

April 1, 2020

Via First Class Mail

re SGR Winddown, Inc., et al.; Chapter 11 Case No. 19-11973 (MFW)

TO ALL HOLDERS OF CLAIMS OR INTERESTS  
ENTITLED TO VOTE ON THE PLAN:

On September 6, 2019, SGR Winddown, Inc. f/k/a Sugarfina, Inc. and its affiliated debtors and debtors in possession (collectively, the “Debtors”)<sup>1</sup> each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the “Court”). You have received this letter and the enclosed materials because you are entitled to vote on the Plan of Reorganization for SGR Winddown, Inc. and Affiliated Debtors (as modified, amended, or supplemented from time to time, the “Plan”).

On September 17, 2019, the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code (the “Creditors’ Committee”) [Docket No. 97]. The charge of the Creditors Committee is to represent the interests of unsecured creditors in the Debtors’ bankruptcy cases. The Plan is the product of the negotiations among the Debtors and the Committee.

On March 30, 2020 the Court entered an order (the “Disclosure Statement Order”) (a) authorizing the Debtors to solicit acceptances for the Plan; (b) approving the Revised Disclosure Statement for the Plan of Reorganization for SGR Winddown, Inc. (the “Disclosure Statement”) as containing “adequate information” pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages (the “Solicitation Package”); and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan, and for filing objections to the Plan.

YOU ARE RECEIVING THIS LETTER BECAUSE YOU ARE ENTITLED TO VOTE ON THE PLAN. THEREFORE, YOU SHOULD READ THIS LETTER CAREFULLY AND DISCUSS IT WITH YOUR ATTORNEY. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan.

In addition to this cover letter, the enclosed materials comprise your Solicitation Package, and were approved by the Court for distribution to Holders of Claims or Interests in connection with the solicitation of votes to accept the Plan. The Solicitation Package consists of the following:

- a. a copy of the Solicitation and Voting Procedures;
- b. a Ballot, together with detailed voting instructions and a pre-addressed, postage pre-paid return envelope;
- c. this letter;
- d. the Disclosure Statement, as approved by the Bankruptcy Court (and exhibits thereto, including the Plan);
- e. the Disclosure Statement Order;
- f. the notice of the hearing to consider confirmation of the Plan; and
- g. such other materials as the Court may direct.

SGR Winddown, Inc. (on behalf of itself and each of the other Debtors), after consultation with the Creditors Committee, has approved the filing of the Plan and the solicitation of votes to accept the Plan. The Debtors believe that the acceptance of the Plan is in the best interests of their estates, Holders of Claims or Interests, and all other parties in interest. Moreover, the Debtors believe that any alternative other than Confirmation of the Plan could result in extensive delays and increased administrative expenses, which, in turn, likely would result in smaller distributions (or no distributions) on account of Claims asserted in these chapter 11 cases.

**THE DEBTORS AND THE CREDITORS' COMMITTEE STRONGLY URGE YOU TO PROPERLY AND TIMELY SUBMIT YOUR BALLOT CASTING A VOTE TO ACCEPT THE PLAN IN ACCORDANCE WITH THE INSTRUCTIONS IN YOUR BALLOT. THE VOTING DEADLINE IS MAY 1, 2020, AT 5:00 P.M. PREVAILING EASTERN TIME.**

The materials in the Solicitation Package are intended to be self-explanatory. If you would like copies of any of the documents filed in this cases, you should contact counsel for the Debtors in writing, or (b) visit the Debtors' restructuring website at <https://bmcgroup.com/sugarfina>. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: <http://www.deb.uscourts.gov>.

Lance Miller

Lance Miller, Chief Restructuring Officer  
SGR Winddown, Inc., and its related debtor affiliates

/s/ Erin Fay

Erin Fay  
Counsel for the Official Committee of Unsecured Creditors