for smaller brands
- eCommerce removing shelf space limitation
- Asset light innovation and supply model



## ...but have been limited in their ability to scale

### FORCES DRIVING INDUSTRY CHANGE

- Consumer desire for authentic, purpose driven brands
- Digital channels allow modular scalability for smaller brands
- eCommerce removing shelf space limitation
- Asset light innovation and supply model

### INDIE BRAND LIMITATIONS

- Few indie brands have scaled beyond \$150-300m in sales alone
- Professional management and infrastructure typically required
  - Omnichannel
  - Global expansion
  - Supply chain robustness
  - Sophisticated marketing abilities



# Waldencast allows indie brands to rapidly and profitably scale

## FORCES DRIVING INDUSTRY CHANGE

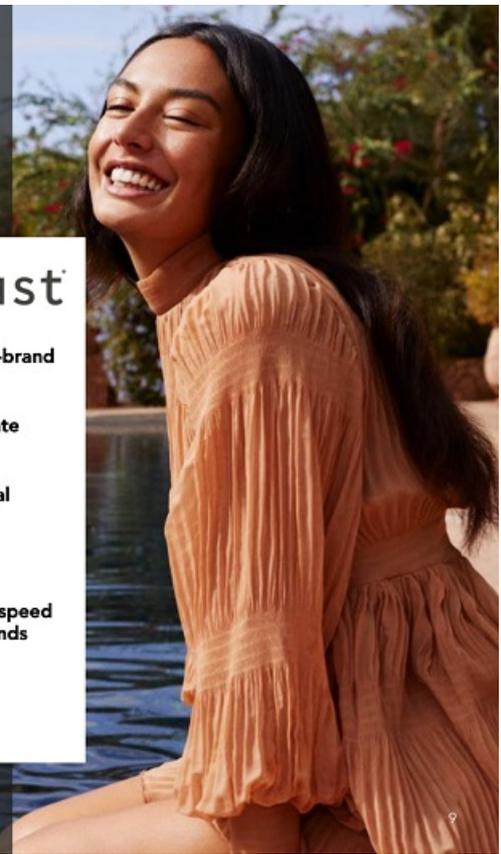
- Consumer desire for authentic, purpose driven brands
- Digital channels empowering smaller brands
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## INDIE BRAND LIMITATIONS

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- Professional management and infrastructure typically required
  - Omnichannel
  - Global expansion
  - Supply chain robustness
  - Sophisticated marketing abilities

## waldencast

- ▶ **Operational scale of a multi-brand platform**
- ▶ **Balanced portfolio to mitigate category fluctuations**
- ▶ **Expertise in managing global beauty brands at scale**
- ▶ **Asset light efficiency**
- ▶ **Market responsiveness and speed of entrepreneurial indie brands**



# A re-imagined ecosystem underpinned by a powerful platform...

**BEAUTY RE-IMAGINED**  
platform

Data Tech Talent Finance Legal Supply chain

**waldencast**  
ecosystem

OBAGI Milk MAKEUP brand 3 ... brand n

**WV**

## WHAT WE BRING

Deep beauty operational expertise & domain knowledge

-

Product & brand development

-

Portfolio building + brand incubation

-

Disciplined capital allocation

-

Visionary leadership & performance oriented culture

...with attributes that indie brands need to thrive

BEAUTY RE-IMAGINED  
platform

Data Tech Talent Finance Legal Supply chain

waldencast<sup>®</sup>  
ecosystem

OBAGI Milk MAKEUP brand 3 ... brand n



### VALUE PROPOSITION TO BRANDS

Preserve brand DNA & autonomy

-

Fuel entrepreneurial spirit & sense of ownership

-

Focus on brand building and profitable growth

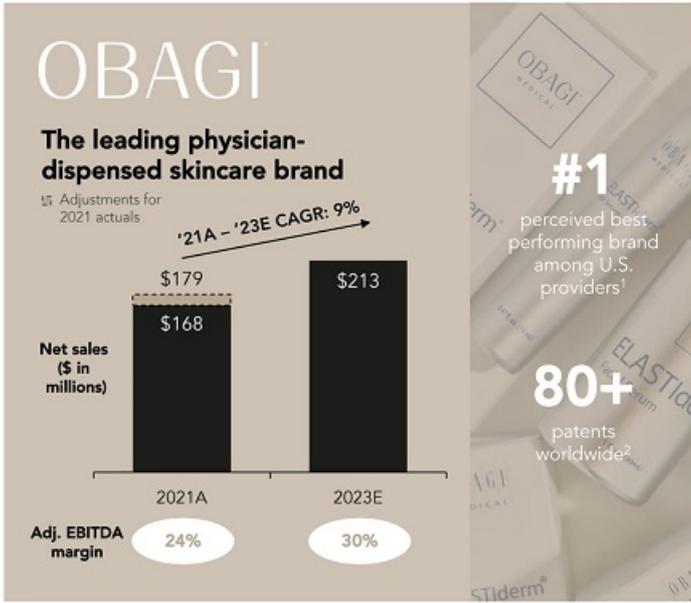
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Share best practices

-

Leverage collective expertise in the Waldencast ecosystem

# Our starting point in building this vision are OBAGI and Milk



<sup>1</sup>Industry source <sup>2</sup>OBAGI information  
<sup>3</sup>Sephora management <sup>4</sup>As of April 14, 2022 at 2:00 pm ET



# This is only the beginning...

TODAY

OBAGI

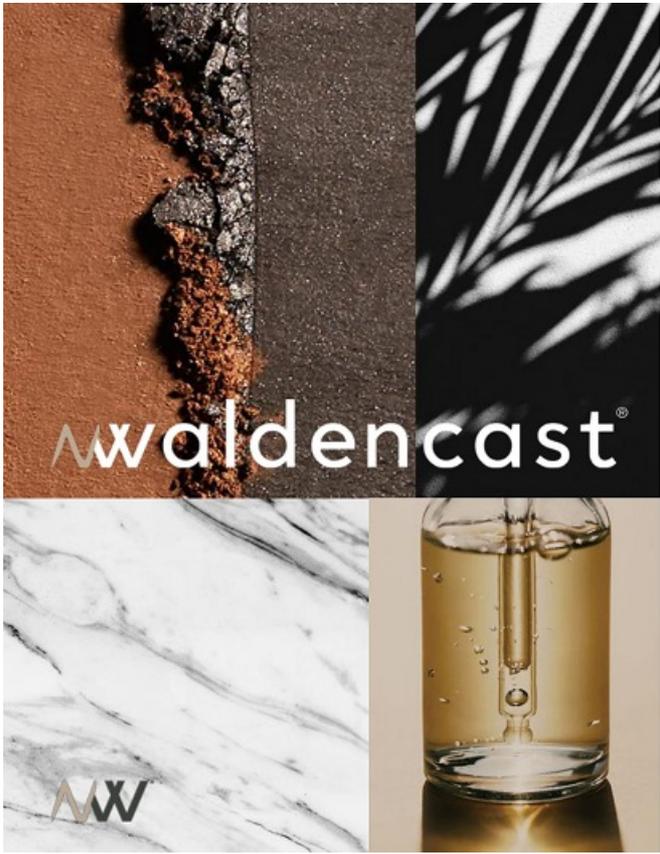
Milk  
MAKEUP

- ✓  
Strong brand identity and equity
- ✓  
High consumer affinity
- ✓  
Differentiated offering and positioning
- ✓  
Growing omnichannel presence
- ✓  
Sustainable long-term growth
- ✓  
Management team with deep operating experience

## FUTURE

Optimized multi-brand portfolio spanning:

CATEGORIES						
Skin	Color	Hair	Body	Wellness	Fragrance	Capabilities
GEOGRAPHIES						
Global	U.S.	Europe	APAC	LATAM		
CHANNELS						
Professional	Specialty	Online	Food / Drug / Mass			
PRICE POINTS						
Prestige		Masstige			Mass	



## A platform poised for long-term profitable growth



House of brands built for scale and speed



Pure-play in beauty



Diversified portfolio  
(category, channel, geography, price point)



Significant opportunity for accelerated long-term growth



Proven model with sustained profitability



World-class management teams with deep operating experience and expertise

OBAGI®





OBAGI

The leading physician-dispensed  
skincare brand with **attractive growth  
potential** and **strong anchor  
capabilities** in skin health,  
complemented by a robust financial and  
operational backbone

# An experienced leadership team of skin health experts



**Jaime Castle**  
President & CEO



**Laurence Dryer, PhD**  
EVP, R&D



**Lisa Errecart**  
EVP, Global operations



**Trish Mentas**  
VP, Finance



**David Bell**  
EVP, Global sales

YEARS IN SPECIALTY	22+	29+	18+	14+	22+
YEARS IN OBAGI	8+	9+	18+	14+	9+
EXPERIENCE	   	   	 	  	    

# Complemented by clinicians across the aesthetic spectrum and the fast-growing multi-specialty community



**JoAn Monaco,**  
MD, MS



**Mark Craig,**  
MD



**Nina Desai,**  
DO



**Prem Tripathi,**  
MD



**Ashish Bhatia**  
MD

## Specialty

Board-certified plastic and reconstructive surgery with advanced fellowship training in aesthetic surgery

Board-certified plastic surgeon and a member of the American Board of Plastic Surgery

Certified with American Academy of Aesthetic Medicine

Fellowship-trained board-certified facial plastic and reconstructive surgeon

Fellowship-trained board-certified dermatologist and dermatologic surgeon

## Practice/ experience



Our advisors rave about OBAGI's powerful understanding of their channel needs

The logo consists of the word "OBAGI" in a dark blue, serif font, centered within a white square with a thin dark blue border. This square is positioned in the center of the page, flanked by two vertical dark blue bars. The bar on the right is taller and has a small cyan square at its top. A thin horizontal line is located at the bottom of the page.

OBAGI

# OBAGI is a leader in the fastest growing segment of skincare

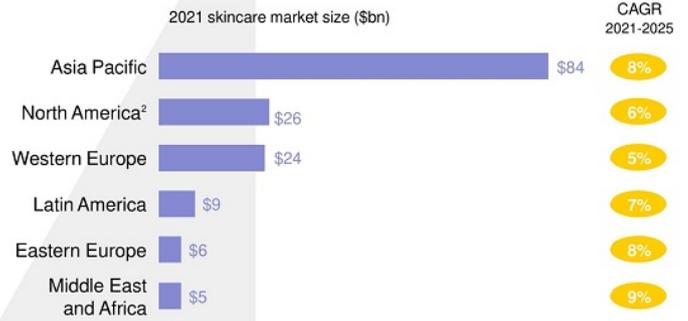
Global skincare market by 2025  
**\$204bn<sup>1</sup>**

Global skincare 2021  
**\$155bn<sup>1</sup>**

Premium skincare 2021  
**\$63bn<sup>1</sup>**

**OBAGI**  
2021 revenue  
**\$179m<sup>4</sup>**

## Key markets



## Category dynamics

High-growth segment with strong momentum in post-lockdown era

Growth of physician-dispensed skincare bolstered by rise of "skin-tellectual" consumers increasingly focused on product potency and efficacy

**~2.0x**

percentage growth for dermo-cosmetics skincare versus premium from 2019-2021<sup>1</sup>

**47%**  
premium buyers

versus 20% non-premium buyers use ~8-14 skincare products weekly<sup>3</sup>

<sup>1</sup> Euromonitor International; Beauty & Personal Care, 2022ed, retail value sales, current prices, 2021 fixed ex rates; <sup>2</sup> Including the United States and Canada; <sup>3</sup> "How to Target Premium Beauty Buyers," report by Euromonitor; <sup>4</sup> OBAGI 2021 financial results excluding China revenues.

# Category leadership anchored in #1 perceived best performing brand among U.S. providers

Largest U.S. professional skincare products companies<sup>1</sup>  
By estimated sales (2019)



<sup>1</sup> Independent industry sources.



# A versatile and diversified portfolio of skincare collections to address a range of skin concerns

**10** Hyperpigmentation



OBAGI Nu-Derm® systems

**1** Brightening / Antioxidant



Pro-C collection

**5** Elasticity / fine lines



ELASTIderm® collection

**3** Acne



CLENZIderm® collection

**1** Prejuvenation



OBAGI 360 collection

**2** Hyperpigmentation



OBAGI-C® Rx systems

**1** Facial peel



Blue Brilliance® triple acid peel

**1** Lash improvement



OBAGI Nu-Cil™ eyelash enhancing serum

**3** Hydration



Hydration products

**9** Other



Sun protection and other categories

**●** = Number of studies conducted

# Differentiated competitive advantage through a highly credentialed and sticky business model

## Credentialed recommendation



## Science-led rigorous testing driving transformative results<sup>1</sup>



## Full range of skin solutions



## Highly specialized organization

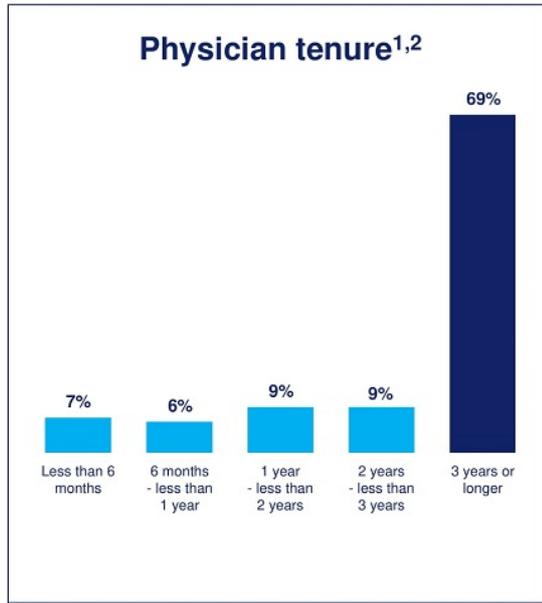
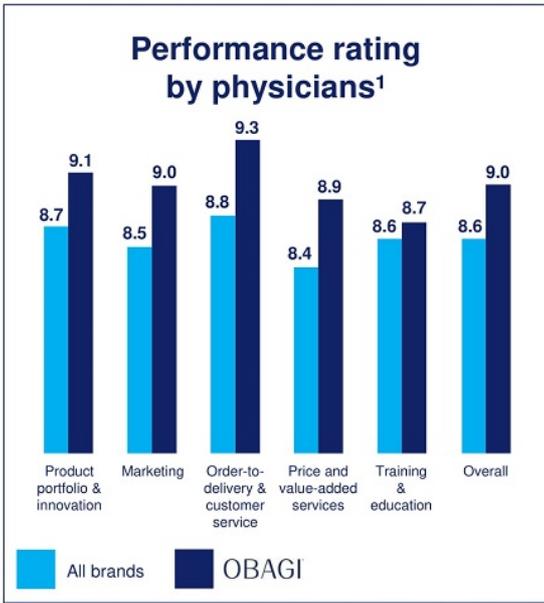


<sup>1</sup> Photos have not been retouched. Results may vary. For Important Safety Information, please see slide 53.

# OBAGI has embedded brand trust and credibility as it is primarily dispensed through the physician / professional channels

All professionals	End-to-end partner	In practice and online
 <ul style="list-style-type: none"><li>■ Physicians + skincare professionals</li><li>■ Dermatologists</li><li>■ Plastic surgeons</li><li>■ Multi-specialty</li><li>■ Aestheticians</li><li>■ Physician assistants</li></ul>	 <ul style="list-style-type: none"><li>■ Product performance</li><li>■ Backed by world-class R&amp;D program</li><li>■ Builds credibility of physician / professional</li><li>■ Drive more patients / customers to the practice</li><li>■ Increase frequency of visit / repeat rate</li><li>■ Meaningful revenue stream</li></ul>	 

# Leading position across all key physician satisfaction criteria leading to long-lasting relationship



<sup>1</sup> Industry source: 2020; <sup>2</sup> 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.

Leading position across all key physician satisfaction criteria leading to long-lasting relationship (cont'd)

Dr. Prem Tripathi, MD



## OBAGI Nu-Derm® System – normal to dry



Baseline



24 weeks

Note: Photos have not been retouched. Results may vary. For Important Safety Information, please see slide 53.

## ELASTIderm® Eye Cream



Baseline



9 weeks

Note: Photos have not been retouched. Results may vary.

## CLENZIderm® System



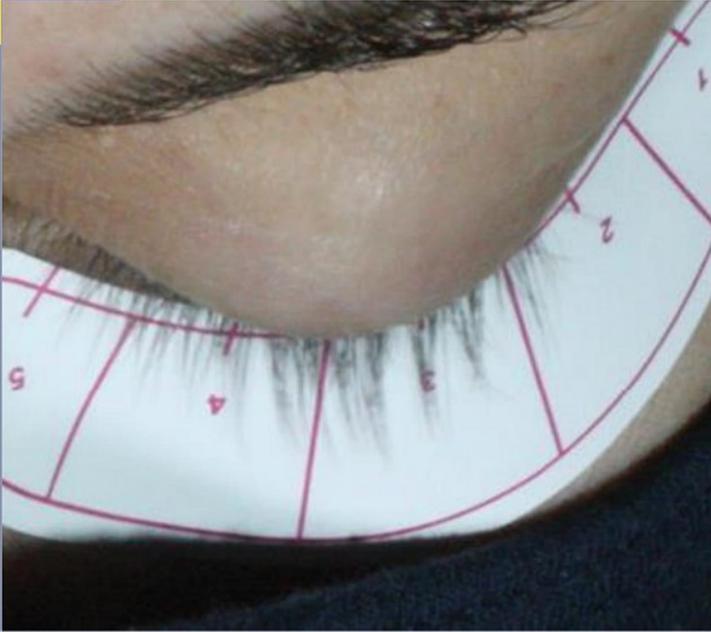
Baseline



12 weeks

Note: Photos have not been retouched. Results may vary.

# OBAGI Nu-Cil™



Baseline



12 weeks

Note: Photos have not been retouched. Results may vary.

We start with physician-led insights driven by our penetration and long-term partnerships with physicians across a broad spectrum of specialties

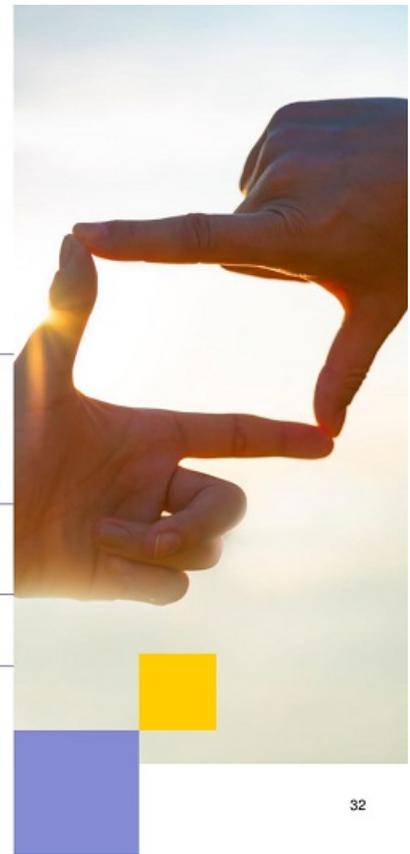
Significant penetration of medical providers in the US	Steering committee of top physicians
Bespoke physician needs	
Patient trends	Conduct pre / post marketing trials and surveys
Product innovation (e.g., OBAGI Nu-Cil™)	Co-authored white papers with lead physicians
Customized education programs based on practice needs	Initial pilot concept with physicians in practice
As the market continues to evolve with multi-specialty OBAGI caters to the need of each of the call points	
OBAGI has brand loyalty among physicians, so this creates advocacy among their peers	

**6,000+**  
 MEDICAL PROVIDERS  
 WITH EXTENSIVE  
 QUARTERLY  
 CONNECTS<sup>1</sup>

<sup>1</sup> As of December 2021.

# We formulate leading products through three vectors of innovation

Characterization innovation	Benefit innovation	Ingredient innovation
<b>Disease state</b> Skin conditions	<b>Performance strength</b>	<b>Mechanism of action</b> Elastin maturation, collagen coiling
<b>Population</b> Urbanites, country of origin	<b>Performance speed</b>	<b>Technical concept</b> Inflammaging, urbanization
<b>Claims</b> Magnitude, incidence, speed, QoL	<b>Indication</b> Sagging, radiance	<b>Ingredient</b>
<b>Instrument</b> Cutometry, optical coherence tomography, hydration mapping, ballistometry		<b>Product form</b> Powder-to-liquid, anhydrous chassis



Supported by an extensive product testing process



We have a broad and comprehensive set of 80+ patents creating a strategic moat and high barriers to entry

Material OBAGI patent families	Expiration
Anti-aging treatment using Copper and Zinc compositions	June 2026
Chemical compositions and methods of making them	Jan 2026 – Feb 2027
Methods for lightening skin using Arbutin compositions	Nov 2028
Skin lightening compositions comprising Arbutin	Nov 2028
Skin treatment compositions	Nov 2028 – Aug 2030
Stable organic peroxide compositions	Mar – June 2026

<sup>1</sup> Based on net revenue as of 12/31/2021.

50% of our portfolio is protected by our patents<sup>1</sup>

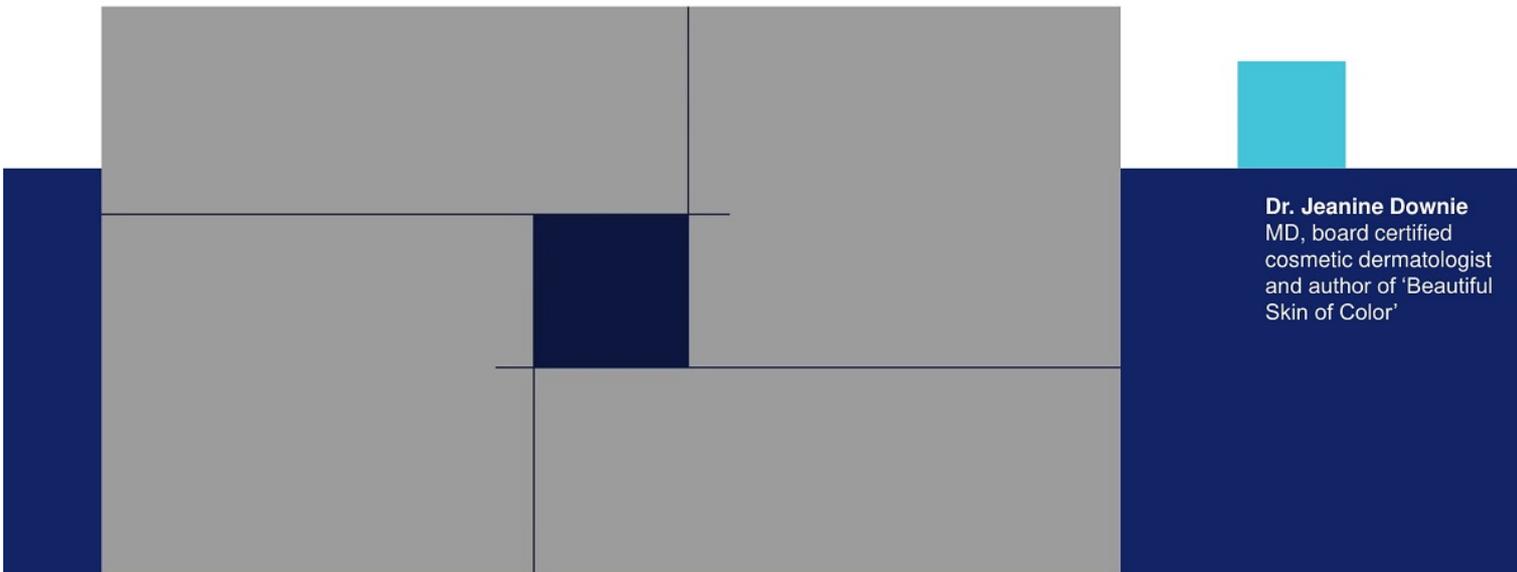


We are the first medical skincare brand to design clinical research protocols across all 6 skin types via our SKINCLUSION® initiative



**Fitzpatrick skin spectrum**

# We are the first medical skincare brand to publish clinical research protocols across all 6 skin types via our SKINCLUSION® initiative



**Dr. Jeanine Downie**  
MD, board certified  
cosmetic dermatologist  
and author of 'Beautiful  
Skin of Color'

Source: 'Treating Melasma With a 4% Hydroquinone Skin Care System Plus Tretinoin Cream: Results From 3 Studies in A Variety Patient Types'; Authors: Michael Gold, MD; Suzanne Bruce, MD; Pearl Grimes, MD; Barry DiBernardo, MD; JoAnne Watson, DPM; Marta Rendon, MD, FAAD & Chere Lucas-Anthony, MD, FAAD; Number of subjects who completed the study: 61.

# We test and demonstrate our transformative research-backed results in studies and visuals

## Case study: Nu-Derm®

**93%**

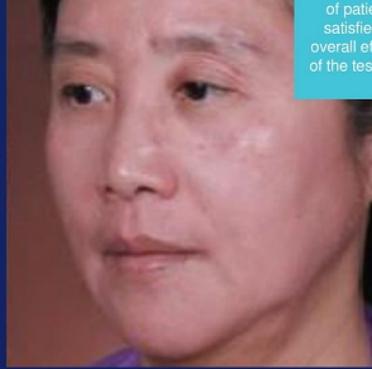
of patients rated their test treatment as more effective than other medications<sup>2</sup>

**95%**

of patients were satisfied with the overall effectiveness of the test treatment<sup>2</sup>



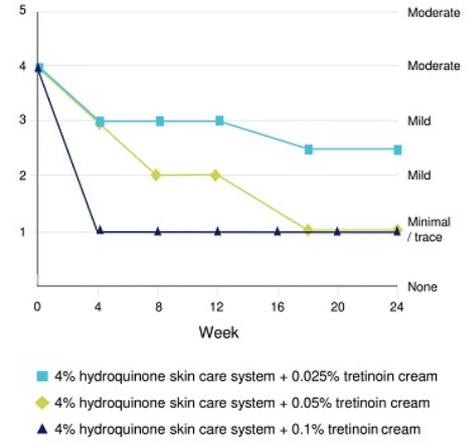
Baseline



Week 4

### Skin condition treated: Melasma<sup>1</sup>

Median grade for melasma severity



Source: "Treating Melasma With a 4% Hydroquinone Skin Care System Plus Tretinoin Cream: Results From 3 Studies in A Variety Patient Types"; Authors: Michael Gold, MD; Suzanne Bruce, MD; Pearl Grimes, MD; Barry DiBernardo, MD; JoAnne Watson, DPM; Marta Rendon, MD, FAAD & Chere Lucas-Anthony, MD, FAAD; Number of subjects who completed the study: 61; <sup>1</sup> A condition in which brown patches appear on the face. <sup>2</sup> \*P<.01, \*\*\*P<.001 versus baseline; <sup>3</sup> Data as of week 24.  
 Note: For Important Safety Information, please see slide 53; The photos have not been retouched, results may vary.

# And we do it across all skin tones

## Case study: ELASTIderm® Facial Serum



Source: "Clinical Evaluation of a Facial Serum with a Novel Technology Featuring a Bi-Mineral Complex Powered by MicroFluidics on Aged Skin in Fitzpatrick Skin Types I-V"; Authors: Sylvia Barkovic, B.A.; Laurence Dryer, PhD . Number of subjects: 38.  
Note: The photos have not been retouched, results may vary.

**13.3%**  
increase in  
resiliency

**94.6%**  
subjects showed  
increase in resiliency

**97.2%**  
noticed their skin  
feels more elastic  
and resilient

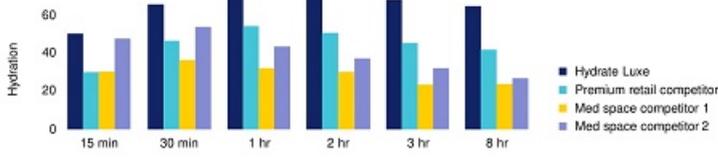
**100.0%**  
reported their face  
looks firmer

**91.9%**  
subjects showed  
increase in laxity

# Our products outperform competitors across key attributes

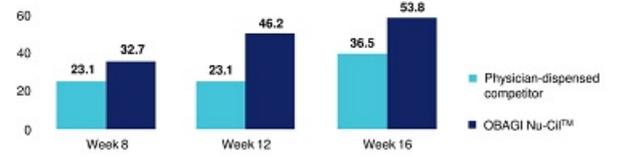
## Hydrate Luxe® vs competitors

Instrumental assessment



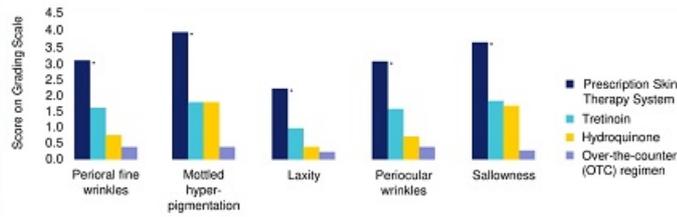
## OBAGI Nu-Cil™ vs physician-dispensed competitor

% mean improvement in clinical grading (expert grader assessment) from baseline



## OBAGI Nu-Derm® System vs competitors

Comparative efficacy at 24 weeks



## Pro-C 20% vs competitor

Consumer preference



\*P<0.05 vs comparators.

Our physician-first philosophy drives long-term productive relationships and loyalty



### Price & value-added services

"OBAGI understands the financial issues that physicians face when running a practice. Given the quality of the products they manufacture, their price points are very reasonable. We appreciate their promotional incentives and can easily pass that value to our patients to encourage them to purchase."

Dr Craig

### Training & education



Prem Tripathi, MD

### Product innovation



Ashish Bhatia, MD

### Marketing support



Nina Desai, DO

### Inventory management & customer service



Mark Craig, MD

# Continue the strong growth of our OBAGI Medical® business and pursue opportunities that further enhance our brand

## Grow our core

- 1 Expand physician penetration
- 2 Expand breadth & depth of portfolio
- 3 Expand internationally



+

## Add more

- 4 Capture opportunities in the device market
- 5 Build an accessible consumer proposition



Powered by the Waldencast Platform

There is a further sizeable potential growth opportunity in our core U.S. business by increasing our physician base

### What we have

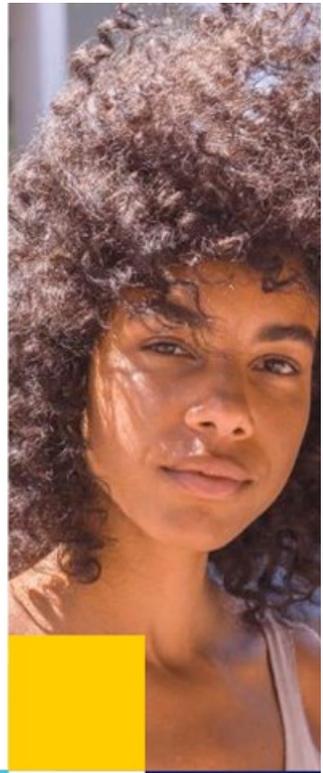
The leading penetration of U.S. physicians



### What we plan to do

Expand our winning business model further

- + Deeper penetration of physicians
- + New opportunities in fast growing multi-specialty channel
- + Wider range of education and services through digitalization



¹ CBAGI management estimates.

# And a further opportunity to grow our consumer base through increased breadth of portfolio and building our key SKUs and franchises

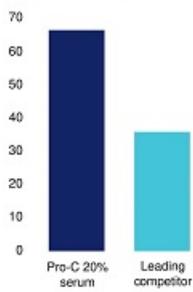
## Vitamin C Serum

### What we have

Leading performance



Consumer preference study



### What we plan to do

Drive awareness and availability



Maximize penetration of practices from 42% coverage to the majority of the OBAGI accounts



Drive awareness of superior performance directly to consumers for a virtuous pull model

# And a further opportunity to grow our consumer base through increased breadth of portfolio and building our key SKUs and franchises

## OBAGI Nu-Cil™

### What we have

A tech breakthrough with massive appeal



**COSMOPOLITAN** Best Derm-Recommended Serum April 2022

Franchise	Best selling franchise	Successful NPD 2021	OBAGI Nu-Cil™
Time in market	5 years +	1 year	5 months
% physician doors	42%	19%	31%

% mean improvement in clinical grading (expert grader assessment) from baseline



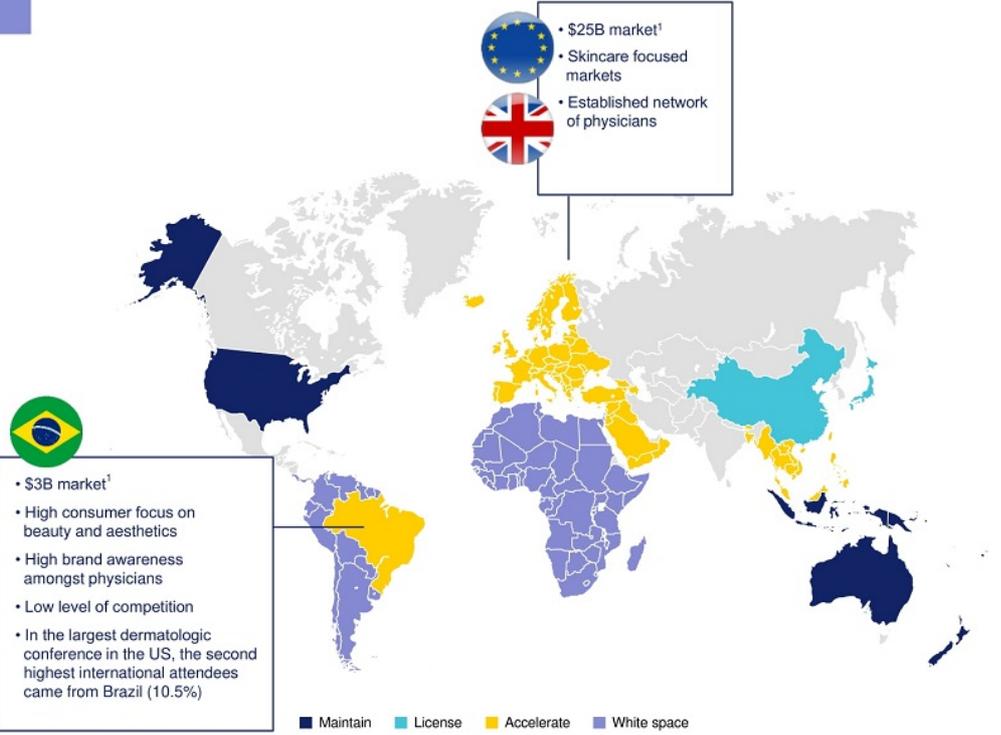
Week	Competitor	OBAGI Nu-Cil™
Week 8	23.1	32.7
Week 12	23.1	46.2
Week 16	36.5	53.8

### What we plan to do

A fast track to the next best-selling franchise

- Maximize penetration in practice
- Drive increased consumer awareness
- Expand in new categories of business with OBAGI Nu-Cil™ technology

# Expand our OBAGI Medical® business model internationally



Source: Company information, American Academy of Dermatology.  
<sup>1</sup> Euromonitor International; Beauty & Personal Care, 2022ed, retail value sales, current prices, 2021 fixed ex rates. Market size represents 2021E.

# Continue the strong growth of our OBAGI Medical® business and pursue opportunities that further enhance our brand

## Grow our core

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+

## Add more

- 4 Capture opportunities in the device market
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Powered by the Waldencast Platform

The next frontier: introducing an additional OBAGI tool for the physicians to deliver transformative solutions for increased patient satisfaction



# Our device - first step to complementing and growing our existing product line

Maximize patient throughput while maintaining long-lasting results<sup>1</sup>

Treatment time in as little as  
**30 mins<sup>2</sup>**



“Clean” “Firm”  
“Smooth” “Moisturized”

Grow base of clinics + retail sale of products



**73%** of practices would recommend that other aesthetic practices offer OBAGI SKINTRISIQ™ treatment<sup>3</sup>

**70** Pilot clinics as of 2021

Grow number of patients



Before After

**80%** of patients are either likely or extremely likely to recommend OBAGI SKINTRISIQ™ treatment to a friend or colleague<sup>4</sup>

Build loyalty and frequency of visit



*“All of our clients love it. We have been able to utilize a variety of OBAGI products with the SKINTRISIQ™ treatment protocols. The clarifying treatments have been nothing short of amazing. We love the machine and continue to find new ways to use it in our practice.”*

**Stephanie Pippin, RN**

<sup>1</sup> The top responses from patients describing their skin, both immediately and for up to 2 days after their SKINTRISIQ™ treatment.

<sup>2</sup> OBAGI management estimates.

<sup>3</sup> Company survey as of November 2021, n=15.

<sup>4</sup> Company survey as of May 2021, n=97.

And for consumers, we want to make our products more digitally-accessible with our partners and own DTC platform

### What we have

Emerging eCommerce platform



Launched in Q3 2021

Amplified via network of physician microsites

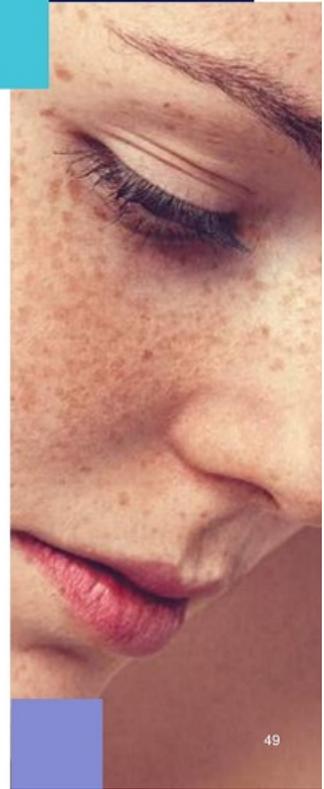
### What we plan to do

Expand our winning business model further

+  
Stronger  
functionalities

+  
Capitalize on offline  
synergies

+  
Acquire and build  
loyalty with new  
consumers



# And make consumers more aware of the potency of our formulation by stepping up our consumer messaging

## What we have

Cult celebrity



**96%**  
of 700 respondents  
want OBAGI to  
share which  
celebrities love  
their products<sup>2</sup>

1. OBAGI Nu-Derm® Toner **+40%** revenue (over previous period)<sup>1</sup>
2. SOMD IDR **+35%** revenue (over previous period)<sup>1</sup>

## What we plan to do

Amplify our awareness and endorsements

- + Amplify 3<sup>rd</sup> party credentialing directly to consumers
- + Build a consumer pull model (to the practice and/or online)
- + Strengthen our digital footprint with strategic SEO
- + Building greater awareness through social channels



<sup>1</sup> Data represents change between 2/17/2022 – 3/31/2022 and 1/5/2022 – 2/16/2022; <sup>2</sup> Company survey as of March 2022, n=95.

Build a new consumer proposition to answer the needs of consumers currently not within our audience and channels

1

Clinical testing is one of the top 2 most important purchase drivers in skin care

2

Clinical category is booming in the US and now represent 34% of US skin care sales

3

Growth fuelled by consumer interest with 55% of skin care social conversation on clinical and still growing +3%

4

OBAGI social conversations are growing ahead of the category at +8%



**Coming soon...**

Source: Independent industry report based on data from 1/1/2021 – 12/31/2021.

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+

## Add more

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Powered by the Waldencast Platform

# OBAGI Nu-Derm<sup>®</sup> important safety information

Important safety information for clear, blender and sunfader (contains 4% hydroquinone)

**CONTRAINDICATIONS:** People with prior history of sensitivity or allergic reaction to this product or any of its ingredients should not use it. The safety of topical hydroquinone use during pregnancy or in children (12 years and under) has not been established.

Please see [Prescribing Information for Clear, Blender, and Sunfader](https://www.obagi.com/api/sites/default/files/2020-11/NuDerm-Clear-Blender-Sunfader-PI_0.pdf). ([https://www.obagi.com/api/sites/default/files/2020-11/NuDerm-Clear-Blender-Sunfader-PI\\_0.pdf](https://www.obagi.com/api/sites/default/files/2020-11/NuDerm-Clear-Blender-Sunfader-PI_0.pdf))

**WARNINGS:** Avoid contact with eyes, nose, mouth, or lips. In case of accidental contact, patient should rinse eyes, nose, mouth, or lips with water and contact physician.

Sunscreen use is an essential aspect of hydroquinone therapy because even minimal sunlight exposure sustains melanocytic activity.

Contains sodium metabisulfite, a sulfite that may cause allergic-type reactions including anaphylactic symptoms and life-threatening or less severe asthmatic episodes in certain susceptible people. The overall prevalence of sulfite sensitivity in the general population is unknown and probably low. Sulfite sensitivity is seen more frequently in asthmatic than in nonasthmatic people.

**PRECAUTIONS (ALSO SEE WARNINGS):** Treatment should be limited to relatively small areas of the body at one time since some patients experience a transient skin reddening and a mild burning sensation, which does not preclude treatment.

**Pregnancy Category C:** Animal reproduction studies have not been conducted with topical hydroquinone. It is also not known whether hydroquinone can cause fetal harm when used topically on a pregnant woman or affect reproductive capacity. It is not known to what degree, if any, topical hydroquinone is absorbed systemically. Topical hydroquinone should be used on pregnant women only when clearly indicated.

**Nursing Mothers:** It is not known whether topical hydroquinone is absorbed or excreted in human milk. Caution is advised when topical hydroquinone is used by a nursing mother.

**Pediatric Usage:** Safety and effectiveness in children below the age of 12 years have not been established.

Use of the product should be discontinued if hypersensitivity to any of the ingredients is noted.

**ADVERSE REACTIONS:** Side effects have been reported with the use of hydroquinone products, including but not limited to, skin rashes, swelling and ochronosis (skin discoloration). If these effects occur, use should be discontinued or adjusted.

To report SUSPECTED ADVERSE REACTIONS contact FDA at [fda.gov/medwatch](http://fda.gov/medwatch) or call 1-800-FDA1088.

Important safety information for Tretinoin

**INDICATION:** Tretinoin Cream and Gels are indicated for topical application in the treatment of acne vulgaris.

**Important Safety Information: For Topical Use Only**

**CONTRAINDICATIONS:** Use of the product should be discontinued if hypersensitivity to any of the ingredients is noted.

Please click [here](https://www.obagi.com/api/sites/default/files/tretinoincream-pi.pdf) for full Prescribing Information (<https://www.obagi.com/api/sites/default/files/tretinoincream-pi.pdf>).

**Precautions:**

- Exposure to sunlight, including sunlamps, should be minimized during the use of Tretinoin Cream and Gel, and patients with sunburn should be advised not to use the product until fully recovered.
- Patients who have considerable sun exposure due to occupation and those with inherent sensitivity to the sun should exercise particular caution. Use of sunscreen products and protective clothing over treated areas is recommended when exposure cannot be avoided.
- Weather extremes, such as wind or cold, also may be irritating to patients using tretinoin.
- Tretinoin Cream and Gel should be kept away from the eyes, the mouth, angles of the nose, and mucous membranes. Topical use may induce severe local erythema and peeling at the site of application. If the degree of local irritation warrants, patients should be directed to use the medication less frequently, discontinue use temporarily, or discontinue use altogether.
- Tretinoin has been reported to cause severe irritation on eczematous skin and should be used with utmost caution in patients with this condition.

**Pregnancy:** Tretinoin should be used during pregnancy only if the potential benefit justifies the potential risk to the fetus.

**Adverse Reactions:** The skin of certain sensitive individuals may become excessively red, edematous, blistered, or crusted. If these effects occur, treatment should be discontinued or adjusted to a level the patient can tolerate.

To report SUSPECTED ADVERSE REACTIONS contact FDA at [fda.gov/medwatch](http://fda.gov/medwatch) or call 1-800-FDA-1088.



# Milk

MAKEUP

TIM COOLICAN  
C.E.O.

# OUR THESIS

EXECUTIVE SUMMARY



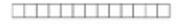
## Experienced Team

- Proven track record
- Domain expertise
- Belief in brand

+

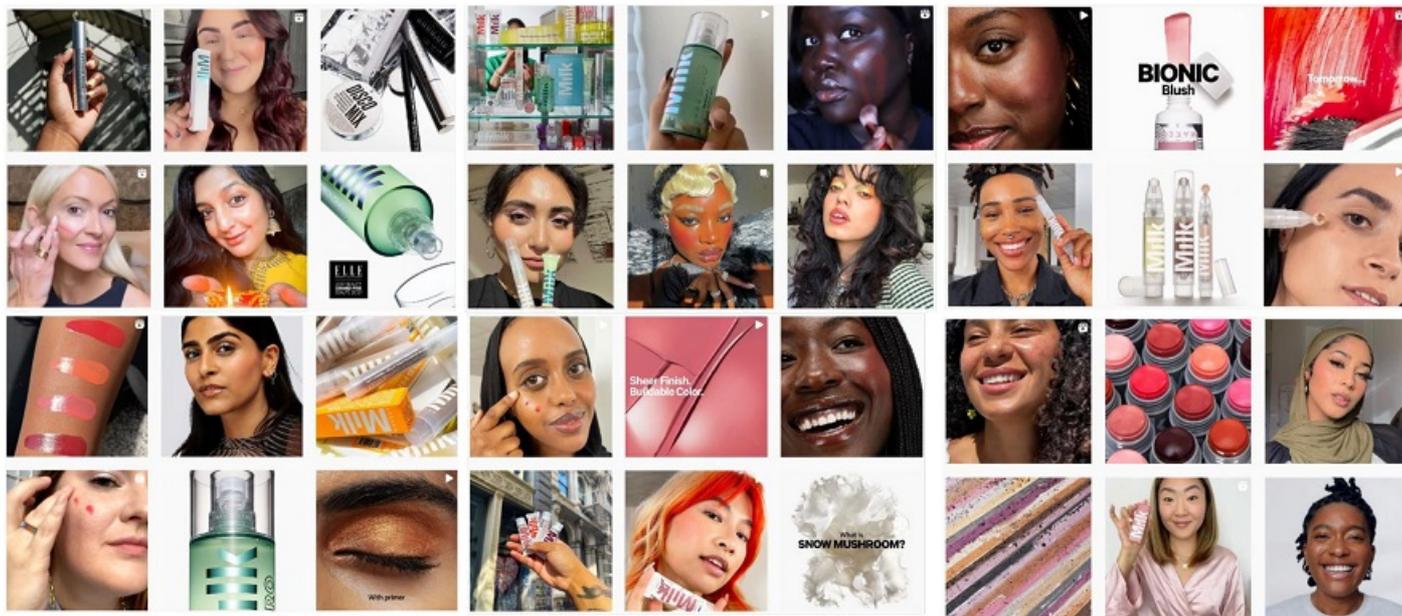
# OUR AMBITION: BUILD THE TOP GLOBAL BEAUTY BRAND FOR THE NEXT GENERATION

OUR DNA IS BUILT AROUND THEIR VALUES: SELF-EXPRESSION + INCLUSION + COMMUNITY



# OUR COMMUNITY IS OUR SUPERPOWER

OUR DNA IS BUILT AROUND THEIR VALUES: SELF-EXPRESSION + INCLUSION + COMMUNITY



OUR SECRET SAUCE: CLEAN, COOL BEAUTY THAT WORKS

UNIQUE + HIGH PERFORMANCE + VEGAN + CLEAN + CRUELTY-FREE





# OUR VALUES ARE ALIGNED WITH THE NEXT GENERATION

WE BELIEVE IN DOING THE RIGHT THING FOR OUR COMMUNITY AND FOR THE PLANET

## CLEAN FORMULAS

**LET'S TALK ABOUT WHAT 'CLEAN' MEANS TO US**

**WE'RE LEARNING RUNDO-CERTIFIED CRUELTY-FREE AND 100% VEGAN**  
We don't test on animals at any stage, and most of our ingredients are natural botanicals.

**WE WILL NEVER USE OVER 2500 CONTROVERSIAL INGREDIENTS**  
We've eliminated over 2,500 controversial ingredients from our ingredient blacklist, including parabens, sulfates, phthalates, microplastics, and many, many, many more.

**WE'RE WORKING TOWARDS NEW FORMULAS BEING OVER 80% NATURAL**  
We're using 100% natural, animal-derived ingredients, natural and non-derivatively derived ingredients, the most striking ingredients that are natural in practice, while also not compromising on power and performance.

**WE SOURCE INGREDIENTS FOR OUR PRODUCTS ETHICALLY AND RESPONSIBLY**  
For any products containing palm or palm-derived ingredients, we work with ethical, certified and sustainable palm and sustainably certified palm-derived ingredients.

**WE'RE CERTIFIED 'CLEAN AT SEPHORA'**  
Our products are now registered with the 'Clean at Sephora' label, an ethical foundation of our packaging, over 100 ingredients.

## IMPROVING OUR FOOTPRINT

**IMPROVING SKIN TEST GPT 30 REFILL CARTRIDGE REDUCES PLASTIC BY UP TO 66%**  
\*COMPARED TO EQUIVALENT FULL SIZE PRODUCT

**PAPER FOR GREEN PLASTIC ALREADY BEING**

**MADE IN U.S.A.**

**RECYCLABLE**

**Supporting Conservation International on Earth Day**

**act**

## RE-INVESTING IN OUR COMMUNITY

**THE CENTER**

**Milk MAKEUP X FASHION SCHOLARSHIP FUND**

**June 2021 Updates**  
**Here Are Our 5 Commitments to Ourselves and Our Community.**

**Represent** (continued)  
Below is the breakdown of our entire burn in June 2021 compared to June 2020.

June 2021	June 2020
<ul style="list-style-type: none"> <li>BLACK PANTHER COMMUNITY DEVELOPMENT FUND \$15K</li> </ul>	<ul style="list-style-type: none"> <li>CONCRETE ACTION \$15K</li> </ul>



# AN EXPERIENCED LEADERSHIP TEAM

TO DELIVER THE PLAN



**Tim Coolican**  
CEO



**Steve Nguyen**  
CFO



**Mazdack Rassi**  
Co-Founder & Chief Brand Officer



**Dianna Ruth**  
Co-Founder and COO

**YEARS IN SPECIALTY**

20+

19+

25+

16+

**YEARS AT MILK MAKEUP**

2+

4+

7+

7+

**EXPERIENCE**



# AN EXPERIENCED LEADERSHIP TEAM

TO DELIVER THE PLAN



**Nilofer Vahora**  
CHIEF MARKETING OFFICER



**Tyler Smart**  
CHIEF CREATIVE OFFICER



**Lou Gilgenkrantz**  
HEAD OF INTERNATIONAL

<b>YEARS IN SPECIALTY</b>	14	13+	25+
<b>YEARS AT MILK MAKEUP</b>	PLANNED START MAY 2022	3+	2+
<b>EXPERIENCE</b>			

# OUR ROADMAP IS CLEAR

KEY GROWTH LEVERS





# MILK MAKEUP KEY FIGURES



**\$47M**  
2021  
Net revenue<sup>1</sup>

**24%**  
2018-2021  
Net revenue CAGR<sup>1</sup>

**#2**  
Clean Brand at  
Sephora USA<sup>2</sup>

**Best-Seller**  
Face Primer at  
Sephora USA<sup>3</sup>

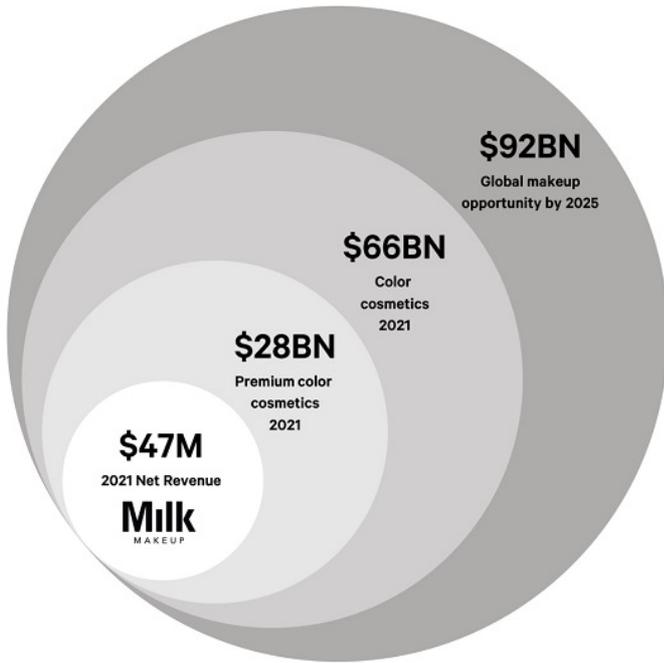
**Best-Seller**  
Mascara at  
Sephora USA<sup>3</sup>

**2.7M**  
Followers in  
social media<sup>4</sup>

<sup>1</sup>Milk financials for 2018 and 2021; <sup>2</sup>Sephora management; <sup>3</sup>Sephora website; <sup>4</sup>Includes Instagram, Tiktok, Facebook, Twitter, Pinterest followers as of April 14, 2022 at 2:00pm ET

# COLOR COSMETICS: A LARGE, DYNAMIC MARKET

MILK MAKEUP HAS SIGNIFICANT HEADROOM AND IS WELL POSITIONED TO WIN



**MAKEUP IS BACK & BOOMING**

**+23%**

Y/Y growth in 2021 for U.S. make-up sales<sup>1</sup>

**NATURAL MAKEUP: A KEY CATEGORY DRIVER**

**+15%**

2021-2026 CAGR for global natural cosmetics market size<sup>2</sup>

**90%**

of U.S. women that are using cosmetics reported applying makeup with skin care benefits<sup>1</sup>

Source: Euromonitor International; Beauty & Personal Care, 2022ed, retail value sales, current prices, 2021 fixed ex rates; <sup>2</sup>2021 NPD US Prestige Beauty report by the NPD Group; <sup>3</sup>TechNavis, "Global Natural Cosmetics Market 2022-2026"



# A HYBRID BEAUTY BRAND

EXPANSION OPPORTUNITIES IN EXISTING AND NEW CATEGORIES



## MAKE-UP

85% of revenue



## SKINCARE

15% of revenue



# HERO PRODUCTS IN DIVERSE CATEGORIES WITH CONSISTENT GROWTH

A SOLID BASE FOR FUTURE GROWTH. THE CALLING CARDS OF THE BRAND IN NEW MARKETS.



**Hydro Grip Primer**  
\$36

2,835 ★★★★★ Reviews



**Sunshine Family<sup>1</sup>**  
\$28 - \$42

1,182 ★★★★★ Reviews<sup>2</sup>



**KUSH Mascara**  
\$26

4,451 ★★★★★ Reviews



**Lip + Cheek**  
\$21

583 ★★★★★ Reviews



**Matte Bronzer**  
\$21

609 ★★★★★ Reviews

Launch date: 2019

2021

2018

2016

2016

% of 2021 revenue: 22.8%

12.2%

11.9%

10.5%

5.6%

2021 % growth 68.7%

669.6%

70.2%

112.5%

151.4%

Note: Number of 5-star reviews as per Sephora website on April 18, 2022 at 3pm ET.  
<sup>1</sup>Includes Sunshine Skin Tint, Sunshine Under Eye Brightening Concealer and Sunshine Oil; <sup>2</sup>Includes 328 5-star reviews for Sunshine Skin Tint, 235 5-star reviews for Sunshine Under Eye Brightening Concealer, and 521 5-star reviews for Sunshine Oil



# HYDROGRIP: THE "HERO" BLUEPRINT FOR THE FUTURE

MULTI-SKU HERO FRANCHISE



**~\$29M**  
IN SALES SINCE  
LAUNCH<sup>1</sup>

**~69%**  
2020-2021 GROWTH<sup>2</sup>



<sup>1</sup>Includes revenue from Hydro Grip Primer, Hydro Grip Setting Spray, and Hydro Grip Eye primer; <sup>2</sup>Includes revenue from Hydro Grip Primer



# HYDROGRIP: A SOCIAL MEDIA PHENOMENON

COMMUNITY ADVOCACY IS AT THE HEART OF OUR SUCCESS



7.9M VIEWS



4.8M VIEWS

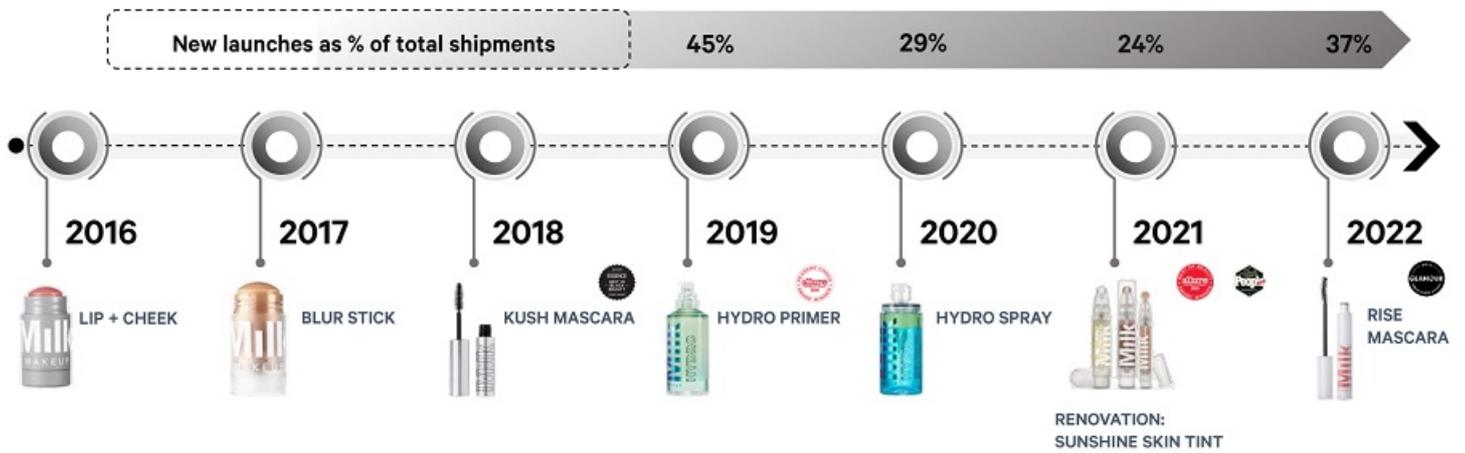


894K VIEWS

Note: View count as of April 18, 2022 at 3pm ET

# INNOVATION THAT WORKS: A CORE STRENGTH + KEY OPPORTUNITY

POST-COVID, INNOVATION WEIGHT WILL ACCELERATE AS CONSUMERS RETURN TO DISCOVERY SHOPPING



# KEY ACCELERATOR: BIGGER "A" LAUNCHES POST-COVID

AS CONSUMERS RETURN TO DISCOVERY + PLAY WITH MAKEUP





# 2022 SPRING "A" LAUNCH: RISE MASCARA

AN AWARD WINNING, HIGH IMPACT LAUNCH



# 2022 SPRING "A" LAUNCH: RISE MASCARA

OVER 350 MILLION PR IMPRESSIONS YTD

ELLE

20 Notable Beauty Products That Launched in February



## The Best Lengthening Mascaras on Sale for National Lash Day

These Hollywood-level mascaras will give you that fanned-out flutter without fibers.

## 37 Beauty Products With Such Good Reviews You May Want To Test Them Yourself

Here's to hoping you have some spare room in your makeup bag.

Sa formule est carrément révolutionnaire. Composée à 92% d'ingrédients naturels, elle soulève les cils pour un volume adéquat.



Sans mascara Rise Avec mascara Rise



## Lifting Vegan Mascaras



## billie Les 15 meilleurs mascaras pour tous les budgets

Produit par billie

4 New As Seen On TV Mascara



FASHION



## The February 2022 Beauty Launches You Need to Know About

Including a new mascara guaranteed to be a best-seller, a scrumptious new scent and a nail collection to put you in the mood for spring.

By Megan Kukulinski Date February 5, 2022

VOGUE

FASHION BEAUTY CULTURE LIVING RUNWAY THE GET VIDEO YOGUE CLUB PHOTOVOGUE

## The 15 Best Clean Mascaras That Will Lift and Lengthen Your Lashes

BY LAUREN PASTERIS February 17, 2022

# OUR ROADMAP IS CLEAR

KEY GROWTH LEVERS



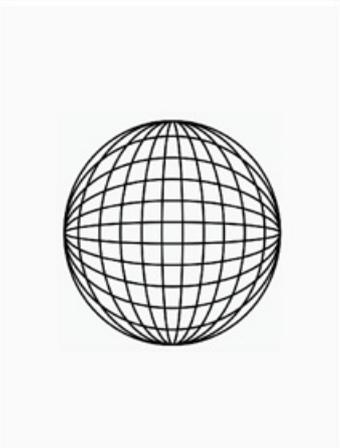
## 1. GROW COMMUNITY



## 2. INNOVATE



## 3. INTERNATIONALIZE



## 4. LEVERAGE WALDENCASST PLATFORM



# GROWTH OPPORTUNITY: EXPAND OUR COMMUNITY

WITH GEN-Z AND BEYOND



## MILK AWARENESS BY AGE<sup>1</sup>

## STRATEGY

Grow awareness across all consumer segments

GEN-Z 100 Index <sup>2</sup>	MILLENNIAL 84 Index	GEN-X 68 Index	BOOMER 60 Index
---------------------------------	------------------------	-------------------	--------------------

1. EXPRESS BRAND VALUES
2. EXPAND PRODUCT OFFERING
3. BUILD NEW TOUCHPOINTS



<sup>1</sup> 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; <sup>2</sup> 100 implies 82% brand awareness for Gen-Z



# GROWTH OPPORTUNITY: EXPAND + MONETIZE COMMUNITY

LARGE, ENGAGED, ELUSIVE COMMUNITY

## Existing Community:



568.2k followers



2 million followers



88.4k subscribers



62.5k followers



101k followers



964k monthly views



70.8k followers

## Future Potential Community:



Source: Company information as of April 26<sup>th</sup>, 2022

# OUR BRAND VALUES ALIGN WITH THE NEXT GENERATION

WE BELIEVE THESE WILL BECOME "WORLD VALUES" AND BE A POWERFUL LEVER FOR GROWTH



## OUR VALUES ALIGN WITH THE NEXT GENERATION

**Natural, non-toxic ingredients are the biggest consideration** for younger generations when shopping for beauty products<sup>1</sup>

**GOOD FOR YOU FORMULAS**



**81%**

of Gen Z consumers view social impact and sustainability as important factors to their purchase decision<sup>2</sup>

**IMPROVING OUR FOOTPRINT**



**pact**

**Milk**  
MAKEUP



- ✓ More environmentally friendly packaging
- ✓ Product refills

Gen Z consumers are increasingly focused on a company's **mission and purpose**<sup>3</sup>

**INVESTING IN OUR COMMUNITY**



January 2022 Update  
**Here Are Our 5 Commitments to Ourselves and Our Community.**

<sup>1</sup>Klarna 2021 Beauty Survey; <sup>2</sup>Cowen (October 2021); <sup>3</sup>McKinsey & Co.



# MILK MAKEUP HAS CREDIBILITY ON THE FUTURE DRIVERS

WE BELIEVE THESE WILL BECOME "WORLD VALUES" AND BE A POWERFUL LEVER FOR GROWTH

SHOP — January 26, 2022

7 top-rated vegan mascaras you can feel good about adding to your makeup routine

VEGAN AND CRUELTY-FREE PRODUCTS



**MILK MAKEUP KUSH High Volumizing Mascara**  
Price: \$25 - From Milk Makeup

Formulated with hemp-derived cannabis seed oil and vegan "beeswax," this top-rated mascara will leave you with thick, soft, fluffy beautiful eyelashes.

LEADING EDGE OF POP CULTURE



Everything You Need To Recreate 'Euphoria' Makeup Looks At Home

**A holographic highlighter**

The "Euphoria" girls are all about the holographic looks, and the Milk Makeup holographic stick is as good as it gets. It's a best-selling cream highlighter stick made with mica powder, twilight pearls and hydrating butters and oils that make it super-blendable and velvety smooth.

WINNER ON THE MOST IMPORTANT PLATFORM



These Beauty Products Will Be the Next Big Thing, According to TikTok

As of late, TikTok has been one of the biggest indicators of what the hottest beauty products are.

BREAK-THROUGH INNOVATIONS

**Milk Makeup**

Milk Makeup is cult-loved for its fun and effective formulas that still work for any minimalist out there. With items like the Sunshine Skin Tint, it's no longer an issue to wear your skin tint and SPF separately. Cultivate a simple routine by pairing it with the Blur Stick and Color Chalk Multi-Use Powder Pigment for some subtle (or not-so-subtle) everyday color.

10 Things That Delighted Us Last Week: From Mud Masks to Yoga Mats

These Are The Only Beauty Products You Need to Achieve TikTok's Favorite 'No-Makeup, Makeup Look'



**HYBRID SKINCARE-MAKEUP DRIVING THE FUTURE**

Billie Eilish's Grammys Glam Included the Ultimate Mascara Hack



**CELEBRITY-FAVORITE**



# MILK MAKEUP: A FAVORITE WITH KEY CELEBS

With luxury products including Tom Ford's *Shade and Illuminate* (£112 / \$150) and the Koh Gen Do *Mafanshi Moisture Foundation* (£70 / \$79) all packed into Carrie's makeup bag, it seems like the routine might almost as much as a pair of her beloved Manolo's.

But there are two glow-getting affordable faves that stand out. **Milk Makeup Mini Lip + Cheek**, and **Stila Convertible Color**, both multi-tasking makeup finds that each come in at around £16 (\$25).



## Olivia Rodrigo Breaks Down Her Beauty Routine

Grammy nominee Olivia Rodrigo shared her go-to skincare, makeup, hair products.

By MARSHAE DORRIS | FEB 25, 2022 1:01 PM | 10:02 AM



teen **MAKEUP** STYLE POLITICS CULTURE IDENTITY VIDEO GUMMUT SHOPPING NEWSLETTER

With MAKEUP GETTY IMAGES FOR THE RECORDING ACADEMY

Makeup

### Billie Eilish's Grammys Glam Included the Ultimate Mascara Hack

SEVENTEEN | COLLEGE | STYLE | BEAUTY | LIFE & POLITICS | HEALTH & WELLNESS | SUBSCRIBE | SIGN IN

WITH MAKEUP GETTY IMAGES DESIGN BY POCOA SIM

### Hailey Bieber Swears by this \$20 Brow Gel

# GROWTH OPPORTUNITY: INNOVATE INTO NEW PRODUCTS / CATEGORIES

IN EXISTING AND NEW CATEGORIES

## Active + Whitespace Milk Categories<sup>1</sup>

Milk Makeup has the opportunity to grow through innovation and launches

Established
  Emerging
  Whitespace<sup>2</sup>

	<b>Mascara</b> \$2.3B	<b>Primer<sup>3</sup></b> \$0.3B	<b>Blusher &amp; Bronzer</b> \$0.7B	<b>Skin Tints</b> \$2.9B
Make-up	<b>Foundation / Concealer</b> \$4.6B	<b>Lash &amp; Brow</b> \$1.2B	<b>Lip</b> \$3.3B	<b>Shadow</b> \$0.6B
Category Expansion	<b>Skincare</b> \$23.3B	<b>Haircare</b> \$15.5B	<b>Bath / Shower</b> \$10.4B	<b>Fragrance</b> \$11.5B

<b>Milk</b>	<b>330</b> SKUs
-------------	--------------------

v/s

<b>Other Leading Make-Up Specialist Brands</b>	<b>1,500-7,000</b> SKUs
--	----------------------------

<sup>1</sup>Market sizes reflect 2021E data for the USA market; Euromonitor International; Beauty & Personal Care and Color Cosmetics in the US, 2022ed, retail value sales, current prices, 2021 fixed ex rates; <sup>2</sup> Areas where management believes product offering expansions or introduction of new categories are possible; <sup>3</sup> Primer refers to EMF's category BB/CC creams and skin tints refers to EMF's premium foundation / concealer

# EXCITEMENT AND IMPACT IN NEW MARKETS



UK LAUNCH



DUBAI LAUNCH



SPAIN LAUNCH



FRANCE LAUNCH

# GROWTH OPPORTUNITY: EXPANSION WITHIN SEPHORA

## IN EXISTING AND NEW 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



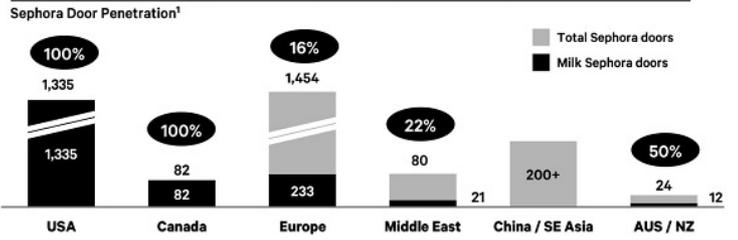
Front of store takeover in Sephora Champs Elysees



Unprecedented KUSH launch support

\*Data provided by Sephora; Sephora doors include Kohl's and SLJCP

### Strong position in Sephora today with room to grow



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

#### Sephora Customer Penetration

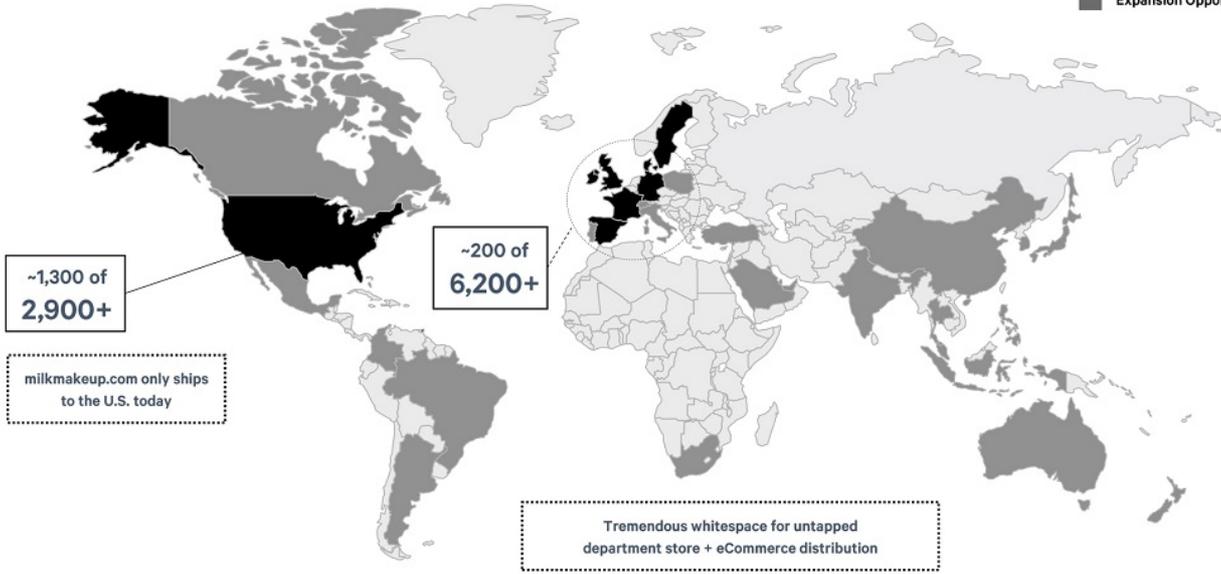


# GROWTH OPPORTUNITY: EXPANSION ACROSS GEOGRAPHIES

IN EXISTING AND NEW MARKETS



■ Current Milk Presence in Brick & Mortar  
■ Expansion Opportunity

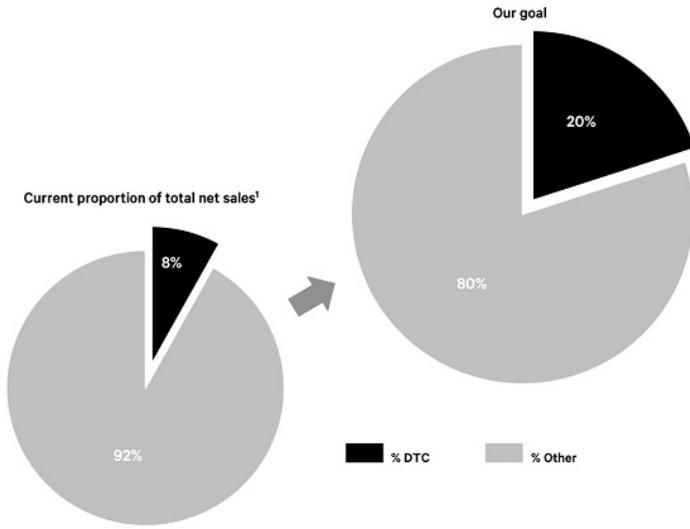


Note: Door counts represent expansion opportunities in brick and mortar stores  
Source: Retailer company websites



# GROWTH OPPORTUNITY: D2C

IN EXISTING AND NEW MARKETS



## STRATEGY

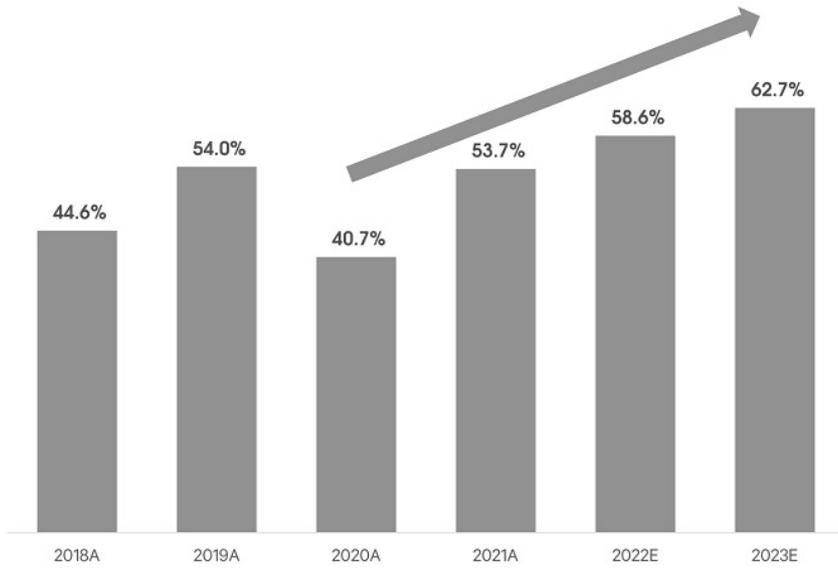
1. BEST IN CLASS SITE
2. BEST IN CLASS PARTNERS
3. BEST IN CLASS TEAM
4. LEVERAGE NEW PLATFORMS

Source: Company information  
<sup>1</sup> Refers to FY2021 net sales



# GROWTH OPPORTUNITY: GROSS MARGIN TO UNLOCK FUEL

IN EXISTING AND NEW MARKETS



## STRATEGY

1. PREMIUMIZE
2. OPTIMIZE PORTFOLIO MIX
3. OPTIMIZE CHANNEL MIX
4. OPERATIONAL EFFICIENCY

Source: Company information

# OUR ROADMAP IS CLEAR

KEY GROWTH LEVERS



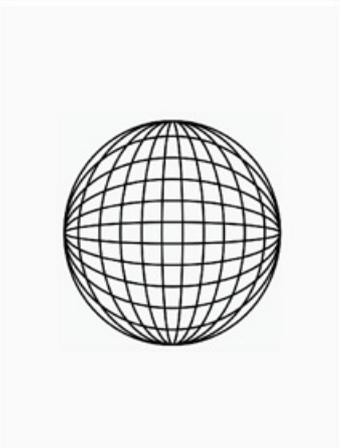
## 1. GROW COMMUNITY



## 2. INNOVATE

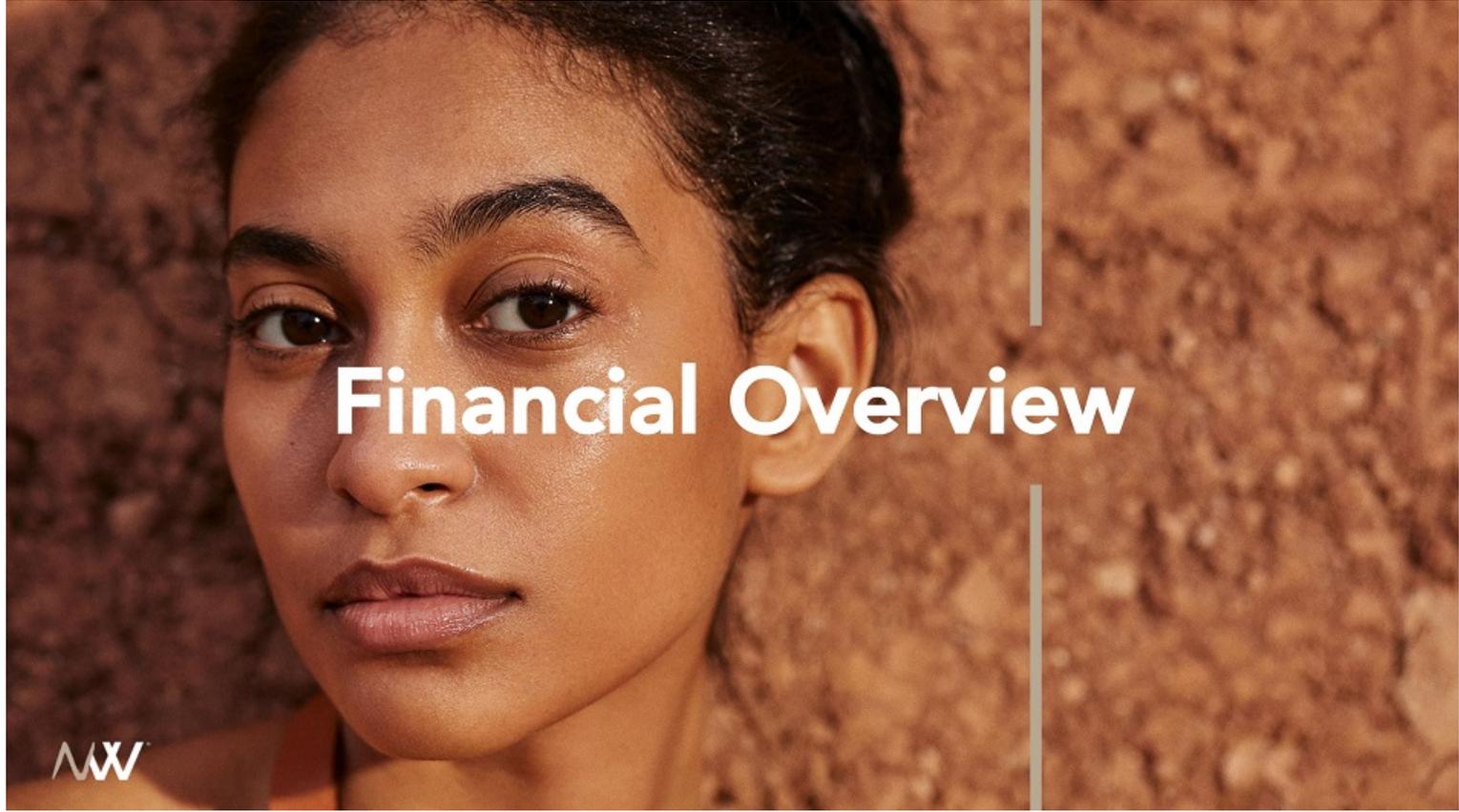


## 3. INTERNATIONALIZE



## 4. LEVERAGE WALDENCASST PLATFORM



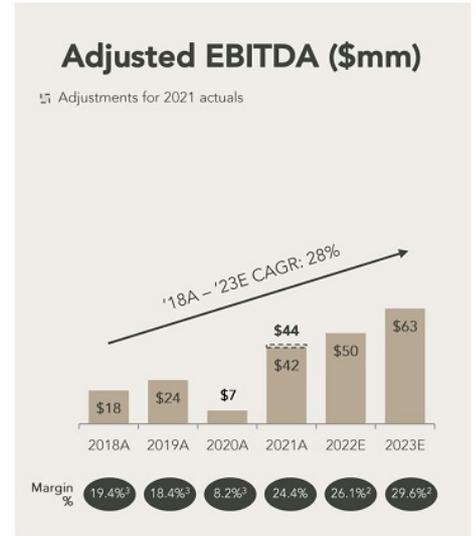
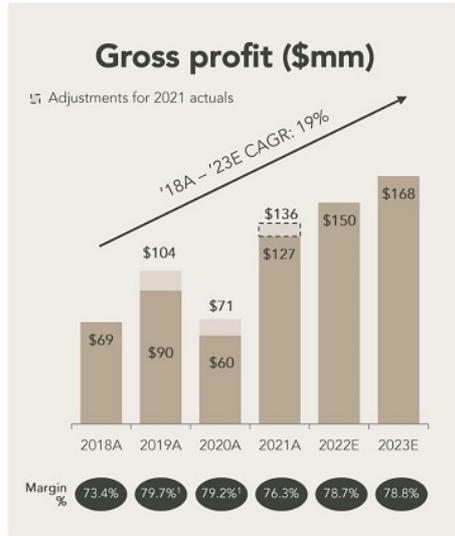
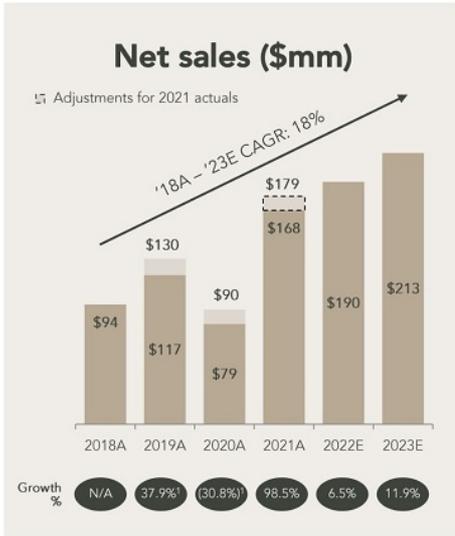


# Financial Overview

NW

# OBAGI<sup>®</sup>

## financial profile



Note: OBAGI financials exclusive of China business for all periods presented; % growth and margin are based off budgeted numbers  
 Source: OBAGI financials for the periods from 2018 to 2020, management estimates for the periods from 2021E to 2023E

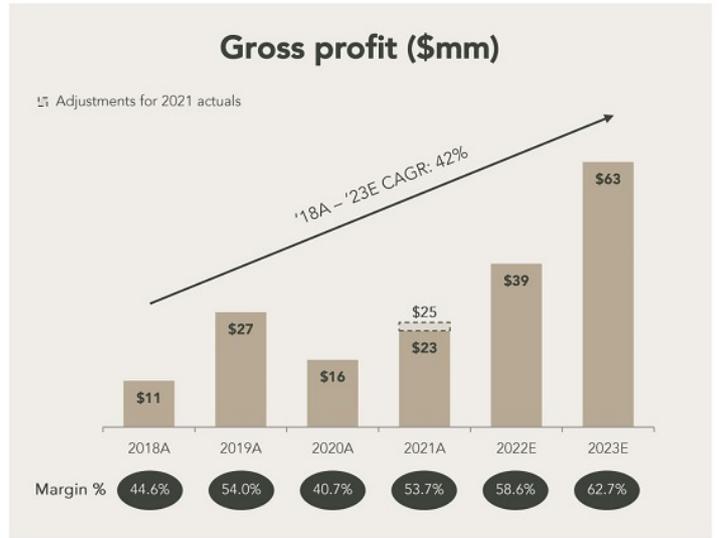
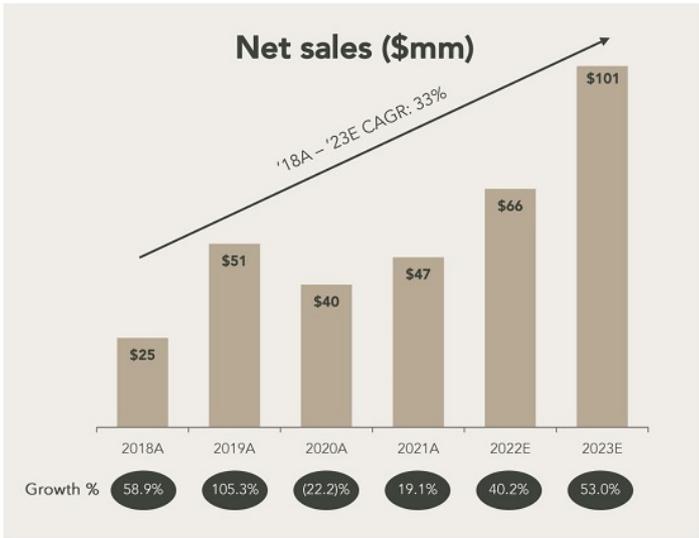


<sup>1</sup> In fiscal year 2021, OBAGI implemented certain contractual modifications that adjust its reporting of revenue for services provided by certain distributors on behalf of OBAGI. For the purpose of comparability with forecasted financials, the pro forma historical financials presented for FY2019 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; <sup>2</sup> OBAGI financials inclusive of 5.5% royalty; <sup>3</sup> 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

# Milk

MAKEUP

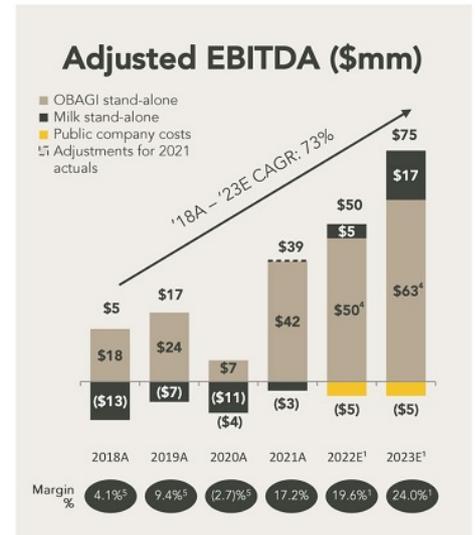
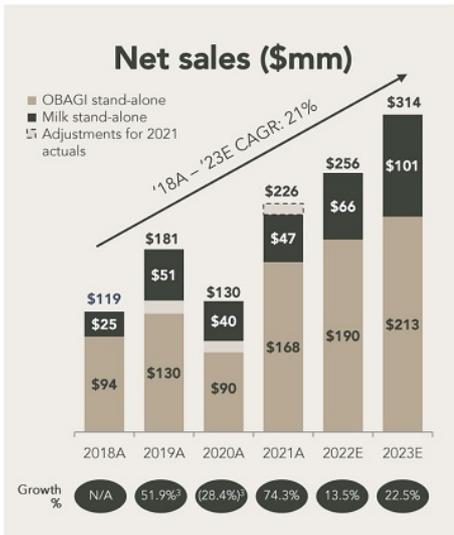
## financial profile



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

# OBAGI + Milk MAKEUP

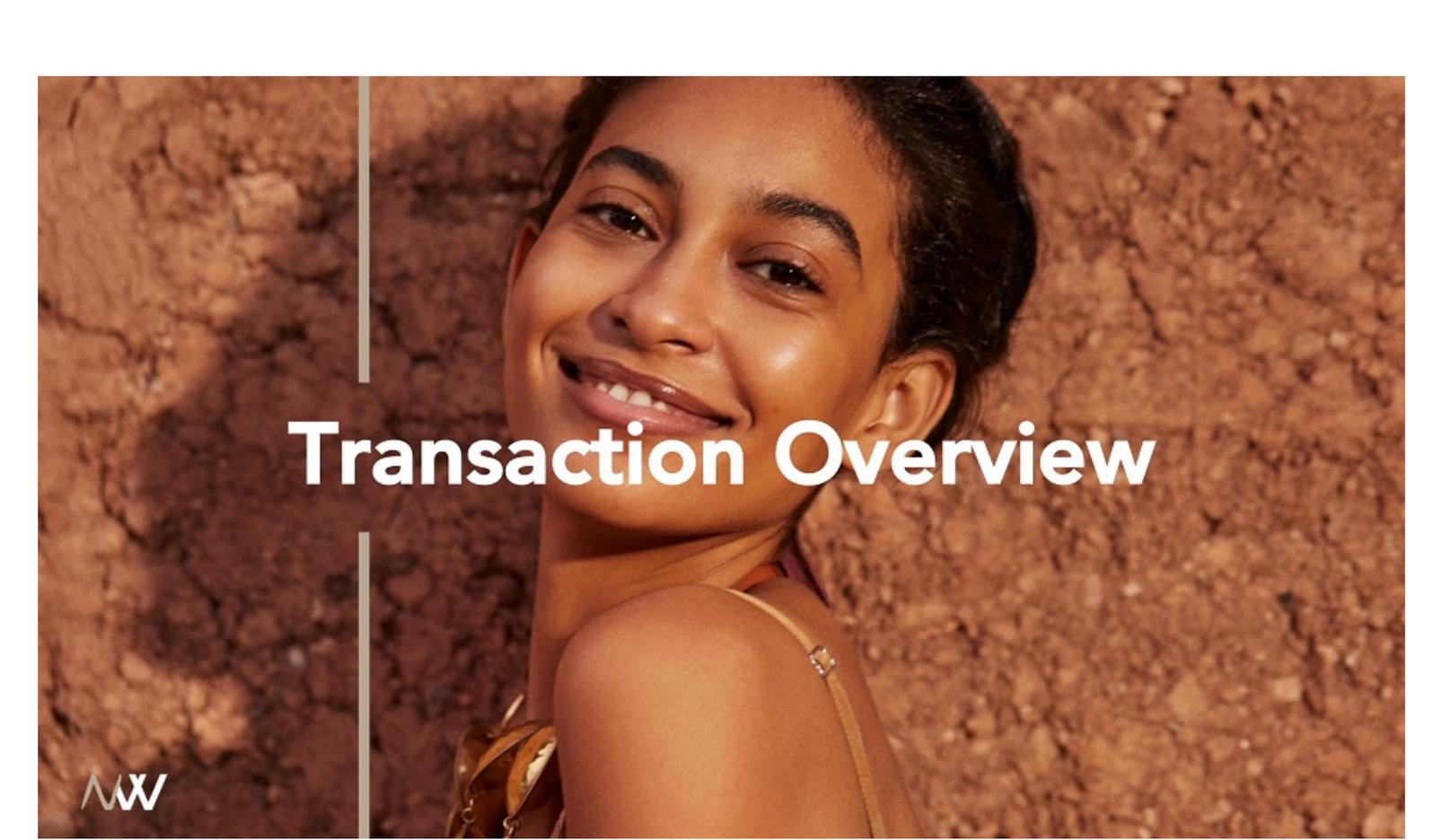
## combined financial profile



Note: OBAGI financials exclusive of China business

<sup>1</sup> Total combined company adjusted EBITDA reflects deduction of \$5mm for public company costs; <sup>2</sup> Discrepancies in arithmetic are due to rounding; <sup>3</sup> 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; <sup>4</sup> OBAGI financials inclusive of 5.5% royalty; <sup>5</sup> 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 close-up photograph of a woman with dark hair, smiling warmly. She is wearing a gold-colored top. The background is a textured, reddish-brown surface. A vertical white line is positioned to the left of the text.

# Transaction Overview

NW

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# OBAGI + Milk MAKEUP

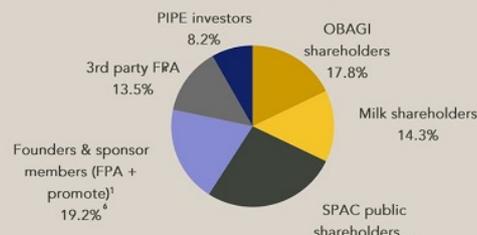
## transaction summary

- Implied pro forma enterprise value of ~\$1.2 billion
- Waldencast to combine substantially concurrently with OBAGI and Milk - Implies a 24.7x post-money FV / 2022E Adj. EBITDA<sup>3</sup> and 16.5x FV / 2023E Adj. EBITDA<sup>3</sup>
- 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 18% and 14% respectively
- OBAGI shareholders to retain OBAGI China distribution with an ongoing royalty paid to Waldencast
- Members of our 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<sup>2</sup>
- Third-Party investors allocating \$173m of committed capital through an FPA<sup>4</sup>
- Assuming no redemptions, cash to sellers of \$520m comprising \$380m to Obagi and \$140m to Milk

### Pro forma enterprise value (\$mm)

Obagi enterprise value	\$858
Milk enterprise value	\$382
<b>Pro forma enterprise value</b>	<b>\$1,240</b>
<b>Implied 2022E Adj. EBITDA multiple<sup>3</sup></b>	<b>24.7x</b>
<b>Implied 2023E Adj. EBITDA multiple<sup>3</sup></b>	<b>16.5x</b>

### Pro forma ownership<sup>5</sup>



Note: The analysis and capital structure shown is at \$10 per share and does not reflect the impact from potential warrant and option dilution, or trust redemptions; <sup>1</sup> Includes 16.0mm FPA shares and 8.6mm shares of founder promote; <sup>2</sup> Members of our sponsors 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; <sup>3</sup> EBITDA reflects deduction of \$5mm for public company costs; <sup>4</sup> 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 in connection with the consummation of the Business Combination. 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; <sup>5</sup> Reflects the pro forma ownership of Class A and Class B ordinary shares of the Company, excluding potential Class A ordinary shares from dilutive securities, following the Business Combination assuming no redemptions; <sup>6</sup> Includes Burwell Mountain Trust's ownership interest of 6.1%, Dynamo Master Fund's ownership interest of 10.8%, Waldencast Ventures' ownership interest of 2.2% and the Investor Directors ownership interest of 0.1%.



# Peer benchmarking



Source: Historical data from company filings; projections from FactSet as of 04/22/2022  
<sup>1</sup> 2022 and 2023 EBITDA reflects deduction of \$5mm for public company costs



# Trading metrics for relevant peers

	Waldencast <sup>1</sup>	BEAUTY				HIGH-GROWTH CONSUMER				PEER GROUP AVERAGE
										
2022E FV/ Revenue	4.8x	5.2x	5.1x	3.5x	12.6x	5.5x	6.3x	5.8x	5.1x	6.1x
2023E FV/ Revenue	3.9x	4.9x	4.7x	3.3x	10.0x	4.4x	5.5x	4.7x	3.9x	5.2x
2022E FV/ Adj. EBITDA	24.7x <sup>1</sup>	21.8x	20.9x	17.8x	19.9x	36.5x	24.7x	19.9x	23.1x	23.1x
2023E FV/ Adj. EBITDA	16.5x <sup>1</sup>	20.2x	19.0x	16.1x	16.6x	22.1x	21.0x	16.0x	17.2x	18.5x

— Waldencast implied multiple at \$10/share



Source: Historical data from company filings; projections from FactSet as of 04/22/2022  
<sup>1</sup> EBITDA reflects deduction of \$5mm for public company costs





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# Appendix

## Adjusted EBITDA reconciliation

OBAGI			2020		2019	
\$mm	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<sup>®</sup> + Milk MAKEUP transaction detail

## OBAGI<sup>®</sup>

## Milk MAKEUP

*(\$mm)*

OBAGI enterprise value	\$858
Net debt <sup>1</sup>	106
Equity value	\$752
Less: promote and fees	(97)
Equity value to OBAGI owners	\$655

*(\$mm)*

Milk enterprise value	\$382
Net debt (cash) <sup>2</sup>	(8)
Equity value	\$390
Less: promote and fees	(50)
Equity value to Milk owners	\$340

Source: Management estimates; <sup>1</sup> As of December 31, 2020; <sup>2</sup> As of June 30, 2021.