



11 October 2022

US-based Investment Bank Process Update

Melbourne, Australia – Candy Club Holdings Limited (ASX: CLB) ("**Candy Club**" or "**the Company**") notes that market conditions this year have been very adverse to pre-profitability growth companies including Candy Club. More than 50 parties have signed a Non-Disclosure Agreement (NDA) and considered Candy Club as part of the US-based investment bank process since May, but we have been unable to get any binding offer to buy or finance the Company.

Disappointingly, the Company received notice late last week that a potential merger deal financed by private equity had been withdrawn. Financing discussions with several different parties in the US are continuing.

\$6.6m is owed to Western Technology Investment (WTI) is being paid back in monthly instalments of approximately \$65k in interest and \$150k of principal rising to \$225k of principal monthly as of 1 December.

The current liquid assets of the Company are \$740k in cash, \$1.4m in accounts receivable, \$6.3m in inventory, and \$1.8m in accounts payable (excluding WTI).

A rights issue has been carefully considered in conjunction with different brokers and ruled out due to the debt position and the amount of capital required to get the Company to sustainable cash positive.

A further update will be provided in the Company's Appendix 4C due at the end of October.

Authorised by James Baillieu, Chairman of the Company.

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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) division in the United States of America. Broadly, confectionery encompasses sugar confectionery, chocolates and gum.

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

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