

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
VICTORIA DIVISION**

In re:)	
)	Chapter 11
CANDY CLUB, LLC, <i>et al.</i> , ¹)	Case No. 23-60048 (CML)
Debtors.)	(Jointly Administered)
)	

NOTICE OF NEW MONEY EQUITY RAISE FOR REORGANIZED DEBTOR CANDY CLUB, LLC AND ITS DEBTOR AFFILIATES

IF YOU ARE A PREPETITION CREDITOR OF CANDY CLUB, LLC OR ITS DEBTOR AFFILIATES YOU MAY BE ELIGIBLE TO PARTICIPATE IN A NEW MONEY EQUITY RAISE FOR THE REORGANIZED DEBTORS. PLEASE READ BELOW FOR ADDITIONAL INFORMATION AND HOW TO PARTICIPATE.

On March 5, 2024, the United States Bankruptcy Court for the Southern District of Texas (the “Court”) entered the *Order Confirming the Combined Plan of Reorganization and Disclosure Statement of Candy Club, LLC and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 259] (the “Confirmation Order”) confirming the Plan² and approving the Disclosure Statement of the above-captioned debtors and debtors in possession (the “Debtors”).

¹ The Debtors in this chapter 11 cases, together with the last four digits of the Debtors’ federal tax identification number are: Candy Club, LLC (8533), Candy Club Holdings, Inc. (5377), Candy Club Acquisition, LLC (9010), and Candy Club Investment, LLC (None). The Debtors’ service address is 10736 Jefferson Blvd. #325, Culver City, CA 90230.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the *Amended Combined Plan of Reorganization and Disclosure Statement of Candy Club, LLC Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 249] (the “Disclosure Statement” or “Plan”).

Pursuant to the Plan, the Debtors are engaged in a new money equity raise as described below:

D. New Equity

On the Effective Date, subject to the terms and conditions of this Plan and the Restructuring Transactions, Reorganized Candy Club shall issue the New Equity pursuant to this Plan and the New Corporate Governance Documents. The New Corporate Governance Documents will prohibit the issuance of non-voting equity securities to the extent required under section 1123(a)(6) of the Bankruptcy Code.

Distributions of the New Equity may be made by delivery or book-entry transfer thereof by the applicable Distribution Agent in accordance with this Plan and the New Corporate Governance Documents. Upon the Effective Date, after giving effect to the transactions contemplated hereby, the authorized share capital or other equity securities of Reorganized Candy Club shall be that number of shares of New Equity as may be designated in the New Corporate Governance Documents.

During the fourth quarter of 2023, Candy Club embarked on a new money equity raise. Such equity raise would bring new capital into the reorganized Candy Club on the Effective Date. On the Effective Date, the equity which vests in Keith Cohn will contemporaneously be sold and distributed to various new money investors who have committed to purchasing equity in the reorganized Candy Club and Keith Cohn's ownership will be reduced consistent with those sales and distributions of New Equity.

See Docket No. 259 at page 50.

All prepetition creditors of Candy Club, LLC and its affiliates, including general unsecured creditors (the "Prospective Investors"), may participate in the equity raise by way of investment in the Reorganized Debtors. Prospective Investors who are interested in investing in the Reorganized Debtors must be "accredited investors" within the meaning of Regulation D of the Securities Act of 1933 and may not be a "direct competitor"³ of the Reorganized Debtors.

Candy Club, LLC seeks to raise new equity to strengthen its balance sheet, buy additional inventory and scale more quickly as it takes advantage of numerous growth opportunities on the following terms:

- Valuation – \$4.5mm (pre-money)⁴
- Closing(s) – \$1.0mm minimum to close; rolling closes thereafter
- Investors in this round will receive a 1.5x participating liquidation preference

Any recipient of this notice interested in investing in the Reorganized Debtors should contact Stretto, the Debtors' claims and noticing agent by emailing CandyClubEquity@stretto.com. Stretto shall notify counsel and Reorganized Candy club of a new interested Prospective Investor so that the Reorganized Debtors can properly engage with the Prospective Investor.

³ "Direct Competitor" means any commercial business entity which entity competes directly with one or more of the Company's product or service lines of business representing at least 5% (five percent) of the Company's gross annual revenues.

⁴ *See* **Exhibit A**, Projections.

If you would like to access or request electronic or paper copies of the Plan, Confirmation Order, or related documents, such materials are available free of charge by: (a) accessing the Debtors' case website at <https://cases.stretto.com/candyclub>; (b) calling (855) 477-3127 (toll free) or (949) 994-5971 (international); or (c) emailing teamcandyclub@stretto.com. Additionally, you may also obtain copies of any pleadings filed in the chapter 11 cases for a fee via PACER at <https://ecf.txs.uscourts.gov/> (a PACER account is required).

March 12, 2024

/s/ Veronica A. Polnick

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EXHIBIT A

Projections

**Candy Club LLC
FY2024 Monthly Budget**

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	FY '24
	Actual	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Net Revenue	\$ 683,122	\$ 453,102	\$ 878,848	\$ 1,043,504	\$ 986,760	\$ 915,187	\$ 1,098,529	\$ 1,618,032	\$ 2,262,234	\$ 2,441,194	\$ 2,329,397	\$ 1,909,388	16,619,296
B2C Subscription & E-Comm	31,284	52,714	48,136	52,310	55,052	53,063	57,201	57,573	60,081	52,505	72,011	67,319	659,249
B2B Wholesale	651,838	400,388	830,712	991,194	931,708	862,124	1,041,328	1,560,458	2,202,153	2,388,689	2,257,386	1,842,069	15,960,047
Cost of Goods Sold	(391,955)	(251,943)	(487,411)	(579,260)	(546,385)	(507,051)	(609,128)	(902,793)	(1,248,274)	(1,374,185)	(1,304,243)	(1,068,174)	(9,270,803)
B2C Subscription & E-Comm	(11,833)	(18,717)	(17,644)	(18,740)	(19,505)	(19,520)	(20,257)	(20,354)	(20,574)	(18,604)	(23,176)	(22,799)	(231,723)
B2B Wholesale	(380,122)	(233,226)	(469,768)	(560,520)	(526,881)	(487,531)	(588,871)	(882,439)	(1,227,700)	(1,355,581)	(1,281,067)	(1,045,374)	(9,039,080)
Gross Margin \$'s	291,167	201,159	391,437	464,244	440,374	408,136	489,401	715,238	1,013,960	1,067,009	1,025,154	841,215	7,348,493
<i>Gross Margin %</i>	43%	44%	45%	44%	45%	45%	45%	44%	45%	44%	44%	44%	44%
Selling Expense	(89,982)	(89,996)	(158,729)	(194,053)	(184,297)	(172,209)	(206,962)	(302,762)	(419,677)	(425,991)	(430,617)	(359,403)	(3,034,679)
Contribution Margin	201,185	111,163	232,708	270,191	256,077	235,927	282,439	412,476	594,283	641,018	594,537	481,811	4,313,814
<i>CM%</i>	29%	25%	26%	26%	26%	26%	26%	25%	26%	26%	26%	25%	26%
Operating Expenses	(294,487)	(231,724)	(308,084)	(283,252)	(284,398)	(280,133)	(285,947)	(282,685)	(285,203)	(285,985)	(287,745)	(282,816)	(3,392,460)
Customer Acquisition - B2B/B2C	(3,072)	(10,000)	(25,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(488,072)
Payroll & Benefits	(164,917)	(155,562)	(155,562)	(130,562)	(130,562)	(130,562)	(130,562)	(130,562)	(130,562)	(130,562)	(130,562)	(130,562)	(1,651,098)
G&A	(95,781)	(58,295)	(109,917)	(84,917)	(84,917)	(84,917)	(84,917)	(84,917)	(84,917)	(84,917)	(84,917)	(84,917)	(1,028,246)
Marketing Promotions	(30,717)	(7,867)	(17,605)	(17,773)	(18,919)	(14,654)	(20,468)	(17,206)	(19,724)	(20,506)	(22,266)	(17,337)	(225,045)
EBITDA	\$ (93,302)	\$ (120,561)	\$ (75,376)	\$ (13,061)	\$ (28,321)	\$ (44,207)	\$ (3,508)	\$ 129,791	\$ 309,080	\$ 355,033	\$ 306,792	\$ 198,995	\$ 921,354
Payments Contemplated by the Plan	\$ (18,717)	\$ (20,431)	\$ (356,056)	\$ (130,670)	\$ (130,295)	\$ (129,920)	\$ (135,545)	\$ (145,295)	\$ (150,920)	\$ (150,545)	\$ (150,170)	\$ (147,170)	\$ (1,665,735)
IDS	-	-	-	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(340,688)
WTI	-	-	-	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(161,719)
Ch 11 Administrative Fees	-	-	(300,000)	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)	(675,000)
General Unsecured Creditor Payments	-	-	(30,000)	-	-	-	-	-	-	-	-	-	(30,000)
ABL Interest & Fees	(18,717)	(20,431)	(26,056)	(33,181)	(32,806)	(32,431)	(38,056)	(47,806)	(53,431)	(53,056)	(52,681)	(49,681)	(458,328)
New Invested Equity	\$ -	\$ -	\$ 750,000	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Ending Cash Balance	198,491	39,324	566,201	831,293	916,013	547,918	502,025	415,019	467,838	687,918	1,413,281	1,987,796	
Accounts Receivable	464,428	511,399	695,584	899,428	862,070	908,826	973,021	1,605,260	2,330,622	2,669,874	2,613,416	2,380,069	
Inventory	1,842,245	1,778,292	1,741,668	1,672,221	1,735,500	1,916,382	2,216,007	2,423,955	2,349,517	2,124,705	1,753,271	1,395,431	
ABL Line Availability (Before Draws)	989,991	1,015,297	1,462,081	1,700,624	1,700,510	1,830,693	2,035,071	2,676,448	3,255,787	3,431,745	3,198,039	2,820,774	
ABL Total Draw	947,000	842,000	1,217,000	1,692,000	1,667,000	1,642,000	2,017,000	2,667,000	3,042,000	3,017,000	2,992,000	2,792,000	
ABL Line Net Availability	42,991	173,297	245,081	8,624	33,510	188,693	18,071	9,448	213,787	414,745	206,039	28,774	

**Candy Club LLC
FY2025 Monthly Budget**

	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	FY '25
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Net Revenue	\$ 1,217,999	\$ 669,739	\$ 1,165,155	\$ 1,307,679	\$ 1,128,503	\$ 1,091,405	\$ 1,230,992	\$ 2,375,851	\$ 3,642,063	\$ 4,074,711	\$ 3,719,407	\$ 2,841,676	24,465,180
B2C Subscription & E-Comm	62,829	58,300	55,457	60,219	64,363	62,814	68,779	70,483	75,344	68,800	95,305	90,199	832,892
B2B Wholesale	1,155,170	611,439	1,109,698	1,247,461	1,064,140	1,028,591	1,162,214	2,305,367	3,566,719	4,005,912	3,624,102	2,751,476	23,632,288
Cost of Goods Sold	(651,876)	(370,732)	(636,793)	(714,868)	(614,490)	(595,384)	(671,069)	(1,306,913)	(1,980,052)	(2,259,252)	(2,052,833)	(1,566,911)	(13,421,172)
B2C Subscription & E-Comm	(19,420)	(20,683)	(20,356)	(21,903)	(23,360)	(24,002)	(25,459)	(26,282)	(27,273)	(25,956)	(32,396)	(32,963)	(300,054)
B2B Wholesale	(632,456)	(350,049)	(616,437)	(692,964)	(591,130)	(571,382)	(645,610)	(1,280,632)	(1,952,779)	(2,233,296)	(2,020,437)	(1,533,948)	(13,121,118)
Gross Margin \$'s	566,124	299,007	528,362	592,812	514,014	496,020	559,923	1,068,938	1,662,011	1,815,460	1,666,573	1,274,764	11,044,008
Gross Margin %	46%	45%	45%	45%	46%	45%	45%	45%	46%	45%	45%	45%	45%
Selling Expense	(205,769)	(120,479)	(198,830)	(252,523)	(253,402)	(257,863)	(269,153)	(434,175)	(1,014,768)	(649,890)	(592,246)	(451,962)	(4,701,060)
Contribution Margin	360,355	178,528	329,532	340,289	260,611	238,157	290,771	634,762	647,243	1,165,570	1,074,328	822,802	6,342,948
CM%	30%	27%	28%	26%	23%	22%	24%	27%	18%	29%	29%	29%	26%
Operating Expenses	(300,648)	(278,456)	(317,907)	(345,265)	(348,081)	(337,891)	(351,784)	(343,934)	(349,891)	(351,907)	(344,132)	(332,252)	(4,002,148)
Customer Acquisition - B2B/B2C	(5,500)	(11,000)	(27,500)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(539,000)
Payroll & Benefits	(143,618)	(143,618)	(143,618)	(143,618)	(143,618)	(143,618)	(143,618)	(143,618)	(143,618)	(143,618)	(143,618)	(143,618)	(1,723,417)
G&A	(105,409)	(105,409)	(105,409)	(105,409)	(105,409)	(105,409)	(105,409)	(105,409)	(105,409)	(105,409)	(93,409)	(93,409)	(1,240,904)
Marketing Promotions	(46,121)	(18,430)	(41,380)	(41,238)	(44,054)	(33,864)	(47,757)	(39,908)	(45,864)	(47,881)	(52,105)	(40,226)	(498,828)
EBITDA	\$ 59,706	\$ (99,928)	\$ 11,626	\$ (4,976)	\$ (87,470)	\$ (99,733)	\$ (61,013)	\$ 290,828	\$ 297,352	\$ 813,662	\$ 730,196	\$ 490,550	\$ 2,340,799
Payments Contemplated by the Plan	\$ (95,079)	\$ (93,579)	\$ (93,579)	\$ (93,579)	\$ (93,579)	\$ (93,579)	\$ (107,079)	\$ (126,579)	\$ (134,079)	\$ (134,079)	\$ (134,079)	\$ (130,329)	\$ (1,329,192)
IDS	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(454,250)
WTI	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(215,625)
Ch 11 Administrative Fees	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
General Unsecured Creditor Payments	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
ABL Interest & Fees	(39,256)	(37,756)	(37,756)	(37,756)	(37,756)	(37,756)	(51,256)	(70,756)	(78,256)	(78,256)	(78,256)	(74,506)	(659,317)
Net Invested Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Cash Balance	1,993,958	1,683,957	1,609,155	1,571,653	1,659,770	1,085,166	1,151,056	1,174,790	1,225,666	1,943,514	3,699,237	5,160,377	
Accounts Receivable	1,576,704	1,283,555	1,484,351	1,685,215	1,524,221	1,608,947	1,612,948	2,876,475	4,339,882	5,081,577	4,879,430	4,238,742	
Inventory	1,550,715	1,900,886	1,809,945	1,726,470	1,822,829	2,320,331	3,196,896	3,623,450	3,476,152	2,982,525	2,293,395	1,786,252	
ABL Line Availability (Before Draws)	2,115,555	2,041,465	2,166,671	2,295,668	2,207,003	2,527,770	2,969,453	4,256,729	5,426,976	5,810,603	5,294,213	4,496,057	
ABL Total Draw	2,097,000	1,997,000	1,997,000	1,997,000	1,997,000	1,997,000	2,897,000	4,197,000	4,697,000	4,697,000	4,697,000	4,447,000	
ABL Line Net Availability	18,555	44,465	169,671	298,668	210,003	530,770	72,453	59,729	729,976	1,113,603	597,213	49,057	

**Candy Club LLC
FY2026 Monthly Budget**

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	FY '26
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Net Revenue	\$ 1,503,456	\$ 865,442	\$ 1,440,877	\$ 1,648,086	\$ 1,388,255	\$ 1,381,213	\$ 1,514,495	\$ 3,129,998	\$ 4,852,523	\$ 5,433,982	\$ 4,916,902	\$ 3,753,689	31,828,919
B2C Subscription & E-Comm	108,303	99,087	85,639	98,764	104,958	102,506	111,883	113,405	118,947	103,286	132,275	122,180	1,301,234
B2B Wholesale	1,395,153	766,355	1,355,238	1,549,321	1,283,298	1,278,707	1,402,612	3,016,593	4,733,576	5,330,696	4,784,627	3,631,509	30,527,684
Cost of Goods Sold	(790,305)	(469,669)	(777,534)	(887,809)	(743,067)	(740,859)	(810,898)	(1,699,790)	(2,607,786)	(2,980,959)	(2,685,896)	(2,047,687)	(17,242,259)
B2C Subscription & E-Comm	(33,434)	(34,762)	(31,476)	(34,908)	(36,612)	(36,931)	(38,760)	(39,156)	(39,821)	(35,749)	(42,390)	(41,278)	(445,277)
B2B Wholesale	(756,870)	(434,906)	(746,058)	(852,901)	(706,455)	(703,928)	(772,138)	(1,660,634)	(2,567,965)	(2,945,210)	(2,643,506)	(2,006,409)	(16,796,982)
Gross Margin \$'s	713,151	395,773	663,343	760,277	645,188	640,354	703,598	1,430,208	2,244,737	2,453,023	2,231,006	1,706,002	14,586,660
Gross Margin %	47%	46%	46%	46%	46%	46%	46%	46%	46%	45%	45%	45%	46%
Selling Expense	(237,304)	(135,498)	(227,971)	(279,537)	(231,357)	(237,092)	(262,671)	(514,004)	(792,426)	(884,628)	(841,367)	(694,130)	(5,337,984)
Contribution Margin	475,847	260,275	435,371	480,740	413,832	403,262	440,927	916,204	1,452,311	1,568,395	1,389,639	1,011,872	9,248,675
CM%	32%	30%	30%	29%	30%	29%	29%	29%	30%	29%	28%	27%	29%
Operating Expenses	(290,332)	(281,874)	(311,115)	(340,043)	(341,478)	(336,219)	(343,388)	(339,351)	(342,438)	(343,444)	(345,620)	(339,514)	(3,954,817)
Customer Acquisition - B2B/B2C	(5,775)	(11,550)	(28,875)	(57,750)	(57,750)	(57,750)	(57,750)	(57,750)	(57,750)	(57,750)	(57,750)	(57,750)	(565,950)
Payroll & Benefits	(157,980)	(157,980)	(157,980)	(157,980)	(157,980)	(157,980)	(157,980)	(157,980)	(157,980)	(157,980)	(157,980)	(157,980)	(1,895,758)
G&A	(102,750)	(102,750)	(102,750)	(102,750)	(102,750)	(102,750)	(102,750)	(102,750)	(102,750)	(102,750)	(102,750)	(102,750)	(1,232,994)
Marketing Promotions	(23,828)	(9,595)	(21,511)	(21,563)	(22,999)	(17,740)	(24,909)	(20,871)	(23,959)	(24,965)	(27,141)	(21,034)	(260,114)
EBITDA	\$ 185,515	\$ (21,599)	\$ 124,256	\$ 140,697	\$ 72,354	\$ 67,042	\$ 97,538	\$ 576,854	\$ 1,109,873	\$ 1,224,951	\$ 1,044,019	\$ 672,359	\$ 5,293,858
Payments Contemplated by the Plan	\$ (111,579)	\$ (111,579)	\$ (111,579)	\$ (111,579)	\$ (111,579)	\$ (111,579)	\$ (111,579)	\$ (123,579)	\$ (123,579)	\$ (123,579)	\$ (86,079)	\$ (71,079)	\$ (1,308,942)
IDS	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(454,250)
WTI	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(215,625)
Ch 11 Administrative Fees	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
General Unsecured Creditor Payments	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
ABL Interest & Fees	(55,756)	(55,756)	(55,756)	(55,756)	(55,756)	(55,756)	(55,756)	(67,756)	(67,756)	(67,756)	(30,256)	(15,256)	\$ (639,067)
Net Invested Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Cash Balance	4,655,818	4,537,456	4,445,303	4,419,019	4,573,197	3,817,415	2,641,242	1,692,798	1,066,508	2,037,365	1,961,603	3,368,476	
Accounts Receivable	2,793,360	2,342,975	2,619,335	2,896,634	2,674,155	2,791,158	2,796,632	4,542,253	6,564,025	7,588,688	7,309,351	6,424,133	
Inventory	2,111,815	2,569,110	2,492,201	2,417,429	2,579,487	3,305,678	4,614,982	5,283,004	5,169,640	4,585,588	3,708,533	3,071,693	
ABL Line Availability (Before Draws)	3,430,263	3,276,084	3,472,535	3,670,853	3,562,775	4,025,324	4,684,629	6,502,417	8,164,241	8,743,179	8,067,215	6,996,360	
ABL Total Draw	3,197,000	3,197,000	3,197,000	3,197,000	3,197,000	3,197,000	3,197,000	3,997,000	3,997,000	3,997,000	1,497,000	497,000	
ABL Line Net Availability	233,263	79,084	275,535	473,853	365,775	828,324	1,487,629	2,505,417	4,167,241	4,746,179	6,570,215	6,499,360	

**Candy Club LLC
FY2027 Monthly Budget**

	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	FY '27
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Net Revenue	\$ 1,900,117	\$ 1,124,913	\$ 1,841,829	\$ 2,136,692	\$ 1,755,955	\$ 1,794,593	\$ 1,922,244	\$ 4,256,616	\$ 6,680,926	\$ 7,503,929	\$ 6,749,964	\$ 5,152,165	42,819,943
B2C Subscription & E-Comm	125,866	119,317	104,462	123,283	133,410	132,402	146,857	151,301	161,813	144,955	186,398	174,130	1,704,195
B2B Wholesale	1,774,251	1,005,596	1,737,366	2,013,409	1,622,545	1,662,190	1,775,387	4,105,315	6,519,112	7,358,974	6,563,565	4,978,035	41,115,748
Cost of Goods Sold	(991,924)	(606,593)	(985,555)	(1,141,586)	(931,683)	(954,925)	(1,020,263)	(2,293,075)	(3,559,893)	(4,081,215)	(3,655,695)	(2,787,830)	(23,010,238)
B2C Subscription & E-Comm	(38,264)	(40,944)	(37,822)	(43,271)	(46,585)	(48,200)	(51,790)	(53,626)	(55,870)	(52,177)	(62,143)	(62,355)	(593,048)
B2B Wholesale	(953,660)	(565,648)	(947,733)	(1,098,315)	(885,098)	(906,725)	(968,474)	(2,239,449)	(3,504,023)	(4,029,038)	(3,593,552)	(2,725,474)	(22,417,190)
Gross Margin \$'s	908,193	518,321	856,274	995,106	824,272	839,668	901,981	1,963,541	3,121,032	3,422,713	3,094,269	2,364,336	19,809,705
Gross Margin %	48%	46%	46%	47%	47%	47%	47%	46%	47%	46%	46%	46%	46%
Selling Expense	(323,751)	(191,888)	(315,525)	(367,807)	(297,708)	(307,651)	(326,015)	(749,808)	(1,185,600)	(1,334,604)	(1,195,070)	(910,373)	(7,505,800)
Contribution Margin	584,442	326,433	540,748	627,298	526,564	532,017	575,966	1,213,733	1,935,433	2,088,109	1,899,199	1,453,963	12,303,905
CM%	31%	29%	29%	29%	30%	30%	30%	29%	29%	28%	28%	28%	29%
Operating Expenses	(318,665)	(309,794)	(341,620)	(373,462)	(374,995)	(369,366)	(377,040)	(372,720)	(376,028)	(377,098)	(379,426)	(372,894)	(4,343,107)
Customer Acquisition - B2B/B2C	(6,353)	(12,705)	(31,763)	(63,525)	(63,525)	(63,525)	(63,525)	(63,525)	(63,525)	(63,525)	(63,525)	(63,525)	(622,545)
Payroll & Benefits	(173,778)	(173,778)	(173,778)	(173,778)	(173,778)	(173,778)	(173,778)	(173,778)	(173,778)	(173,778)	(173,778)	(173,778)	(2,085,334)
G&A	(113,024)	(113,024)	(113,024)	(113,024)	(113,024)	(113,024)	(113,024)	(113,024)	(113,024)	(113,024)	(113,024)	(113,024)	(1,356,294)
Marketing Promotions	(25,510)	(10,286)	(23,055)	(23,134)	(24,667)	(19,039)	(26,712)	(22,393)	(25,700)	(26,771)	(29,099)	(22,567)	(278,934)
EBITDA	\$ 265,778	\$ 16,639	\$ 199,129	\$ 253,837	\$ 151,569	\$ 162,651	\$ 198,926	\$ 841,013	\$ 1,559,405	\$ 1,711,011	\$ 1,519,773	\$ 1,081,069	\$ 7,960,798
Payments Contemplated by the Plan	\$ (71,079)	\$ (71,079)	\$ (71,079)	\$ (71,079)	\$ (71,079)	\$ (71,079)	\$ (71,079)	\$ (108,579)	\$ (131,079)	\$ (131,079)	\$ (71,079)	\$ (71,079)	\$ (1,010,442)
IDS	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(454,250)
WTI	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(215,625)
Ch 11 Administrative Fees	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
General Unsecured Creditor Payments	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
ABL Interest & Fees	(15,256)	(15,256)	(15,256)	(15,256)	(15,256)	(15,256)	(15,256)	(52,756)	(75,256)	(75,256)	(15,256)	(15,256)	\$ (340,567)
New Invested Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Cash Balance	5,024,743	5,079,921	4,881,976	4,863,575	5,189,234	3,904,363	1,683,886	909,361	1,032,582	2,504,841	2,585,430	6,723,951	
Accounts Receivable	4,460,193	3,833,582	4,225,352	4,619,338	4,303,009	4,469,285	4,477,012	6,958,509	9,832,581	11,289,174	10,892,018	9,633,547	
Inventory	3,159,687	3,590,020	3,640,094	3,607,791	3,757,752	4,779,260	6,682,197	8,091,938	8,433,216	7,810,609	6,446,174	5,258,152	
ABL Line Availability (Before Draws)	5,371,008	5,053,555	5,411,596	5,730,333	5,536,434	6,188,522	7,146,559	9,960,702	12,574,302	13,501,103	12,481,302	10,817,591	
ABL Total Draw	497,000	497,000	497,000	497,000	497,000	497,000	497,000	2,997,000	4,497,000	4,497,000	4,497,000	4,497,000	
ABL Line Net Availability	4,874,008	4,556,555	4,914,596	5,233,333	5,039,434	5,691,522	6,649,559	6,963,702	8,077,302	9,004,103	11,984,302	10,320,591	

**Candy Club LLC
FY2028 Monthly Budget**

	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	FY '28
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Net Revenue	\$ 2,477,019	\$ 1,498,352	\$ 2,404,120	\$ 2,810,851	\$ 2,263,856	\$ 2,357,596	\$ 2,475,898	\$ 5,772,626	\$ 9,137,551	\$ 10,281,703	\$ 9,201,650	\$ 7,013,349	\$ 57,694,572
B2C Subscription & E-Comm	185,954	169,336	148,897	171,413	182,695	178,699	196,197	200,118	212,139	188,611	239,088	220,839	2,293,986
B2B Wholesale	2,291,065	1,329,016	2,255,223	2,639,438	2,081,161	2,178,897	2,279,702	5,572,508	8,925,412	10,093,092	8,962,562	6,792,510	55,400,586
Cost of Goods Sold	(1,278,004)	(801,769)	(1,275,213)	(1,489,124)	(1,190,853)	(1,244,945)	(1,303,138)	(3,084,319)	(4,827,028)	(5,544,013)	(4,942,212)	(3,764,018)	(30,744,636)
B2C Subscription & E-Comm	(58,011)	(60,843)	(56,265)	(62,507)	(65,985)	(67,251)	(70,959)	(72,379)	(74,247)	(68,511)	(80,022)	(79,081)	(816,062)
B2B Wholesale	(1,219,992)	(740,926)	(1,218,948)	(1,426,616)	(1,124,868)	(1,177,694)	(1,232,179)	(3,011,940)	(4,752,782)	(5,475,502)	(4,862,190)	(3,684,937)	(29,928,574)
Gross Margin \$'s	1,199,015	696,583	1,128,907	1,321,727	1,073,003	1,112,651	1,172,760	2,688,307	4,310,523	4,737,690	4,259,439	3,249,331	26,949,936
Gross Margin %	48%	46%	47%	47%	47%	47%	47%	47%	47%	46%	46%	46%	47%
Selling Expense	(415,233)	(257,518)	(453,481)	(566,100)	(495,060)	(492,522)	(481,508)	(1,623,352)	(1,455,644)	(1,639,414)	(1,465,091)	(1,115,511)	(10,460,434)
Contribution Margin	783,783	439,065	675,426	755,628	577,943	620,129	691,252	1,064,955	2,854,879	3,098,276	2,794,347	2,133,820	16,489,502
CM%	32%	29%	28%	27%	26%	26%	28%	18%	31%	30%	30%	30%	29%
Operating Expenses	(350,496)	(340,724)	(375,687)	(410,653)	(412,347)	(406,160)	(414,594)	(409,841)	(413,470)	(414,662)	(417,223)	(410,033)	(4,775,890)
Customer Acquisition - B2B/B2C	(6,988)	(13,976)	(34,939)	(69,878)	(69,878)	(69,878)	(69,878)	(69,878)	(69,878)	(69,878)	(69,878)	(69,878)	(684,800)
Payroll & Benefits	(191,156)	(191,156)	(191,156)	(191,156)	(191,156)	(191,156)	(191,156)	(191,156)	(191,156)	(191,156)	(191,156)	(191,156)	(2,293,868)
G&A	(124,327)	(124,327)	(124,327)	(124,327)	(124,327)	(124,327)	(124,327)	(124,327)	(124,327)	(124,327)	(124,327)	(124,327)	(1,491,923)
Marketing Promotions	(28,025)	(11,266)	(25,265)	(25,293)	(26,987)	(20,800)	(29,234)	(24,481)	(28,110)	(29,302)	(31,863)	(24,673)	(305,299)
EBITDA	\$ 433,287	\$ 98,341	\$ 299,740	\$ 344,974	\$ 165,596	\$ 213,969	\$ 276,658	\$ 655,114	\$ 2,441,409	\$ 2,683,613	\$ 2,377,124	\$ 1,723,787	\$ 11,713,613
Payments Contemplated by the Plan	\$ (71,079)	\$ (71,079)	\$ (71,079)	\$ (71,079)	\$ (71,079)	\$ (71,079)	\$ (71,079)	\$ (71,079)	\$ (71,079)	\$ (71,079)	\$ (71,079)	\$ (71,079)	\$ (852,942)
IDS	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(37,854)	(454,250)
WTI	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(17,969)	(215,625)
Ch 11 Administrative Fees	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
General Unsecured Creditor Payments	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
ABL Interest & Fees	(15,256)	(15,256)	(15,256)	(15,256)	(15,256)	(15,256)	(15,256)	(15,256)	(15,256)	(15,256)	(15,256)	(15,256)	\$ (183,067)
New Invested Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Cash Balance	9,357,907	9,744,141	9,534,265	9,527,047	10,094,380	8,793,623	6,521,905	2,608,498	861,373	2,688,273	6,333,208	9,671,453	
Accounts Receivable	6,817,476	5,930,424	6,477,553	7,028,678	6,585,947	6,818,579	6,829,337	10,301,919	14,323,873	16,362,191	15,806,350	14,045,175	
Inventory	5,389,117	5,955,142	6,021,019	5,989,952	6,192,711	7,612,883	10,277,194	12,254,448	12,751,556	11,928,956	11,492,148	11,795,872	
ABL Line Availability (Before Draws)	8,489,414	8,018,431	8,516,429	8,969,352	8,694,411	9,602,234	10,943,533	14,883,855	18,551,070	19,872,341	19,181,471	17,836,335	
ABL Total Draw	497,000	497,000	497,000	497,000	497,000	497,000	497,000	497,000	497,000	497,000	497,000	497,000	
ABL Line Net Availability	7,992,414	7,521,431	8,019,429	8,472,352	8,197,411	9,105,234	10,446,533	14,386,855	18,054,070	19,375,341	18,684,471	17,339,335	