

Reject OneSpaWorld's Shareholder-Unfriendly Transaction

May 2020

DEEP FIELD ASSET MANAGEMENT



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DFAM is the investment adviser for funds that beneficially own 1,798,487 shares of OneSpaWorld Holdings Limited (OSW) as of May 25, 2020. Holdings are subject to change, and DFAM may buy shares of OSW or sell, including sell short, shares of OSW at any time. The discussion of securities should not be viewed as a recommendation to buy, sell or hold any particular security.

DFAM is not soliciting proxies relating to the OSW shareholder meeting and does not have the authority to vote your proxy. DFAM urges OSW shareholders to vote against the proposed transaction.

Deep Field Asset Management Urges Shareholders to Reject OSW's Insider Deal

On April 30, 2020, OneSpaWorld Holdings announced a \$75 million financing package. Deep Field Asset Management (“DFAM”) urges shareholders to vote **NO** for the following reasons:

1

The deal is unnecessarily dilutive and inordinately benefits insiders – with terms that shareholders should find unpalatable.

2

These terms may have been poorly negotiated due to the fact that four out of five members of the Special Committee of the Board of Directors, formed to consider and evaluate potential financings in response to the challenges posed by COVID-19, participated in the deal themselves, calling into question the impartiality and fairness of their evaluation.

3

The deal process was poorly run, as the financial advisor and placement agent for the deal was conflicted and underqualified to lead a process suitable to finding the best terms for a transaction.

4

Insiders (including those with representation on the Special Committee) sought and were improperly granted concessions from the Company which are totally apart from, and in some ways contradictory to, the liquidity needs of the Company.

5

OSW's assertion that it will face imminent bankruptcy absent their announced transaction is exaggerated and unfounded.

A Premium to the 20-Day Moving Average?

- Management tried to spin the deal as being at a premium to the 20-Day VWAP.
- To portray a “premium” they first ignored the value of free warrants, and second used an unusual 20-Day VWAP which was clearly chosen to maximize the impact of a few heavy volume negative trading days at the nadir of market sentiment.
- Duff & Phelps’ Fairness Opinion makes no reference to a 20-Day VWAP.
- Just before the deal was announced, OSW was nearly 100% higher than the prices they strained to include.



The 20-Day VWAP premium is pure spin from a management team that is presenting shareholders a raw deal.

Unnecessarily Dilutive – Even The Fairness Opinion Does Not Reflect Fairness

The two analyses done by Duff & Phelps indicate:

1. This deal's discount to market is 2.7x – 3.8x the median discount in their own comparable transaction set, and
2. The effective purchase price per share fell almost 10% below the lower bound of the equity valuation they found reasonable.

- Duff & Phelps established that the effective purchase price of \$4.00/share should be reduced by \$0.45/share to reflect the value of the free warrants given to the Insider Buyers – they concluded there was an “effective purchase price per share of \$3.55.”

- Per their own analysis, this means this transaction was approved at a discount to the 5-Day VWAP and Prior Closing Price which was roughly four and three times worse, respectively, than the median deal in their own comparable set.
 - *The only deal in the entire comparable set which was completed at a larger discount to the prior day's close was a deal which raised only \$1mm!*

- It was on the basis of \$3.55 effective purchase price per share that Duff & Phelps considered precedent transactions. Importantly, Duff & Phelps' own analysis “**implied a range of per share equity value of \$3.89 per share to \$4.62 per share**” – the deal price does not fall within their own valuation range!

Company Name	Announced Date	Total Transaction Value (\$USDmm)	Transaction Value as % of Market Cap 1-Day Prior	Total Debt / Capital 1-Day Prior	Stock % of 51-Week High Prior	5-Day VWAP Prior	PIPE Offering Price (Discount) / Premium To:			
							Stock Price 1 Trading Day Prior	Stock Price 5 Trading Days Prior	Stock Price 10 Trading Days Prior	
Bright Horizons Family Solutions Inc.	4/19/2020	\$ 250.00	3.5%	20.4%	68.7%	0.6%	(3.8%)	0.3%	28.3%	
Noble Midstream Partners LP	11/14/2019	\$ 250.00	27.8%	34.4%	56.2%	(9.0%)	(8.6%)	(9.6%)	(14.2%)	
Gridsum Holding Inc.	2/28/2019	\$ 11.08	9.4%	23.3%	34.4%	(13.7%)	(16.0%)	(10.9%)	1.6%	
TDH Holdings, Inc.	1/31/2019	\$ 1.00	17.4%	62.5%	10.4%	(21.3%)	(18.2%)	(25.4%)	(31.5%)	
Remark Holdings, Inc.	12/4/2018	\$ 3.10	5.9%	43.3%	9.5%	(3.2%)	(9.7%)	(7.8%)	(21.7%)	
Clean Energy Fuels Corp.	5/9/2018	\$ 83.40	29.2%	46.5%	61.3%	(9.0%)	(12.3%)	(8.4%)	4.5%	
Enphase Energy, Inc.	2/4/2018	\$ 20.00	11.3%	21.9%	60.0%	1.4%	1.4%	3.4%	6.6%	
American Lorain Corporation	12/28/2017	\$ 1.28	18.9%	81.4%	28.8%	4.5%	(3.8%)	(1.7%)	(14.1%)	
Famous Dave's of America, Inc.	11/10/2017	\$ 1.46	5.8%	30.0%	54.5%	(5.4%)	(2.8%)	(10.7%)	(13.6%)	
CB&K Energy Technology, Inc.	5/31/2017	\$ 9.61	37.5%	58.3%	39.0%	15.3%	15.4%	15.4%	7.1%	
JAKKS Pacific, Inc.	3/15/2017	\$ 19.31	19.8%	68.4%	52.3%	2.3%	3.4%	0.5%	(0.5%)	
Noodles & Company	3/13/2017	\$ 31.50	31.8%	46.1%	26.5%	3.7%	0.0%	(1.4%)	(10.1%)	
Enphase Energy, Inc.	1/9/2017	\$ 10.00	14.6%	33.0%	32.4%	(13.6%)	(16.7%)	(8.4%)	(24.8%)	
StoneMor Inc.	12/30/2016	\$ 20.00	6.2%	49.9%	30.3%	(1.7%)	(4.8%)	0.6%	9.5%	
Eagle Bulk Shipping Inc.	12/13/2016	\$ 100.00	36.3%	46.8%	7.7%	(27.9%)	(21.3%)	(32.4%)	(25.6%)	
Teekay Corporation	5/24/2016	\$ 100.00	14.2%	68.0%	19.8%	(8.4%)	(14.0%)	(14.1%)	(17.0%)	
Tribune Publishing Company	2/3/2016	\$ 44.37	19.6%	63.2%	39.4%	(4.3%)	(1.7%)	(0.6%)	9.7%	
Torchlight Energy Resources, Inc.	5/11/2015	\$ 1.08	6.5%	44.1%	14.9%	(55.0%)	(64.3%)	(43.2%)	(20.6%)	
Parsley Energy, Inc.	2/5/2015	\$ 230.73	13.9%	25.8%	68.9%	(8.7%)	(12.5%)	(6.3%)	(7.1%)	
Highest Discount							(55.0%)	(64.3%)	(43.2%)	(31.5%)
Mean Discount							(8.1%)	(10.0%)	(8.5%)	(7.0%)
Median Discount							(5.4%)	(8.6%)	(7.8%)	(10.1%)
Lowest Discount							15.3%	15.4%	15.4%	28.3%
Proposed Transaction		\$ 75.00	26.4%	46.6%	26.9%	(20.4%)	(23.4%)	(7.7%)	(11.3%)	

“Prior” refers to prior to the announced date
Source: S&P Capital IQ, PrivateRaise

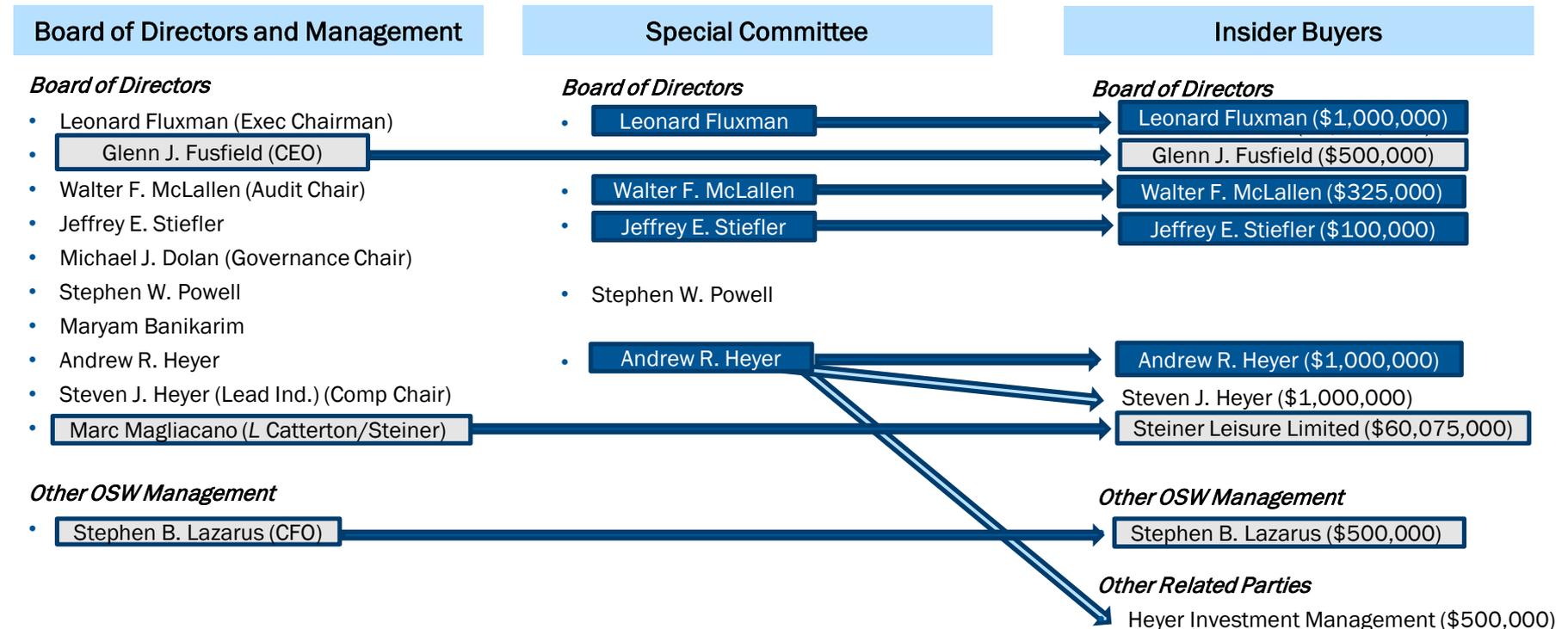
Neither of these analyses seem like solid ground on which to issue an opinion that the transaction is fair.

- After reading the two analyses presented in the Fairness Opinion, we struggle to see the basis on which such an opinion was issued.
- Their analyses seem better suited to demonstrating the **unfairness** of this transaction.
- Duff & Phelps was paid just \$100,000 to start the engagement but \$350,000 to issue a fairness opinion.

It is easy to imagine why they might have felt pressure to issue a Fairness Opinion on the only transaction they were asked to consider in this engagement.

A Truly Insider Deal

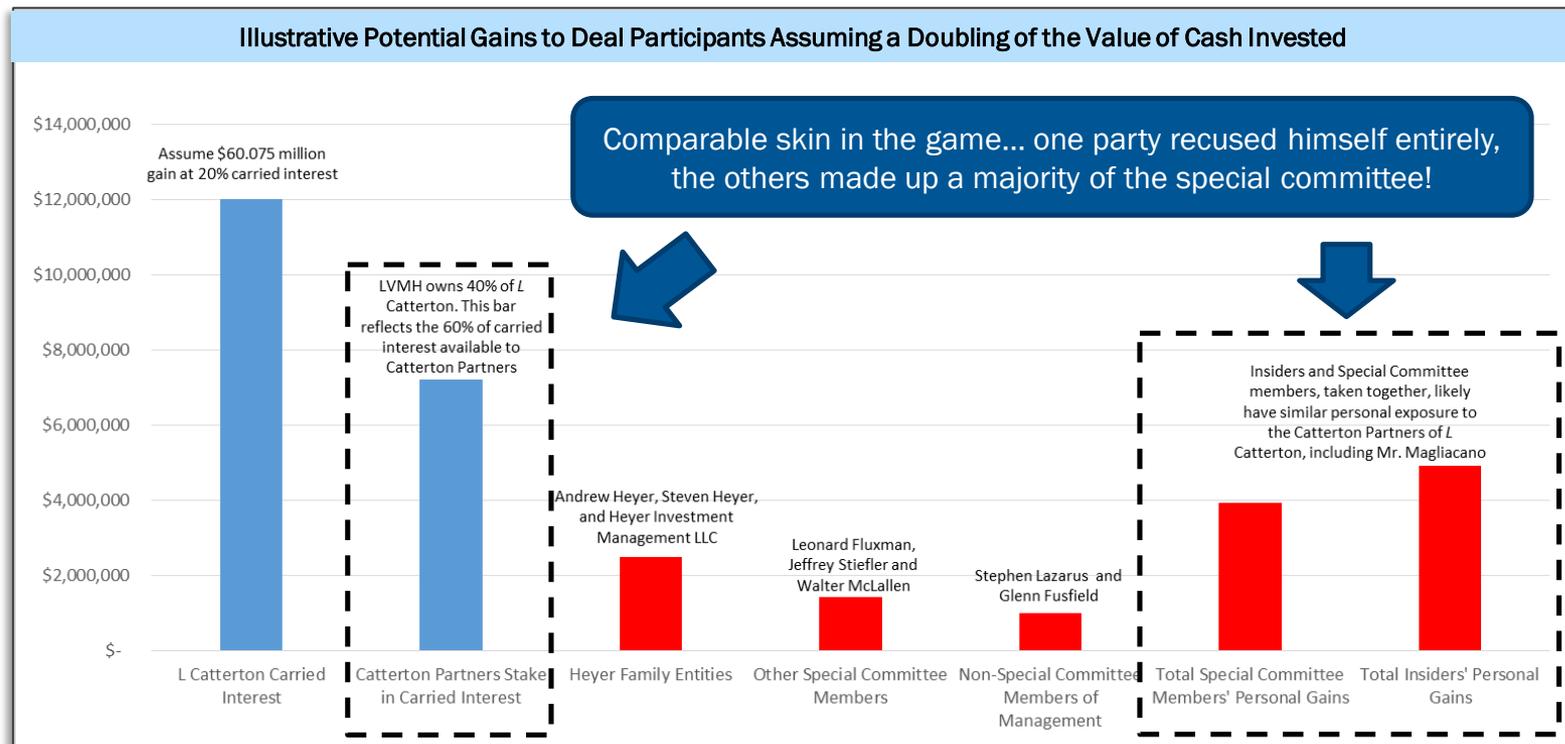
- The table below summarizes the directors, management and other related parties who formed the special committee and ultimately participated in the transaction (accounting for approximately \$65M or 87% of the total transaction).
- It is clear that the extensive participation of special committee members tasked with an impartial evaluation of the merits of potential strategic and financing alternatives **casts the validity of the entire process into doubt.**



Note: Steven J. Heyer and Andrew R. Heyer are brothers. Andrew R. Heyer controls Heyer Investment Management.

Members of the Special Committee and Board Stand to Gain

- Marc Magliacano of L Catterton did the right thing and recused himself from the Board of Directors for the purposes of evaluating this transaction. He knew he was conflicted – his firm could make a large profit, and his interests were for the best deal possible for himself, rather than for shareholders – and he proceeded accordingly.
- Unfortunately the Special Committee was made up of individuals that ultimately would take on combined personal exposure to the deal that in aggregate is comparable to the exposure of the individuals at L Catterton, including Mr. Magliacano, who felt he was so conflicted that he could not participate in Board deliberations, much less the Special Committee process!



Nomura Was Conflicted

- The Board chose Nomura Securities International, Inc. as financial advisor to the special committee as well as placement agent, *after L Catterton had made an unsolicited offer.*
- As a financial advisor, Nomura has represented L Catterton multiple times in recent transactions, including when it sold OneSpaWorld itself to the Haymaker SPAC.
 - We question how Nomura was selected, and note that while L Catterton’s representative recused himself from the Board, somehow L Catterton’s trusted advisor was given the sole responsibility to advise the special committee in this sale... to L Catterton!
- The Company says it selected Nomura for its “extensive experience with OSW and our industry,” but Nomura’s experience with OSW (1 transaction) is at least tripled by its experience with L Catterton (at least 3 transactions), *the firm whose proposal kicked off the process.*

NOMURA **L CATTERTON**

A screenshot of a Google search results page. The search bar contains the text "Nomura" and "Catterton" and "advisor". Below the search bar, there are three search results listed. The first result is "L Catterton to buy Leslie's Holdings | PE Hub" dated Jan 17, 2017, mentioning Nomura Securities as financial advisor. The second result is "The L'OCCITANE Group to Acquire ELEMIS for \$900 Million" dated Jan 13, 2019, mentioning Nomura as financial advisor. The third result is "OneSpaWorld and Haymaker Announce Business Combination" dated Nov 1, 2018, mentioning Nomura and BofA Merrill Lynch as financial advisors.

Elemis was an L Catterton business

OSW was then an L Catterton business

Nomura's "Industry Experience" is not a Differentiator

- Moreover, Nomura's "industry" experience is far from unique. The cruise industry is not an esoteric niche.
- Just in the last 60 days:
 - Carnival Corporation's equity offering was led by BofA, Goldman Sachs, and JP Morgan
 - Norwegian Cruise Line Holdings' equity offering was led by Goldman Sachs, Barclays Capital, Citigroup Global Markets, JP Morgan, Mizuho, Credit Agricole and UBS.

"BofA Securities, Goldman Sachs & Co. LLC and J.P. Morgan are acting as joint book-running managers for the offering..."

GlobeNewswire

Norwegian Cruise Line Holdings Ltd. Announces Closing of 41,818,181 Ordinary Shares

May 11, 2020 09:00 ET | Source: Norwegian Cruise Line Holdings Ltd.

MIAMI, May 11, 2020 (GLOBE NEWSWIRE) -- Norwegian Cruise Line Holdings Ltd. (NYSE: NCLH) (the "Company") announced today that on May 8, 2020 it closed its underwritten public offering of 41,818,181 ordinary shares of the Company (the "Offering") at a price to the public of \$11.00 per share (including 5,454,545 ordinary shares of the Company issued in connection with the full exercise by the underwriters of their option to acquire additional ordinary shares). The Company expects to use the net proceeds from the Offering for general corporate purposes.

Goldman Sachs & Co. LLC, Barclays Capital Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Mizuho Securities USA LLC, Credit Agricole Securities (USA) Inc. and UBS Securities LLC acted as joint book-running managers for the Offering.

The Offering was made under an automatic shelf registration statement filed with the U.S. Securities and Exchange Commission ("SEC") on May 5, 2020. The Offering was made only by means of a prospectus supplement and an accompanying base prospectus. A prospectus supplement and accompanying base prospectus relating to the Offering has been filed with the SEC and are available on the SEC's website at www.sec.gov. Copies may be obtained by contacting Goldman Sachs & Co. LLC, Prospectus Department, 200 West Street, New York, New York 10022, telephone: 1-866-471-2526, facsimile: 212-902-9316 or by emailing prospectus-ny@ny.email.gs.com.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to the registration and qualification under the securities laws of such state or jurisdiction.

 **NORWEGIAN**
CRUISE LINE®


CARNIVAL
CORPORATION & PLC.

Goldman Sachs & Co. LLC, Barclays Capital Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Mizuho Securities USA LLC, Credit Agricole Securities (USA) Inc. and UBS Securities LLC acted as joint book-running managers for the Offering.

Carnival Corporation & plc Announces Offering of Common Stock

NEWS PROVIDED BY
Carnival Corporation & plc →
Mar 31, 2020, 07:18 ET

MIAMI, March 31, 2020 /PRNewswire/ -- Carnival Corporation & plc (NYSE/LSE: CCL/NYSE: CUK), the world's largest leisure travel company, today announced that Carnival Corporation (the "Corporation") has commenced an underwritten public offering of \$1.25 billion of shares of common stock of the Corporation. The Corporation intends to grant the underwriters an option to purchase up to \$187.5 million of additional shares. The Corporation expects to use the net proceeds from the offering for general corporate purposes.

The Corporation also announced by separate press release that it has commenced private offerings to eligible purchasers of \$3 billion aggregate principal amount of first-priority senior secured notes due 2025 and \$1.75 billion aggregate principal amount of senior convertible notes due 2025 (or up to \$2.0125 billion aggregate principal amount if the initial purchasers exercise in full their option to purchase additional convertible notes). Nothing contained herein shall constitute an offer to sell or the solicitation of an offer to buy the senior secured notes or the convertible notes. None of the

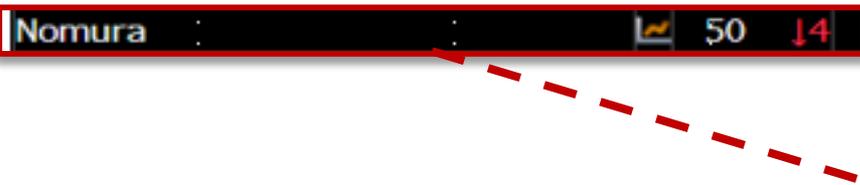
Nomura was Underqualified

As a placement agent, Nomura is an underqualified choice to lead a public US equity offering

- Over the last five years, Nomura ranked 50th on the Bloomberg-compiled league tables for US Equity Offerings, with just 23 deals for \$812mm in total.
 - Nomura was the sole or “left lead” bookrunner for deals for two front-end SPAC IPOs and zero operating businesses over that time frame.
- It is no surprise then that few of the third party Proposals received included the common equity structure the Board later demanded!

Bloomberg League Table - US Equity Offerings, 1/1/15 - Present

Table	US Equity Offerings				Party	Nomura			
Period	Custom	01/01/15	05/18/20		Role	Manager			
League Table	History	Analysis	Deals						
Manager			Rank	Vol (MM USD)	Issues	Fees	Table Share (%)	Mkt Share	Diff
Goldman Sachs			1	117,612.72	780	2.666	12.29		0.70
JP Morgan			2	111,833.58	947	3.896	11.69		0.14
Morgan Stanley			3	103,915.75	746	2.913	10.86		0.34
Canaccord Genuity			34	2,668.25	83	5.601	0.28		0.06
Scotiabank			35	2,430.44	21	2.967	0.25		0.08
Macquarie			36	2,342.67	32	4.551	0.24		-0.06
PNC Financial Services Group Inc			37	2,241.01	6	1.720	0.23		0.18
Oppenheimer & Co			38	1,963.81	84	5.307	0.21		0.02
Mitsubishi UFJ Financial Group Inc			39	1,852.30	15	2.928	0.19		0.05
Stephens Inc			40	1,840.75	43	5.354	0.19		0.03
B Riley & Co			41	1,663.06	34	4.693	0.17		0.06
Roth Capital Partners Inc			42	1,554.88	114	6.412	0.16		0.00
Credit Agricole CIB			43	1,472.39	15	3.286	0.15		-0.04
JMP Group LLC			44	1,312.37	38	5.406	0.14		-0.04
US Bancorp			45	1,084.64	26	5.718	0.11		0.04
Chardan Capital Markets LLC			46	1,041.02	18	4.462	0.11		0.03
FBR Capital Markets Corp			47	930.90	21	5.630	0.10		-0.01
Ladenburg Thalmann & Co			48	902.23	70	6.309	0.09		0.00
Craig-Hallum Capital Group Ltd			49	823.68	51	5.528	0.09		0.01
Nomura			50	812.46	23	4.915	0.08		0.00
Credited - 204 Managers				956,961.11	4,089	3.697			
Total				968,908.04	4,152	3.697			Total issuance decreased by 4.7%



The OSW Proxy Reveals that Motivated Alternate Bidders Were Ignored

The OSW Definitive Proxy filed on 5/22/20 indicates the following regarding a competing proposal:

- **April 20, 2020:** Proposal Two is considered by the Board, and rejected for its *“Preferred equity structure, and the potential for material adverse tax consequences to the Company related to such structure in certain circumstances.”*

Just six days later...

- **April 26, 2020:** Proposal Two is revised and re-submitted, unsolicited, but rejected for precisely the same reason.

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

OneSpaWorld Holdings Limited

(Name of Registrant as Specified in Its Charter)

? Why were Proposal Two’s proponents unaware, even on April 26, that a preferred equity structure was unacceptable to the Board?

? Did the Board make any attempt to negotiate with Proposal Two’s proponents, or even communicate how they could alter their structure to mount a competitive bid?

This source of capital appears highly motivated, making two offers six days apart, but it was possibly prevented from understanding how to make its bid more attractive by a Board committed to completing an insider transaction.

Adjustments to the BCA as Part of the Deal Serve Insiders, not Shareholders

- As part of the original long-term shareholder alignment of the SPAC's acquisition of OneSpaWorld, Steiner Leisure as seller and Haymaker as sponsor agreed to defer their receipt of certain shares into the future. This clearly had value – it was perceived as crucial to the original deal, important enough that after the initial Business Combination Agreement was signed on November 1, 2018, the status of the deferred shares was one key term renegotiated to get the deal done, and was amended in “Amendment No. 1 to Business Combination Agreement” filed on January 8, 2019.
- Liquidity and the Time Value of Money are well understood as valuable pieces of an investment, but minority shareholders were also meant to be comforted by the long-term commitment by the seller and the sponsor to a large portion of their investment.
- However, along with this liquidity-boosting capital raise, the insiders saw fit to use this time of crisis to re-strike the agreements which made the deal possible in the first place. Adding insult to injury, these are not costless giveaways but may serve to the serious detriment of the Company's future liquidity position should the COVID-19 crisis linger.
- The Duff & Phelps Fairness Opinion ignored the changes to the Business Combination Agreement, which the Insider Buyers negotiated for themselves.
- The primary effect of these amendments would be to deliver Steiner and Haymaker their deferred shares most likely 8.8 and 6.8 years early, respectively.

	Original Terms		New Terms	
	Steiner	Haymaker	Steiner	Haymaker
Def. Shares (mm)	5.0	1.6	5.0	1.6
Vesting Terms	<i>5D VWAP > 20.00/share, or Change of Control > 20.00/share, or 10 years after deal closing (March 2029)</i>		<i>Immediately</i>	<i>5D VWAP > 10.50, or Change of Control > 10.50, or 2 years after deal closing (June 2022)</i>

Adjustments to the BCA as Part of the Deal Serve Insiders, not Shareholders (cont.)

The time value of money and premium for liquidity represents an enormous concession to the Insider Buyers which was ignored entirely by the Duff & Phelps Fairness Opinion.

Illustrative Value of BCA Adjustments																															
Share Price at Deal Announcement	4.88																														
Steiner Deferred Shares	5.0																														
Value of Deferred Shares at Announcement Date (If Liquid)	24.4																														
Steiner Reduction in Years to Guaranteed Issuance	8.8																														
Illustrative Discount Rate	8.0%																														
Illustrative NPV of Steiner Shares due to Lockup	12.4 *																														
Illustrative Value Delivered to Steiner by BCA Adjustment	12.0																														
Haymaker Deferred Shares	1.6																														
Value of Deferred Shares at Announcement Date (If Liquid)	7.8																														
Haymaker Reduction in Years to Guaranteed Issuance	6.8																														
Illustrative Discount Rate	8.0%																														
Illustrative NPV of Haymaker Shares due to Lockup	4.6 *																														
Illustrative Value Delivered to Haymaker by BCA Adjustment	3.2																														
<i>* Illustrates net present value of shares assuming price remains constant but shares cannot be liquidated until unlocked</i>																															
	<table border="1"> <thead> <tr> <th></th> <th colspan="2">Steiner</th> <th colspan="2">Haymaker</th> </tr> <tr> <th></th> <th colspan="2">% of New</th> <th colspan="2">% of New</th> </tr> <tr> <th></th> <th>\$mm</th> <th>Investment</th> <th>\$mm</th> <th>Investment</th> </tr> </thead> <tbody> <tr> <td>Illustrative Value of Concession for OSW @ \$4.88/share</td> <td>12.0</td> <td>20%</td> <td>3.2</td> <td>128%</td> </tr> <tr> <td>... for OSW @ \$6.50/share</td> <td>16.0</td> <td>27%</td> <td>4.2</td> <td>168%</td> </tr> <tr> <td>... for OSW @ \$10.00/share</td> <td>24.6</td> <td>41%</td> <td>6.5</td> <td>260%</td> </tr> </tbody> </table>		Steiner		Haymaker			% of New		% of New			\$mm	Investment	\$mm	Investment	Illustrative Value of Concession for OSW @ \$4.88/share	12.0	20%	3.2	128%	... for OSW @ \$6.50/share	16.0	27%	4.2	168%	... for OSW @ \$10.00/share	24.6	41%	6.5	260%
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- Unlocking Steiner shares immediately can be seen as worth \$12 million, or at least 20% of what they agreed to invest, bringing down their effective net investment price substantially. While Duff & Phelps estimated the deal was at a 23% discount to the last price, adjusting for the estimated \$12 million of value Steiner received thanks to this amendment, Steiner's \$60 million investment looks more like a \$48 million investment, implying they paid a **42% discount to last price.**
- Far worse, Deep Field estimates that the time value of money delivered to Haymaker Founders by unlocking their Deferred Shares ~7 years early could be estimated at \$3.2 million the day the deal was signed – or more than 100% of the \$2.5 million invested by Heyer Family Entities in this deal. **They are essentially paying a net negative price for the OSW shares they will receive.***
- DFAM sees no economic rationale in which these changes to the BCA help the Company respond to the challenges of COVID-19. They serve only to enrich the Insiders. Seeing the selfish and cynical way in which these BCA adjustments were included in the deal further convinces DFAM that our “special committee” was more interested in its own outcome than the outcome for the Company and its shareholders.

*We assume the Heyer Entities own a significant majority of the Founder Shares.

The \$75 Million Proposed Investment is Worth \$131 Million Today – a 75% Gain!

Value of \$75M Investment @ Illustrative Common Share Issuance and Warrant Strikes

		Illustrative Common Share Issuance Price				
		\$4.00	\$4.50	\$5.00	\$5.50	\$6.00
Illustrative Warrant Strike Price	\$5.75	\$131	\$118	\$108	\$99	\$92
	\$6.25	130	117	107	98	91
	\$6.75	130	117	106	97	90
	\$7.25	129	116	105	97	90
	\$7.75	128	115	105	96	89
	\$8.25	128	115	104	95	88
	\$8.75	127	114	103	95	88

1

“Value of the deal” at today’s share price (\$6.29) under a range of illustrative share issuance prices and warrant strike prices demonstrates wide opportunity for improvement.

2

The implied return on the \$75 million investment assuming it could be “sold” back to the market today shows the large returns available if a full and fair process is run.

Implied Return on \$75M Investment @ Illustrative Common Share Issuance and Warrant Strikes

		Illustrative Common Share Issuance Price				
		\$4.00	\$4.50	\$5.00	\$5.50	\$6.00
Illustrative Warrant Strike Price	\$5.75	75%	57%	43%	32%	23%
	\$6.25	74%	56%	42%	31%	21%
	\$6.75	73%	55%	41%	30%	20%
	\$7.25	72%	54%	40%	29%	19%
	\$7.75	71%	54%	40%	28%	19%
	\$8.25	70%	53%	39%	27%	18%
	\$8.75	69%	52%	38%	26%	17%

3

The implications for dilution based on a range of share issuance prices. This table takes no view on lesser warrant coverage, which represents another dimension of room for improvement.

Illustrative Pro Forma Fully Diluted Shares Outstanding

		Illustrative Common Share Issuance Price				
		\$4.00	\$4.50	\$5.00	\$5.50	\$6.00
Illustrative Warrant Strike Price	\$5.75	92	89	88	86	85
	\$6.25	92	89	88	86	85
	\$6.75	92	89	88	86	85
	\$7.25	92	89	88	86	85
	\$7.75	92	89	88	86	85
	\$8.25	92	89	88	86	85
	\$8.75	92	89	88	86	85
Dilution %		35%	32%	29%	27%	26%

The Market Appears Wide Open to Rapid Equity Capital Raises at Attractive Discounts

- The capital markets are open for transactions of similar size and scope to what OSW requires, at far tighter discounts.
- Most of these deals happened on an overnight basis – even if June 30 is a hard deadline, the Company has plenty of time to get a deal done.
- Management is using the June 30, 2020 date as an artificial deadline for raising necessary capital.
- THE PROPOSED DEAL IS NOT OUR “ONLY CHOICE.”**

Date	Issuer	Amount Raised (\$)	Discount to Pre-Announcement Close
5/6/2020		147,000,000	5%
5/7/2020		201,000,000	13%
5/8/2020		1,780,000,000	1%
5/11/2020		423,000,000	3%
5/12/2020		345,000,000	2%
5/13/2020		362,000,000	6%
5/13/2020		422,000,000	14%
5/14/2020		75,000,000	9%
5/20/2020		44,000,000	9%
4/30/2020		75,000,000	27% Discount to closing price on 4/29/20
4/30/2020		75,000,000	44% Discount to closing price on 5/22/20

DFAM does not believe a vote against this transaction puts the Company's "backs against the wall."

No Reason to Fear Management's Hyperbolic Portrayal of Imminent Bankruptcy

- In our view, despite open capital markets management is *portraying* June 30 as a deadline to *apply undue pressure* to vote yes.
- To do so they are relying on the covenant which requires net debt to adjusted EBITDA to remain under **7.5x**.
 - We estimate this figure will be **8.4x** on June 30, *but only if management takes no action*.
 - The indenture provides simple cures within management's control, even if they could not negotiate the sort of waiver from their lenders that has become common in the COVID-19 environment.

Total Debt on 3/31/20	241,663	- Per 10-Q
Total Cash on 3/31/20	20,517	- Per 10-Q
Quarterly Cash Burn	(10,800)	- Three times the monthly cash burn disclosed on 4/30
Estimated Net Debt on 6/30/20	231,946	-
Reported 3Q19-1Q20 Adjusted EBITDA	32,997	- Per company reports, represents adding back formerly negative EBITDA adjustment for Minority Interest of subsidiary which was acquired in February and is now wholly owned
Medispa Pro Forma Add-Backs 3Q19-4Q19	2,280	- Minority interest added back after acquiring 100%
Estimated 2Q20 Adjusted EBITDA	(7,500)	- Three times the monthly operating losses disclosed on 4/30
Estimated Trailing Adjusted EBITDA on 6/30/20	27,777	-
Estimated Covenant Ratio	8.4x	-

Management is using the threat of this deadline to force through a drastic, self-interested solution. We reject these manipulative threats. There are shareholder-friendly alternatives.

The Solutions are Simple and Obvious – Why Rush?

OSW can take less drastic action to remedy the June 30 covenant concern, including via “self-help” actions management has not yet pursued.

- For instance, the denominator could be improved by finding cost-savings in the business. Pursuant to bullet point (x) in the First Lien Credit Agreement’s definition of Consolidated EBITDA, legitimate “run-rate” cost savings projected in good faith by the Company can be applied to Consolidated EBITDA.
- We estimate the Company could be in compliance with its covenant on June 30 if it could identify just \$3.2 million in cost savings taken or to be taken within the next twelve months.
 - We note that director cash compensation alone in 2019 was approximately \$1 million, and cash compensation for the top three executives was almost \$2 million. Solidarity pay reductions, or even simply converting cash compensation to stock compensation, might bridge almost all of this gap.

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Medispa Pro Forma Add-Backs 3Q19-4Q19	2,280
Estimated 2Q20 Adjusted EBITDA	(7,500)
“Run-rate” Cost Savings as defined in the FLCA	3,200
Estimated Trailing Adjusted EBITDA on 6/30/20	30,977
Estimated Covenant Ratio	7.49x

A transaction with such an extraordinary apparent windfall for insiders demands extraordinary evidence of a well-run, comprehensive process.

We do not have any such evidence – to the contrary, the evidence suggests this was not a comprehensive, fair process

NASDAQ rules require a shareholder vote when this much dilution happens in an equity offering – which means:

WE HAVE A VOICE.

Shareholders should not be afraid to vote **NO**.



This outline is meant to reiterate and supplement the points made in our initial open letter to shareholders filed May 13, and our follow-up letter filed May 20.



DFAM reiterates its call to vote NO on Proposal 3 and 4, each of which relates to approving the current insider transaction.

About Deep Field and Contact Information

Deep Field Asset Management LLC (“DFAM”) is a privately-held, independent investment adviser with \$136 million in assets under management as of April 30, 2020. DFAM manages the Deep Field Opportunities Fund (“Fund”) a global concentrated investment fund that invests primarily in the small- and mid-cap space. The Fund’s objective is to back superior management teams pursuing idiosyncratic, difficult-to-replicate strategies wherein a market position or asset is leveraged to expand share and compound cash flow over a multi-year period. Specifically, the Fund seeks to own “category-defining” assets with definitive advantages which we believe are characterized by features such as extraordinary brands, overwhelming market share, data supremacy and easily accessible adjacent opportunities. The Fund was launched in 2015 by Jordan Moelis, the Fund’s Portfolio Manager.

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