



1 July 2020

Quarterly Activities Report – Additional Information

Candy Club Holdings Limited (ASX: CLB) ("**Company**") provides the below additional information in relation to its Quarterly Activities Report lodged with ASX on 29 April 2020.

Additional Information

The March 2020 quarter is a period which is covered by the Use of Funds Statement as outlined in the Company's Prospectus dated 30 November 2018. Updates to the ASX Listing Rules which were effective from 31 March 2020 now require the Company to provide a comparison of the actual expenditure on individual items in the Use of Funds Statement and an explanation for any material variances in its quarterly reports. A summary of expenditure of the IPO funds raised since listing is set out below:

Use of funds	Funds Raised at IPO and Use of Funds per Prospectus	Actual Expenditure of IPO Funds to 31 March 2020	Variance	
			Amount (\$)	%
Customer Acquisition	1,135,000	1,376,812	241,812	21%
Increasing Sales Staff	283,750	-	(283,750)	-100%
Acquisition of inventory	851,250	942,029	90,779	11%
Repayment of Promissory notes	620,000	620,000	-	0%
Working Capital	2,134,000	2,085,159	(48,841)	-2%
Total	5,024,000	5,024,000		

Explanation of material differences in the table above:

The Company considers the only material difference relates to increasing sales staff. IPO funds were not used to increase sales staff as intended as existing staff were able to be utilised more actively in sales and automation enhancements made it possible to add incremental sales staff without increasing overall operating expenses.

The Company has reported its cash flows on a quarterly basis since listing on ASX and considers the use of funds to be consistent with its disclosures since ASX Listing.

Payments to related parties in March quarter

Payments to related parties and their associates during the quarter was \$152K which consists of salaries for the CEO, Keth Cohn, and one non-executive director, Andrew Clark, who is also actively engaged in a consulting capacity.

– ENDS –

Justyn Stedwell

Company Secretary

On behalf of the Board of Directors

Candy Club Holdings Limited

Candy Club Holdings Limited

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About Candy Club

Candy Club Holdings Limited (Candy Club) is a leading specialty market confectionery company which operates a business-to-business (B2B) and business-to-customer (B2C) segment in the United States of America. Broadly, confectionery encompasses sugar confectionery, chocolates and gum.

Founded in 2015 by serial entrepreneur Keith Cohn, Candy Club executes an omnichannel strategy with a vision to become the world's leading specialty market confectionery company.

Candy Club is headquartered in Los Angeles, California, United States.