



26 November 2020

Candy Club successfully raises \$5 million in private placement

Key highlights:

- Candy Club has reached agreements to raise \$5 million via a private placement, from the issue of 41.7 million fully paid ordinary shares at 12 cents per share.
- The Placement, which had an initial target of \$3.5 million, was upscaled to \$5 million due to strong interest from institutional and sophisticated investors. The Company received strong demand well in excess of \$5 million and the placement had to be scaled back to accommodate demand.
- The proceeds raised will be used to increase the Company's inventory levels to support accelerating growth and for working capital.

Melbourne, Australia – Candy Club Holdings Limited (ASX: CLB) ("**Candy Club**" or "**the Company**") has completed a \$5 million placement to institutional and sophisticated investors at an issue price of 12 cents per share ("**Placement**").

The total placement of \$5 million includes participation from Candy Club directors – Mr James Baillieu and Mr Kan Tang – of \$1.5 million collectively to be issued subject to shareholder approval for the purposes of ASX Listing Rule 10.11.

Candy Club received strong demand from a large group of existing institutional and sophisticated investors in this capital raising round.

The Company also saw support from a number of new institutional and sophisticated investors investing in Candy Club for the first time. As a result, the Company received well in excess of \$5 million, ahead of the initial target of \$3.5 million, and the Placement had to be scaled back to accommodate demand.

"As mentioned in the September Quarterly Activities Report, we have many exciting growth initiatives that are well underway," said Candy Club Founder and CEO Keith Cohn.

"This included scaling our customer acquisition marketing campaigns, new product development, new business development partnerships with sales partners and a robust sales pipeline."

"The strong demand for our equity shows the confidence our investors have in us, and I am convinced that we will be able to bring Candy Club to new heights."

About the Placement

The Company will issue 41.7 million fully paid ordinary Candy Club shares pursuant to the Placement. 12.5 million shares collectively will be issued to Company Directors Mr James Baillieu and Mr Kan Tang subject to shareholder approval at a general meeting to be held in January 2021, while the balance of 29.2 million shares will be issued to institutional and sophisticated investors without prior shareholder approval utilising part of the Company's placement capacity under Listing Rules 7.1 and 7.1A.

The issue price of 12 cents per share represents a 4 per cent discount to the previous closing price (12.5 cents) on 20 November 2020.

The funds raised will be used to increase the Company's inventory levels to support accelerating growth and for working capital.

“I am very happy with the results Candy Club achieved in this private placement. It is a very successful one that means more room for expansion,” said Candy Club Chairman James Baillieu.

“I can’t wait to see what is in store for us, especially in 2021 after experiencing a very challenging 2020. Every business has no doubt been impacted by the COVID-19 pandemic, and that is why I am delighted to see how Candy Club not only weathered this storm but also recorded exponential revenue growth. And with this additional investment, there will only be growth for us from here on.”

The issue of 29.2 million shares to non-related party participants under the Placement is expected to occur on or around 3 December 2020.

This announcement has been approved for release by the Company’s Board of Directors.

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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.