

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM C-AR
UNDER THE SECURITIES ACT OF 1933**

(Mark one.)

- ☐ Form C: Offering Statement
- ☐ Form C-U: Progress Update
- ☐ Form C/A: Amendment to Offering Statement
 - ☐ Check box if Amendment is material and investors must reconfirm within five business days.
- ☒ Form C-AR: Annual Report
- ☐ Form C-AR/A: Amendment to Annual Report
- ☐ Form C-TR: Termination of Reporting

Name of issuer

Rose Sisters Chips

Legal status of issuer

Form

Corporation

Jurisdiction of Incorporation/Organization

Delaware

Date of organization

March 23, 2022

Physical address of issuer

480 Barnum Avenue, Bridgeport, CT 06608

Website of issuer

<https://www.rosesisterschips.com/>

Current number of employees

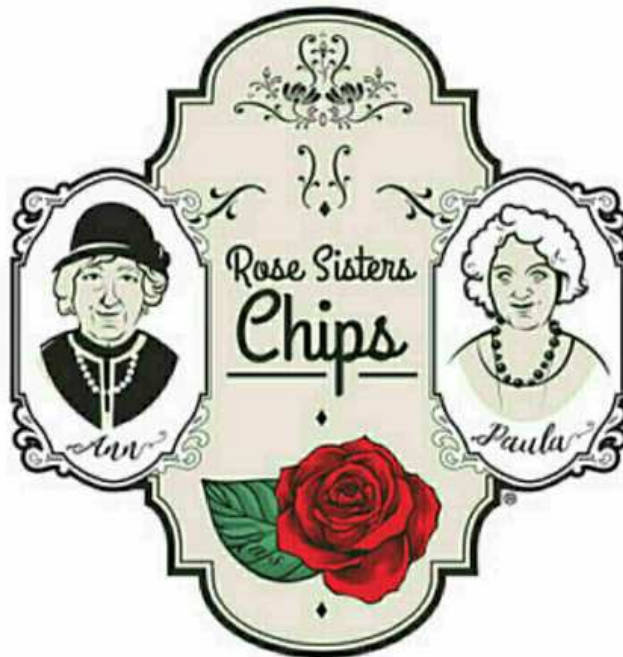
10

	Most recent fiscal year-end	Prior fiscal year-end
Total Assets	\$498,835.05	\$540,093.00
Cash & Cash Equivalents	\$19,044.80	\$36,572.00
Accounts Receivable	\$126,076.06	\$26,691.00
Short-term Debt	\$0.00	\$67,894.00
Long-term Debt	\$0.00	\$164,948.00
Revenues/Sales	\$0.00	\$0.00
Cost of Goods Sold	\$0.00	\$0.00
Taxes Paid	\$0.00	\$0.00
Net Income	\$0.00	\$0.00

April 30, 2024

FORM C-AR

Rose Sisters Chips



This Form C-AR (including the cover page and all exhibits attached hereto, the "Form C-AR") is being furnished by Rose Sisters Chips, a Delaware Corporation (the "Company," as well as references to "we," "us," or "our") for the sole purpose of providing certain information about the Company as required by the Securities and Exchange Commission ("SEC").

No federal or state securities commission or regulatory authority has passed upon the accuracy or adequacy of this document. The U.S. Securities and Exchange Commission does not pass upon the accuracy or completeness of any disclosure document or literature. The Company is filing this Form C-AR pursuant to Regulation CF (§ 227.100 et seq.) which requires that it must file a report with the Commission annually and post the report on its website at <https://www.rosesisterschips.com/> no later than 120 days after the end of each fiscal year covered by the report. The Company may terminate its reporting obligations in the future in accordance with Rule 202(b) of Regulation CF (§ 227.202(b)) by 1) being required to file reports under Section 13(a) or Section 15(d) of the Exchange Act of 1934, as amended, 2) filing at least one annual report pursuant to Regulation CF and having fewer than 300 holders of record, 3) filing annual reports for three years pursuant to Regulation CF and having assets equal to or less than \$10,000,000, 4) the repurchase of all the

Securities sold pursuant to Regulation CF by the Company or another party, or 5) the liquidation or dissolution of the Company.

The date of this Form C-AR is April 30, 2024.

THIS FORM C-AR DOES NOT CONSTITUTE AN OFFER TO PURCHASE OR SELL SECURITIES.

Forward Looking Statement Disclosure

This Form C-AR and any documents incorporated by reference herein or therein contain forward-looking statements and are subject to risks and uncertainties. All statements other than statements of historical fact or relating to present facts or current conditions included in this Form C-AR are forward-looking statements. Forward-looking statements give the Company's current reasonable expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "should," "can have," "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

The forward-looking statements contained in this Form C-AR and any documents incorporated by reference herein or therein are based on reasonable assumptions the Company has made in light of its industry experience, perceptions of historical trends, current conditions, expected future developments and other factors it believes are appropriate under the circumstances. As you read and consider this Form C-AR, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties (many of which are beyond the Company's control) and assumptions. Although the Company believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect its actual operating and financial performance and cause its performance to differ materially from the performance anticipated in the forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove incorrect or change, the Company's actual operating and financial performance may vary in material respects from the performance projected in these forward-looking statements.

Any forward-looking statement made by the Company in this Form C-AR or any documents incorporated by reference herein or therein speaks only as of the date of this Form C-AR. Factors or events that could cause our actual operating and financial performance to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Table of Contents

SUMMARY.....6
SUMMARY.....6

The Business.....	6
The Business.....	6
RISK FACTORS.....	7
RISK FACTORS.....	7
Risks Related to the Company's Business and Industry.....	7
Risks Related to the Company's Business and Industry.....	7
BUSINESS.....	21
BUSINESS.....	21
Description of the Business.....	21
Description of the Business.....	21
Business Plan.....	21
Business Plan.....	21
History of the Business.....	21
History of the Business.....	21
The Company's Products and/or Services.....	21
The Company's Products and/or Services.....	21
Competition.....	22
Competition.....	22
Supply Chain and Customer Base.....	23
Supply Chain and Customer Base.....	23
Intellectual Property.....	23
Intellectual Property.....	23
Governmental/Regulatory Approval and Compliance.....	23
Governmental/Regulatory Approval and Compliance.....	23
Litigation.....	23
Litigation.....	23
Other.....	23
Other.....	23
DIRECTORS, OFFICERS AND EMPLOYEES.....	24
DIRECTORS, OFFICERS AND EMPLOYEES.....	24
Directors.....	24
Directors.....	24
Officers of the Company.....	25
Officers of the Company.....	25
Employees.....	27
Employees.....	27
CAPITALIZATION AND OWNERSHIP.....	27
CAPITALIZATION AND OWNERSHIP.....	27
Capitalization.....	27
Capitalization.....	27
Ownership.....	29
Ownership.....	29
FINANCIAL INFORMATION.....	29
FINANCIAL INFORMATION.....	29
Operations.....	30
Operations.....	30
Liquidity and Capital Resources.....	30
Liquidity and Capital Resources.....	30
Capital Expenditures and Other Obligations.....	30
Capital Expenditures and Other Obligations.....	30
Material Changes and Other Information.....	30

Material Changes and Other Information.....	30
Trends and Uncertainties.....	30
Trends and Uncertainties.....	30
Restrictions on Transfer.....	30
Restrictions on Transfer.....	30
TRANSACTIONS WITH RELATED PERSONS AND CONFLICTS OF INTEREST.....	31
TRANSACTIONS WITH RELATED PERSONS AND CONFLICTS OF INTEREST.....	31
Related Person Transactions.....	31
Related Person Transactions.....	31
Conflicts of Interest.....	31
Conflicts of Interest.....	31
OTHER INFORMATION.....	31
OTHER INFORMATION.....	31
Bad Actor Disclosure.....	31
Bad Actor Disclosure.....	31
EXHIBITS.....	35
EXHIBITS.....	35
EXHIBIT A.....	36
EXHIBIT A.....	36

About this Form C-AR

You should rely only on the information contained in this Form C-AR. We have not authorized anyone to provide you with information different from that contained in this Form C-AR. You should assume that the information contained in this Form C-AR is accurate only as of the date of this Form C-AR, regardless of the time of delivery of this Form C-AR. Our business, financial condition, results of operations, and prospects may have changed since that date.

Statements contained herein as to the content of any agreements or other document are summaries and, therefore, are necessarily selective and incomplete and are qualified in their entirety by the actual agreements or other documents.

SUMMARY

The following summary is qualified in its entirety by more detailed information that may appear elsewhere in this Form C-AR and the Exhibits hereto.

Rose Sisters Chips (the "Company") is a Delaware Corporation, formed on March 23, 2022. The Company was formerly known as Quantum Marketing Group LLC.

The Company is located at 480 Barnum Avenue, Bridgeport, CT 06608.

The Company's website is <https://www.rosesisterschips.com/>.

The information available on or through our website is not a part of this Form C-AR.

The Business

The Company manufactures and sells artisan, seasoned baked, flour tortilla snack products which are unique in flavor, texture, and application straddling multiple food categories (chips, crackers, flatbreads, and breadcrumbs) in a single product. The Original Family Recipe is based on a four-

generations old creation of the Rose family's matriarch, Goldie Rose. In 2021, the Company introduced a second flavor with others planned for the future.

RISK FACTORS

Risks Related to the Company's Business and Industry

We have a limited operating history upon which you can evaluate our performance, and accordingly, our prospects must be considered in light of the risks that any new company encounters.

The Company is still in an early phase and we are just beginning to implement our business plan. There can be no assurance that we will ever operate profitably. The likelihood of our success should be considered in light of the problems, expenses, difficulties, complications and delays usually encountered by early-stage companies. The Company may not be successful in attaining the objectives necessary for it to overcome these risks and uncertainties.

The amount of capital the Company is attempting to raise in this Offering may not be enough to sustain the Company's current business plan.

In order to achieve the Company's near and long-term goals, the Company may need to procure funds in addition to the amount raised in the Offering. There is no guarantee the Company will be able to raise such funds on acceptable terms or at all. If we are not able to raise sufficient capital in the future, we may not be able to execute our business plan, our continued operations will be in jeopardy and we may be forced to cease operations and sell or otherwise transfer all or substantially all of our remaining assets, which could cause an Investor to lose all or a portion of their investment.

We may face potential difficulties in obtaining capital.

We may have difficulty raising needed capital in the future as a result of, among other factors, our lack of revenues from sales, as well as the inherent business risks associated with our Company and present and future market conditions. Our business currently has limited sales and future sources of revenue may not be sufficient to meet our future capital requirements. We will require additional funds to execute our business strategy and conduct our operations. If adequate funds are unavailable, we may be required to delay, reduce the scope of or eliminate one or more of our research, development or commercialization programs, product launches or marketing efforts, any of which may materially harm our business, financial condition and results of operations.

We may implement new lines of business or offer new products and services within existing lines of business.

As an early-stage company, we may implement new lines of business at any time. There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed. In developing and marketing new lines of business and/or new products and services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new products or services may not be achieved, and price and profitability targets may not prove feasible. We may not be successful in introducing new products and services in response to industry trends or developments in technology, or those new products may not achieve market acceptance. As a result, we could lose business, be forced to price products and services on less advantageous

terms to retain or attract clients or be subject to cost increases. As a result, our business, financial condition or results of operations may be adversely affected.

We rely on other companies to provide ingredients and services for our products.

We depend on suppliers and contractors to meet our contractual obligations to our customers and conduct our operations. Our ability to meet our obligations to our customers may be adversely affected if suppliers or contractors do not provide the agreed-upon supplies or perform the agreed-upon services in compliance with customer requirements and in a timely and cost-effective manner. Likewise, the quality of our products may be adversely impacted if companies to whom we delegate manufacture of major components or subsystems for our products, or from whom we acquire such items, do not provide components which meet required specifications and perform to our, and our customers', expectations. Our suppliers may also be unable to quickly recover from natural disasters and other events beyond their control and may be subject to additional risks such as financial problems that limit their ability to conduct their operations. The risk of these adverse effects may be greater in circumstances where we rely on only one or two contractors or suppliers for a particular component. Our products may utilize custom components available from only one source. Continued availability of those components at acceptable prices, or at all, may be affected for any number of reasons, including if those suppliers decide to concentrate on the production of common components instead of components customized to meet our requirements. The supply of components for a new or existing product could be delayed or constrained, or a key manufacturing vendor could delay shipments of completed products to us adversely affecting our business and results of operations

We rely on various intellectual property rights, including trademarks, in order to operate our business.

The Company relies on certain intellectual property rights to operate its business. The Company's intellectual property rights may not be sufficiently broad or otherwise may not provide us a significant competitive advantage. In addition, the steps that we have taken to maintain and protect our intellectual property may not prevent it from being challenged, invalidated, circumvented or designed-around, particularly in countries where intellectual property rights are not highly developed or protected. In some circumstances, enforcement may not be available to us because an infringer has a dominant intellectual property position or for other business reasons, or countries may require compulsory licensing of our intellectual property. Our failure to obtain or maintain intellectual property rights that convey competitive advantage, adequately protect our intellectual property or detect or prevent circumvention or unauthorized use of such property, could adversely impact our competitive position and results of operations. We also rely on nondisclosure and noncompetition agreements with employees, consultants and other parties to protect, in part, trade

secrets and other proprietary rights. There can be no assurance that these agreements will adequately protect our trade secrets and other proprietary rights and will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information or that third parties will not otherwise gain access to our trade secrets or other proprietary rights. As we expand our business, protecting our intellectual property will become increasingly important. The protective steps we have taken may be inadequate to deter our competitors from using our proprietary information. In order to protect or enforce our intellectual property rights, we may be required to initiate litigation against third parties, such as infringement lawsuits. Also, these third parties may assert claims against us with or without provocation. These lawsuits could be expensive, take significant time and could divert

management's attention from other business concerns. We cannot assure you that we will prevail in any of these potential suits or that the damages or other remedies awarded, if any, would be commercially valuable.

The Company's success depends on the experience and skill of its executive officers, its board of directors, and key employees.

We are dependent on our executive officers, board of directors and key employees. These persons may not devote their full time and attention to the matters of the Company. The loss of any or all of our executive officers, board of directors and key employees could harm the Company's business, financial condition, cash flow and results of operations.

Although dependent on certain key personnel, the Company does not have any key person life insurance policies on any such people.

We are dependent on certain key personnel in order to conduct our operations and execute our business plan, however, the Company has not purchased any insurance policies with respect to those individuals in the event of their death or disability. Therefore, if any of these personnel die or become disabled, the Company will not receive any compensation to assist with such person's absence. The loss of such person could negatively affect the Company and our operations. We have no way to guarantee key personnel will stay with the Company, as many states do not enforce noncompetition agreements, and therefore acquiring key man insurance will not ameliorate all of the risk of relying on key personnel.

In order for the Company to compete and grow, it must attract, recruit, retain and develop the necessary personnel who have the needed experience.

Recruiting and retaining highly qualified personnel is critical to our success. These demands may require us to hire additional personnel and will require our existing management and other personnel to develop additional expertise. We face intense competition for personnel, making recruitment time-consuming and expensive. The failure to attract and retain personnel or to develop such expertise could delay or halt the development and commercialization of our product candidates. If we experience difficulties in hiring and retaining personnel in key positions, we could suffer from delays in product development, loss of customers and sales and diversion of management resources, which could adversely affect operating results. Our consultants and advisors may be employed by third parties and may have commitments under consulting or advisory contracts with third parties that may limit their availability to us, which could further delay or disrupt our product development and growth plans.

We need to rapidly and successfully develop and introduce new products in a competitive, demanding and rapidly changing environment.

To succeed in our intensely competitive industry, we must continually improve, refresh and expand our product and service offerings to include newer features, functionality or solutions, and keep pace with changes in the industry. Shortened product life cycles due to changing customer demands and competitive pressures may impact the pace at which we must introduce new products or implement new functions or solutions. In addition, bringing new products or solutions to the market entails a costly and lengthy process, and requires us to accurately anticipate changing customer needs and trends. We must continue to respond to changing market demands and trends or our business operations may be adversely affected.

The development and commercialization of our products is highly competitive.

We face competition with respect to any products that we may seek to develop or commercialize in the future. Our competitors include major companies worldwide. Many of our competitors have significantly greater financial, technical and human resources than we have and superior expertise in research and development and marketing approved products and thus may be better equipped than us to develop and commercialize products. These competitors also compete with us in recruiting and retaining qualified personnel and acquiring technologies. Smaller or early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Accordingly, our competitors may commercialize products more rapidly or effectively than we are able to, which would adversely affect our competitive position, the likelihood that our products will achieve initial market acceptance, and our ability to generate meaningful additional revenues from our products.

We face various risks as an e-commerce retailer.

As part of our growth strategy, we have made significant investments to grow our e-commerce business. We may require additional capital in the future to sustain or grow our e-commerce business. Business risks related to our ecommerce business include our inability to keep pace with rapid technological change, failure in our security procedures or operational controls, failure or inadequacy in our systems or labor resource levels to effectively process customer orders in a timely manner, government regulation and legal uncertainties with respect to e-commerce, and collection of sales or other taxes by one or more states or foreign jurisdictions. If any of these risks materialize, they could have an adverse effect on our business. In addition, we face competition, and may continue to face increased competition in the future, from internet retailers who enter the market. Our failure to positively differentiate our product and services offerings or customer experience from these internet retailers could have a material adverse effect on our business, financial condition and results of operations.

The inability of any supplier, third-party distributor or transportation provider to deliver or perform for us in a timely or cost-effective manner could cause our operating costs to increase and our profit margins to decrease.

We must continuously monitor our inventory and product mix against forecasted demand or risk having inadequate supplies to meet consumer demand as well as having too much inventory on hand that may reach its expiration date and become unsaleable. If we are unable to manage our supply chain effectively and ensure that our products are available to meet consumer demand, our operating costs could increase and our profit margins could decrease. Failure by our transportation providers to deliver our products on time or at all could result in lost sales. We use third-party transportation providers for our product shipments. Transportation services include scheduling and coordinating transportation of finished products to our customers, shipment tracking and freight dispatch services. Our use of transportation services for shipments is subject to risks, including increases in fuel prices, which would increase our shipping costs, and employee strikes and inclement weather, which may impact the ability of providers to provide delivery services that adequately meet our shipping needs, including keeping our products adequately refrigerated during shipment. Any such change could cause us to incur costs and expend resources. Moreover, in the future we

may not be able to obtain terms as favorable as those we receive from the third-party transportation providers that we currently use, which in turn would increase our costs and thereby adversely affect our business, financial condition and results of operations.

Product recalls and product liability, as well as changes in product labeling, safety and other consumer protection laws, may adversely impact our operations, merchandise offerings, reputation, financial condition, results of operations, and cash flows.

We are subject to regulations by a variety of federal, state, and international regulatory authorities, including regulations regarding the safety and quality of our products. We purchase merchandise from different vendors. One or more of our vendors might not adhere to product safety requirements or our quality control standards, and we might not identify the deficiency before merchandise ships to our customers. Any issues of product labeling or safety, or allegations that our products are in violation of governmental regulations, could cause those products to be recalled. If our vendors fail to manufacture or import merchandise that adheres to our quality control standards, product safety requirements, or applicable governmental regulations, our reputation and brands could be damaged, potentially leading to increases in customer litigation against us. Further, to the extent we are unable to replace any recalled products, we may have to reduce our merchandise offerings, resulting in a decrease in sales. If our vendors are unable or unwilling to recall products failing to meet our quality standards, we may be required to recall those products at a substantial cost to us. Moreover, changes in product safety or other consumer protection laws could lead to increased costs to us for certain merchandise, or additional labor costs associated with readying merchandise for sale.

Our inability to secure, maintain and increase our presence in retail stores could adversely impact our revenue, and in turn our business, financial condition, results of operations and prospects could be adversely affected.

Our operations include sales to retail stores and their related websites, which has accounted for a substantial portion of our revenue. The success of our business is largely dependent on our continuing development of strong relationships with such stores. The loss of our relationship with any large retail partner could have a significant impact on our revenue. In addition, we may be unable to secure adequate shelf space in new markets, or any shelf space at all, until we develop relationships with the retailers that operate in such markets. Consequently, growth opportunities through our retail channel may be limited and our revenue, business, financial condition, results of operations and prospects could be adversely affected if we are unable to successfully establish relationships with other retailers in new or current markets.

We also face severe competition to display our products on store shelves and obtain optimal presence on those shelves.

Due to the intense competition for limited shelf space in the food condiment category, retailers are in a position to negotiate favorable terms of sale, including price discounts, allowances and product return policies. To the extent we elect to increase discounts or allowances in an effort to secure shelf space, our operating results could be adversely affected. We may not be able to increase or sustain our volume of retail shelf space or offer retailers price discounts sufficient to overcome competition and, as a result, our sales and results of operations could be adversely affected. In addition, many of our competitors have significantly greater financial, manufacturing, marketing, management and other resources than we do and may have greater name recognition, a more established distribution network and a larger base of wholesale customers and distributors. Many of our competitors also have well-established relationships with our current and potential consumers who purchase such competitors' other products at retail stores, and have extensive knowledge of our target markets. As a result, these competitors may

be able to devote greater resources to the development, promotion and sale of their products and respond more quickly to evolving consumer preferences

for us. If our competitors' sales surpass ours, retailers may give higher priority to our competitors' products, causing such retailers to reduce their efforts to sell our products and resulting in the loss of advantageous shelf space.

Increases in raw materials, packaging, oil and natural gas costs and volatility in the commodity markets may adversely affect our results of operations.

Our financial results depend to a large extent on the costs of raw materials, packaging, oil and natural gas, and our ability to pass the costs of these materials onto our customers. Historically, market prices for commodity grains and food stocks have fluctuated in response to a number of factors, including economic conditions such as inflation, changes in U.S. government farm support programs, changes in international agricultural trading policies, impacts of disease outbreaks on protein sources and the potential effect on supply and demand as well as weather conditions during the growing and harvesting seasons. Fluctuations in paper, steel and oil prices, which affect our costs for packaging materials, have resulted from changes in supply and demand, general economic conditions and other factors. In addition, we have exposure to changes in the pricing of oil and natural gas, which affects our manufacturing, transportation and packaging costs. If there is any increase in the cost of raw materials, packaging, or oil and natural

gas expenses, we may be required to charge higher selling prices for our products to avoid margin deterioration. We cannot provide any assurances regarding the timing or the extent of our ability to successfully charge higher prices for our products, or the extent to which any price increase will affect future sales volumes. Our results of operations may be materially and adversely affected by this volatility.

Industry consolidation may result in increased competition, which could result in a loss of customers or a reduction in revenue.

Some of our competitors have made or may make acquisitions or may enter into partnerships or other strategic relationships to offer more comprehensive services than they individually had offered or achieve greater economies of scale. In addition, new entrants not currently considered to be competitors may enter our market through acquisitions, partnerships or strategic relationships. We expect these trends to continue as companies attempt to strengthen or maintain their market positions. The potential entrants may have competitive advantages over us, such as greater name recognition, longer operating histories, more varied services and larger marketing budgets, as well as greater financial, technical and other resources. The companies resulting from combinations or that expand or vertically integrate their business to include the market that we address may create more compelling service offerings and may offer greater pricing flexibility than we can or may engage in business practices that make it more difficult for us to compete effectively, including on the basis of price, sales and marketing programs, technology or service functionality. These pressures could result in a substantial loss of our customers or a reduction in our revenue.

Damage to our reputation could negatively impact our business, financial condition and results of operations.

Our reputation and the quality of our brand are critical to our business and success in existing markets and will be critical to our success as we enter new markets. Any incident that erodes

consumer loyalty for our brand could significantly reduce its value and damage our business. We may be adversely affected by any negative publicity, regardless of its accuracy. Also, there has been a marked increase in the use of social media platforms and similar devices, including blogs, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. The availability of information on social media platforms is virtually immediate as is its impact. Information posted may be adverse to our interests or may be inaccurate, each of which may harm our performance, prospects or business. The harm may be immediate and may disseminate rapidly and broadly, without affording us an opportunity for redress or correction.

We have not prepared any audited financial statements.

The financial statements attached as Exhibit A to this Form C have been “reviewed” only and such financial statements have not been verified with outside evidence as to management’s amounts and disclosures. Additionally, tests on internal controls have not been conducted. Therefore, you will have no audited financial information regarding the Company’s capitalization or assets or liabilities on which to make your investment decision.

Our business could be negatively impacted by cyber security threats, attacks and other disruptions.

We may face advanced and persistent attacks on our information infrastructure where we manage and store various proprietary information and sensitive/confidential data relating to our operations. These attacks may include sophisticated malware (viruses, worms, and other malicious software programs) and phishing emails that attack our products or otherwise exploit any security vulnerabilities. These intrusions sometimes may be zero-day malware that are difficult to identify because they are not included in the signature set of commercially available antivirus scanning programs. Experienced computer programmers and hackers may be able to penetrate our network security and misappropriate or compromise our confidential information or that of our customers or other third-parties, create system disruptions, or cause shutdowns. Additionally, sophisticated software and applications that we produce or procure from third-parties may contain defects in design or manufacture, including “bugs” and other problems that

could unexpectedly interfere with the operation of the information infrastructure. A disruption, infiltration or failure of our information infrastructure systems or any of our data centers as a result of software or hardware malfunctions, computer viruses, cyber-attacks, employee theft or misuse, power disruptions, natural disasters or accidents could cause breaches of data security, loss of critical data and performance delays, which in turn could adversely affect our business.

Security breaches of confidential customer information, in connection with our electronic processing of credit and debit card transactions, or confidential employee information may adversely affect our business.

Our business requires the collection, transmission and retention of personally identifiable information, in various information technology systems that we maintain and in those maintained by third parties with whom we contract to provide services. The integrity and protection of that data is critical to us. The information, security and privacy requirements imposed by governmental regulation are increasingly demanding. Our systems may not be able to satisfy these changing requirements and customer and employee expectations, or may require significant additional investments or time in order to do so. A breach in the security of our information technology systems or those of our service providers could lead to an interruption in the

operation of our systems, resulting in operational inefficiencies and a loss of profits. Additionally, a significant theft, loss or misappropriation of, or access to, customers' or other proprietary data or other breach of our information technology systems could result in fines, legal claims or

proceedings.

The use of individually identifiable data by our business, our business associates and third parties is regulated at the state, federal and international levels.

The regulation of individual data is changing rapidly, and in unpredictable ways. A change in regulation could adversely affect our business, including causing our business model to no longer be viable. Costs associated with information security – such as investment in technology, the costs of compliance with consumer protection laws and costs resulting from consumer fraud – could cause our business and results of operations to suffer materially. Additionally, the success of our online operations depends upon the secure transmission of confidential information over public networks, including the use of cashless payments. The intentional or negligent actions of employees, business associates or third parties may undermine our security measures. As a result, unauthorized parties may obtain access to our data systems and misappropriate confidential data. There can be no assurance that advances in computer capabilities, new discoveries in the field of cryptography or other developments will prevent the compromise of our

customer transaction processing capabilities and personal data. If any such compromise of our security or the security of information residing with our business associates or third parties were to occur, it could have a material adverse effect on our reputation, operating results and financial condition. Any compromise of our data security may materially increase the costs we incur to protect against such breaches and could subject us to additional legal risk.

The Company is not subject to Sarbanes-Oxley regulations and may lack the financial controls and procedures of public companies.

The Company may not have the internal control infrastructure that would meet the standards of a public company, including the requirements of the Sarbanes Oxley Act of 2002. As a privately-held (non-public) Company, the Company is currently not subject to the Sarbanes Oxley Act of 2002, and its financial and disclosure controls and procedures reflect its status as a development stage, non-public company. There can be no guarantee that there are no significant deficiencies or material weaknesses in the quality of the Company's financial and disclosure controls and procedures. If it were necessary to implement such financial and disclosure controls and procedures, the cost to the Company of such compliance could be substantial and could have a material adverse effect on the Company's results of operations.

Changes in federal, state or local laws and government regulation could adversely impact our business.

The Company is subject to legislation and regulation at the federal and local levels and, in some instances, at the state level. New laws and regulations may impose new and significant disclosure obligations and other operational, marketing and compliance-related obligations and requirements, which may lead to additional costs, risks of non-compliance, and diversion of our management's time and attention from strategic initiatives. Additionally, federal, state and local legislators or regulators may change current laws or regulations which could adversely impact our business. Further, court actions or regulatory proceedings could also change our rights and

obligations under applicable federal, state and local laws, which cannot be predicted. Modifications to existing requirements or imposition of new requirements or limitations could have an adverse impact on our business.

We operate in a highly regulated environment, and if we are found to be in violation of any of the federal, state, or

local laws or regulations applicable to us, our business could suffer.

We are also subject to a wide range of federal, state, and local laws and regulations. The violation of these or future requirements or laws and regulations could result in administrative, civil, or criminal sanctions against us, which may include fines, a cease and desist order against the subject operations or even revocation or suspension of our license to operate the subject business. As a result, we may incur capital and operating expenditures and other costs to comply with these requirements and laws and regulations.

Changes in employment laws or regulation could harm our performance.

Various federal and state labor laws govern our relationship with our employees and affect operating costs. These laws include minimum wage requirements, overtime pay, healthcare reform and the implementation of the Patient Protection and Affordable Care Act, unemployment tax rates, workers' compensation rates, citizenship requirements, union membership and sales taxes. A number of factors could adversely affect our operating results, including additional government-imposed increases in minimum wages, overtime pay, paid leaves of absence and mandated health benefits, mandated training for employees, increased tax reporting and tax payment requirements for employees who receive tips, a reduction in the number of states that allow tips to be credited toward minimum wage requirements, changing regulations from the National Labor Relations Board and increased employee litigation including claims relating to the Fair Labor Standards Act.

Affiliates of the Company, including officers, directors and existing shareholders of the Company, may invest in this Offering and their funds will be counted toward the Company achieving the Minimum Amount.

There is no restriction on affiliates of the Company, including its officers, directors and existing shareholders, investing in the Offering. As a result, it is possible that if the Company has raised some funds, but not reached the Minimum Amount, affiliates can contribute the balance so that there will be a closing. The Minimum Amount is typically intended to be a protection for investors and gives investors confidence that other investors, along with them, are sufficiently interested in the Offering and the Company and its prospects to make an investment of at least the Minimum Amount. By permitting affiliates to invest in the offering and make up any shortfall between what nonaffiliate investors have invested and the Minimum Amount, this protection is largely eliminated. Investors should be aware that no funds other than their own and those of affiliates investing along with them may be invested in this Offering.

Global crises, such as COVID-19, can have a significant effect on our business operations and revenue projections.

The Company's business was adversely affected related to the COVID-19 crisis. Conditions have eased. If another significant outbreak of COVID-19 or another contagious disease were to occur, we may incur significant impact to our business. In addition, a significant outbreak of contagious

diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, including the United States where we principally operate, resulting in an economic downturn that could reduce the demand for our products and services and impair our business prospects, including as a result of being unable to raise additional capital on acceptable terms to us, if at all.

The U.S. Securities and Exchange Commission does not pass upon the merits of the Securities or the terms of the Offering, nor does it pass upon the accuracy or completeness of any Offering document or literature.

You should not rely on the fact that our Form C is accessible through the U.S. Securities and Exchange Commission's EDGAR filing system as an approval, endorsement or guarantee of compliance as it relates to this Offering. The U.S. Securities and Exchange Commission has not reviewed this Form C, nor any document or literature related to this Offering.

Neither the Offering nor the Securities have been registered under federal or state securities laws.

No governmental agency has reviewed or passed upon this Offering or the Securities. Neither the Offering nor the Securities have been registered under federal or state securities laws. Investors will not receive any of the benefits available in registered offerings, which may include access to quarterly and annual financial statements that have been audited by an independent accounting firm. Investors must therefore assess the adequacy of disclosure and the fairness of the terms of this Offering based on the information provided in this Form C and the accompanying exhibits.

The Company's management may have broad discretion in how the Company uses the net proceeds of the Offering.

Unless the Company has agreed to a specific use of the proceeds from the Offering, the Company's management will have considerable discretion over the use of proceeds from the Offering. You may not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately.

The Company has the right to limit individual Investor commitment amounts based on the Company's determination of an Investor's sophistication.

The Company may prevent any Investor from committing more than a certain amount in this Offering based on the Company's determination of the Investor's sophistication and ability to assume the risk of the investment. This means that your desired investment amount may be limited or lowered based solely on the Company's determination and not in line with relevant investment limits set forth by the Regulation CF rules. This also means that other Investors may receive larger allocations of the Offering based solely on the Company's determination.

The Company has the right to extend the Offering Deadline.

The Company may extend the Offering Deadline beyond what is currently stated herein. This means that your investment may continue to be held in escrow while the Company attempts to raise the Target Offering Amount even after the Offering Deadline stated herein is reached. While you have the right to cancel your investment in the event the Company extends the Offering Deadline, if you choose to reconfirm your investment, your investment will not be accruing interest during this time and will simply be held until such time as the new Offering

Deadline is reached without the Company receiving the Target Offering Amount, at which time it will be returned to you without interest or deduction, or the Company receives the Target Offering Amount, at which time it will be released to the Company to be used as set forth herein. Upon or shortly after the release of such funds to the Company, the Securities will be issued and distributed to you.

The Company may also end the Offering early.

If the Target Offering Amount is met after 21 calendar days, but before the Offering Deadline, the Company can end the Offering by providing notice to Investors at least 5 business days prior to the end of the Offering. This means your failure to participate in the Offering in a timely manner, may prevent you from being able to invest in this Offering – it also means the Company may limit the amount of capital it can raise during the Offering by ending the Offering early.

The Company has the right to conduct multiple closings during the Offering.

If the Company meets certain terms and conditions, an intermediate close of the Offering can occur, which will allow the Company to draw down on seventy percent (70%) of the proceeds committed and captured in the Offering during the relevant period. The Company may choose to continue the Offering thereafter. Investors should be mindful that this means they can make multiple investment commitments in the Offering, which may be subject to different cancellation rights. For example, if an intermediate close occurs and later a material change occurs as the Offering continues, Investors whose investment commitments were previously closed upon will not have the right to re-confirm their investment as it will be deemed to have been completed prior to the material change.

The Securities will not be freely tradable under the Securities Act until one year from the initial purchase date.

Although the Securities may be tradable under federal securities law, state securities regulations may apply, and each Investor should consult with their attorney. You should be aware of the long-term nature of this investment. There is not now and likely will not ever be a public market for the Securities. Because the Securities have not been registered under the Securities Act or under the

securities laws of any state or foreign jurisdiction, the Securities have transfer restrictions and cannot be resold in the United States except pursuant to Rule 501 of Regulation CF. It is not currently contemplated that registration under the Securities Act or other securities laws will be effected. Limitations on the transfer of the Securities may also adversely affect the price that you might be able to obtain for the Securities in a private sale. Investors should be aware of the long-term nature of their investment in the Company. Each Investor in this Offering will be required to represent that they are purchasing the Securities for their own account, for investment purposes and not with a view to resale or distribution thereof.

Investors will not have voting rights, even upon conversion of the Securities and will grant a third-party nominee broad power and authority to act on their behalf.

In connection with investing in this Offering to purchase a Crowd SAFE ((Simple Agreement for Future Equity) investors will designate Republic Investment Services LLC (f/k/a NextSeed Services, LLC) (“Nominee”) to act on their behalf as agent and proxy in all respects. The Nominee will be entitled, among other things, to exercise any voting rights (if any) conferred

upon the holder of a Crowd SAFE or any securities acquired upon their conversion, to execute on behalf of an investor all transaction documents related to the transaction or other corporate event causing the conversion of the Crowd SAFE, and as part of the conversion process the Nominee has the authority to open an account in the name of a qualified custodian, of the Nominee's sole discretion, to take custody of any securities acquired upon conversion of the Crowd SAFE. Thus, by participating in the Offering, investors will grant broad

discretion to a third party (the Nominee and its agents) to take various actions on their behalf, and investors will essentially not be able to vote upon matters related to the governance and affairs of the Company nor take or effect actions that might otherwise be available to holders of the Crowd SAFE and any securities acquired upon their conversion. Investors should not participate in the Offering unless he, she or it is willing to waive or assign certain rights that might otherwise be afforded to a holder of the Crowd SAFE to the Nominee and grant broad authority to the Nominee to take certain actions on behalf of the investor, including changing title to the Security.

Investors will not become equity holders until the Company decides to convert the Securities into "CF Shadow Securities" (the type of equity securities issuable upon conversion of the Securities) or until there is a change of control or sale of substantially all of the Company's assets.

Investors will not have an ownership claim to the Company or to any of its assets or revenues for an indefinite amount of time and depending on when and how the Securities are converted, the Investors may never become equity holders of the Company. Investors will not become equity holders of the Company unless the Company receives a future round of financing great enough to trigger a conversion and the Company elects to convert the Securities into CF Shadow Securities. The Company is under no obligation to convert the Securities into CF Shadow Securities. In certain instances, such as a sale of the Company or substantially all of its assets, an initial public offering or a dissolution or bankruptcy, the Investors may only have a right to receive cash, to the extent available, rather than equity in the Company. Further, the Investor may never become an equity holder, merely a beneficial owner of an equity interest, should the Company or the Nominee decide to move the Crowd SAFE or the securities issuable thereto into a custodial relationship.

Investors will not have voting rights, even upon conversion of the Securities into CF Shadow Securities.

Investors will not have the right to vote upon matters of the Company even if and when their Securities are converted into CF Shadow Securities (the occurrence of which cannot be guaranteed). Upon such conversion, the CF Shadow Securities will have no voting rights and, in circumstances where a statutory right to vote is provided by state law, the CF Shadow Security holders or the party holding the CF Shadow Securities on behalf of the Investors are required to enter into a proxy agreement with its designee to vote their CF Shadow Securities with the majority of the holder(s) of the securities issued in the round of equity financing that triggered the conversion right. For example, if the Securities are converted in connection with an offering of Series B Preferred Stock, Investors would directly or beneficially receive CF Shadow Securities in the form of shares of Series B-CF Shadow Preferred Stock and such shares would be required to be subject to a proxy that allows a designee to vote their shares of Series B-CF Shadow

Preferred Stock consistent with the majority of the Series B Preferred Stockholders. Thus, Investors will essentially never be able to vote upon any matters of the Company unless otherwise provided for by the Company.

Investors will not be entitled to any inspection or information rights other than those required by law.

Investors will not have the right to inspect the books and records of the Company or to receive financial or other information from the Company, other than as required by law. Other security holders of the Company may have such rights. Regulation CF requires only the provision of an annual report on Form C and no additional information. Additionally, there are numerous methods by which the Company can terminate annual report obligations, resulting in no information rights, contractual, statutory or otherwise, owed to Investors. This lack of information could put Investors at a disadvantage in general and with respect to other security holders, including certain security holders who have rights to periodic financial statements and updates from the Company such as quarterly unaudited financials, annual projections and budgets, and monthly progress reports, among other things.

Investors will be unable to declare the Security in “default” and demand repayment.

Unlike convertible notes and some other securities, the Securities do not have any “default” provisions upon which Investors will be able to demand repayment of their investment. The Company has ultimate discretion as to whether or not to convert the Securities upon a future equity financing and Investors have no right to demand such conversion. Only in limited circumstances, such as a liquidity event, may Investors demand payment and even then, such payments will be limited to the amount of cash available to the Company.

The Company may never elect to convert the Securities or undergo a liquidity event and Investors may have to hold the Securities indefinitely.

The Company may never conduct a future equity financing or elect to convert the Securities if such future equity financing does occur. In addition, the Company may never undergo a liquidity event such as a sale of the Company or an initial public offering. If neither the conversion of the Securities nor a liquidity event occurs, Investors could be left holding the Securities in perpetuity. The Securities have numerous transfer restrictions and will likely be highly illiquid, with no secondary market on which to sell them. The Securities are not equity interests, have no ownership rights, have no rights to the Company’s assets or profits and have no voting rights or ability to direct the Company or its actions.

Equity securities acquired upon conversion of the Securities may be significantly diluted as a consequence of subsequent equity financings.

The Company’s equity securities will be subject to dilution. The Company intends to issue additional equity to employees and third-party financing sources in amounts that are uncertain at this time, and as a consequence holders of equity securities resulting from the conversion of the Securities will be subject to dilution in an unpredictable amount. Such dilution may reduce the Investor’s control and economic interests in the Company. The amount of additional financing needed by the Company will depend upon several contingencies not foreseen at the time of this Offering. Generally, additional financing (whether in the form of loans or the issuance of other securities) will be intended to provide the Company with enough capital to reach the next major

corporate milestone. If the funds received in any additional financing are not sufficient to meet the Company's needs, the Company may

have to raise additional capital at a price unfavorable to their existing investors, including the holders of the Securities. The availability of capital is at least partially a function of capital market conditions that are beyond the control of the Company. There can be no assurance that the Company will be able to accurately predict the future capital requirements necessary for success or that additional funds will be available from any source. Failure to obtain financing on favorable terms could dilute or otherwise severely impair the value of the Securities.

Equity securities issued upon conversion of the Securities may be substantially different from other equity securities offered or issued by the Company at the time of conversion.

In the event the Company decides to exercise the conversion right, the Company will convert the Securities into equity

securities that are materially different from the equity securities being issued to new investors at the time of conversion

in many ways, including, but not limited to, liquidation preferences, dividend rights, or anti-dilution protection. Additionally, any equity securities issued at the Conversion Price (as defined in the Crowd SAFE agreement) shall have only such preferences, rights, and protections in proportion to the Conversion Price and not in proportion to the price per share paid by new investors receiving the equity securities. Upon conversion of the Securities, the Company may not provide the holders of such Securities with the same rights, preferences, protections, and other benefits or privileges provided to other investors of the Company. The foregoing paragraph is only a summary of a portion of the conversion feature of the Securities; it is not intended to be complete, and is qualified in its entirety by reference to the full text of the Crowd SAFE agreement, which is attached as Exhibit C.

There is no present market for the Securities and we have arbitrarily set the price.

The Offering price was not established in a competitive market. We have arbitrarily set the price of the Securities with reference to the general status of the securities market and other relevant factors. The Offering price for the Securities should not be considered an indication of the actual value of the Securities and is not based on our asset value, net worth, revenues or other established criteria of value. We cannot guarantee that the Securities can be resold at the Offering price or at any other price.

In the event of the dissolution or bankruptcy of the Company, Investors will not be treated as debt holders and therefore are unlikely to recover any proceeds.

In the event of the dissolution or bankruptcy of the Company, the holders of the Securities that have not been converted

will be entitled to distributions as described in the Securities. This means that such holders will only receive distributions once all of the creditors and more senior security holders, including any holders of preferred stock, have been paid in full. Neither holders of the Securities nor holders of CF Shadow Securities can be guaranteed any proceeds in the event of the dissolution or bankruptcy of the Company.

While the Securities provide mechanisms whereby holders of the Securities would be entitled to a return of their purchase amount upon the occurrence of certain events, if the Company does not have sufficient cash on hand, this obligation may not be fulfilled.

Upon the occurrence of certain events, as provided in the Securities, holders of the Securities may be entitled to a return of the principal amount invested. Despite the contractual provisions in the Securities, this right cannot be guaranteed if the Company does not have sufficient liquid assets on hand. Therefore, potential Investors should not assume a guaranteed return of their investment amount.

There is no guarantee of a return on an Investor's investment.

There is no assurance that an Investor will realize a return on their investment or that they will not lose their entire investment. For this reason, each Investor should read this Form C and all exhibits carefully and should consult with their attorney and business advisor prior to making any investment decision.

In addition to the risks listed above, businesses are often subject to risks not foreseen or fully appreciated by the management. It is not possible to foresee all risks that may affect us. Moreover, the Company cannot predict whether the Company will successfully effectuate the Company's current business plan. Each prospective Purchaser is encouraged to carefully analyze the risks and merits of an investment in the Securities and should take into consideration when making such analysis, among other, the Risk Factors discussed above.

BUSINESS

Description of the Business

The Company manufactures and sells artisan, seasoned baked, flour tortilla snack products which are unique in flavor, texture, and application straddling multiple food categories (chips, crackers, flatbreads, and breadcrumbs) in a single product. The Original Family Recipe is based on a four-generations old creation of the Rose family's matriarch, Goldie Rose. In 2021, the Company introduced a second flavor with others planned for the future.

Business Plan

The Company plans to significantly expand its business by increasing sales and marketing and investing in technology and product development. The Company aims to be profitable by 2024. The capital we raise here will empower us to expand our product development, increase sales and marketing efforts and grow out our infrastructure as we continue to aggressively grow and expand our business.

History of the Business

The Company's Products and/or Services

Product / Service	Description	Current Market
Original Family Recipe - Family Size	Three 9-inch seasoned baked tortillas in each 7.09 oz bag, that consumers break into chips themselves	All ages, everyday folk to professional chefs, who enjoy savory, crunchy chips, flatbreads or crackers, either eaten plain, dipped, paired, or incorporated into other delicious dishes
Original Family Recipe - Snacking Size	Three 7-inch seasoned baked tortillas in each 4.33 oz bag, that consumers break into chips themselves	All ages, everyday folk to professional chefs, who enjoy savory, crunchy chips, flatbreads or crackers, either eaten plain, dipped, paired, or incorporated into other delicious dishes
Mesquite BBQ with a Touch of Heat - Snacking Size	Three 7-inch seasoned baked tortillas in each 4.33 oz bag, that consumers break into chips themselves	Age 16 and up, everyday folk to professional chefs, who enjoy robust, spicy, crunchy chips, flatbreads or crackers, either eaten plain, dipped, paired, or incorporated into other delicious dishes

We have no new products in development.

The Company sells its products through traditional wholesale distributors across the U.S. The distributors service the gamut from smaller independent boutique retail markets to larger grocery chains. A secondary and fast-growing wholesale channel for the Company is through the emerging B2B wholesale portals (i.e., Mable, Faire). Combined, these distributors represent 90% of the Company's business. The Company also has a growing direct-to-consumer channel through its e-commerce portal, as well as through marketing partnership initiatives, which are heavily focused on social media lead generation.

Competition

The Company's primary competitors are Stacy's Pita Chips, Ines Rosales Pitas, Siete and Tostitos.

The markets in which our products are sold are highly competitive. Our products compete against similar products of many large and small companies, including well-known global competitors. In many of the markets and industry segments in which we sell our products, we compete against other branded products as well as retailers' private-label brands. Product quality, value and packaging are also important differentiating factors. The snack industry is dominated by a handful of large corporate brands, yet consumers crave differentiated, unique and healthier options to disrupt a stale food category. The Company's product is unique because it's a chip, flatbread and cracker all in one, that is baked, not fried. It competes in the snack space with tortilla and pita chips, in the cracker space with artisan crackers and flatbreads, and in the bread

space with lavash. The main competitors to the Company are Stacy’s Pita Chips, Ines Rosales Pitas, Siete and Tostitos. The product has been described as a crunchy lavash bread. This allows the product a unique niche, most commonly placed in deli departments and not in the snack aisle with corporate snack brands. Our target market is foodies of all ages from regular folk to professional chefs. The versatility of the product ranges from a chip eaten alone, to a chip paired with a dip or charcuterie/cheese platter, crumbled into soups or on salads, or even crushed and used as breadcrumbs. The Company’s product is one of the rare instances of universal application straddling multiple categories.

Supply Chain and Customer Base

Although the Company is dependent upon certain third party vendors, the Company has access to alternate service providers in the event its current third-party vendors are unable to provide services or any issues arise with its current vendors where a change is required to be made. The Company does not believe the loss of a current third-party vendor or service provider would cause a major disruption to its business, although it could cause short-term limitations or disruptions

The Company sells its products through traditional wholesale distributors across the U.S. The distributors service the gamut from smaller independent boutique retail markets to larger grocery chains. A secondary and fast-growing wholesale channel for the Company is through the emerging B2B wholesale portals (i.e., Mable, Faire). Combined, these distributors represent 90% of the Company’s business. The Company also has a growing direct-to-consumer channel through its e-commerce portal, as well as through marketing partnership initiatives, which are heavily focused on social media lead generation.

Intellectual Property

Copyright Registrations

Registration #	Title	Description	Registration Date
5,651,668	Rose Sisters Chips Ann Paula Rajs	Design Plus Words, Letters and /or Numbers	January 8, 2019

Governmental/Regulatory Approval and Compliance

The Company is subject to and affected by the laws and regulations of U.S. federal, state and local governmental authorities. These laws and regulations are subject to change.

Litigation

There are no existing legal suits pending, or to the Company’s knowledge, threatened, against the Company.

Other

The Company's principal address is 480 Barnum Avenue, Bridgeport, CT 06608

The Company has the following additional addresses:

The Company conducts business in .

DIRECTORS, OFFICERS AND EMPLOYEES

Directors

The directors or managers of the Company are listed below along with all positions and offices held at the Company and their principal occupation and employment responsibilities for the past three (3) years and their educational background and qualifications.

Name

Ann Marcus

All positions and offices held with the Company and date such position(s) was held with start and ending dates

Co-Founder, CEO and Director 2019-Present

Principal occupation and employment responsibilities during at least the last three (3) years with start and ending dates

Education

Brooklyn College, B.A., Art, 1956

Name

Jonathan C. Marcus

All positions and offices held with the Company and date such position(s) was held with start and ending dates

Co-Founder, President, Secretary and Director 2019-Present

Principal occupation and employment responsibilities during at least the last three (3) years with start and ending dates

Education

Thunderbird School of Global Management, Master of International Management, 1993
University of Delaware, B.S., Finance, 1991

Name

Lauren M. Rosato

All positions and offices held with the Company and date such position(s) was held with start and ending dates

Co-Founder, Treasurer and Director 2019-Present

Principal occupation and employment responsibilities during at least the last three (3) years with start and ending dates

Director of Planned Parenthood of Southern New England 2015 - Present

Education

Thunderbird School of Global Management, Master of International Management, 1986
University of Connecticut, B.S., Finance, 1985

Officers of the Company

The officers of the Company are listed below along with all positions and offices held at the Company and their principal occupation and employment responsibilities for the past three (3) years and their educational background and qualifications.

Name

Ann Marcus

All positions and offices held with the Company and date such position(s) was held with start and ending dates

Co-Founder, CEO and Director 2019-Present

Principal occupation and employment responsibilities during at least the last three (3) years with start and ending dates

Education

Brooklyn College, B.A., Art, 1956

Name

Jonathan C. Marcus

All positions and offices held with the Company and date such position(s) was held with start and ending dates

Co-Founder, President, Secretary and Director 2019-Present

Principal occupation and employment responsibilities during at least the last three (3) years with start and ending dates**Education**

Thunderbird School of Global Management, Master of International Management, 1993
University of Delaware, B.S., Finance, 1991

Name

Lauren M. Rosato

All positions and offices held with the Company and date such position(s) was held with start and ending dates

Co-Founder, Treasurer and Director 2019-Present

Principal occupation and employment responsibilities during at least the last three (3) years with start and ending dates

Director of Planned Parenthood of Southern New England 2015 - Present

Education

Thunderbird School of Global Management, Master of International Management, 1986
University of Connecticut, B.S., Finance, 1985

Indemnification

Indemnification is authorized by the Company to directors, officers or controlling persons acting in their professional capacity pursuant to Delaware law. Indemnification includes expenses such as attorney's fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving

such person, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

Employees

The Company currently has 10 employees in United States.

CAPITALIZATION AND OWNERSHIP

Capitalization

The Company has issued the following outstanding Securities:

Type of security	Common Stock
Amount outstanding	4,999,999
Voting Rights	1 vote per share
Anti-Dilution Rights	None
How this Security may limit, dilute or qualify the Notes/Bonds issued pursuant to Regulation CF	The Company may issue additional shares of Common Stock at a later date. The issuance of such additional shares of Common Stock would be dilutive, and could adversely affect the value of the Securities issued pursuant to Regulation CF.
Other Material Terms or information.	

Type of security	SAFE (Simple Agreement for Future Equity)
Amount outstanding	0
Voting Rights	No voting rights.
Anti-Dilution Rights	N/A
How this Security may limit, dilute or qualify the Notes/Bonds issued pursuant to Regulation CF	N/A
Other Material Terms or information.	
Value of SAFE or Convertible Notes	

The Company has the following debt outstanding:

Type of debt	Unsecured Loans from Shareholder*
Name of creditor	
Amount outstanding	\$50,000.00
Interest rate and payment schedule	
Amortization schedule	
Describe any collateral or security	Unsecured
Maturity date	
Other material terms	*Comprised of two loans, each in the amount of \$25,000, from the same shareholder on May 1, 2022 and June 25, 2022, respectively.

Type of debt	Line of credit
Name of creditor	Wells Fargo
Amount outstanding	-\$2,640,671,022.00
Interest rate and payment schedule	9.25% per annum
Amortization schedule	
Describe any collateral or security	Unsecured
Maturity date	
Other material terms	

Type of debt	SBA EIDL Loan
Name of creditor	
Amount outstanding	\$19,000.00
Interest rate and payment schedule	
Amortization schedule	
Describe any collateral or security	All assets
Maturity date	May 31, 2050
Other material terms	

The total amount of outstanding debt of the company is -\$2,640,602,022.00.

The Company has conducted the following prior Securities offerings in the past three years:

Security Type	Number Sold	Money Raised	Use of Proceeds	Offering Date	Exemption from Registration Used or Public Offering
Common Stock	4,999,999			March 23, 2022	Section 4(a)(2)
SAFE (Simple Agreement for Future Equity)			Engineering, equipment fabrication, and installation, product expansion purposes, including new packaging designs, retail packaging printing, and shipper design and build. Also for inventory, including ingredients and boxes.		Regulation CF

Ownership

A majority of the Company is owned by Ann S. Marcus*. *A portion of the shares will be transferred to Jonathan Marcus and Lauren Rosato, respectively, upon her death.

Below the beneficial owners of 20% percent or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, are listed along with the amount they own.

Name	Percentage Owned
Ann S. Marcus	76.0%

FINANCIAL INFORMATION

Please see the financial information listed on the cover page of this Form C-AR and attached hereto in addition to the following information. Financial statements are attached hereto as Exhibit A.

Recent Tax Return Information

Total Income	Taxable Income	Total Tax

Operations

Rose Sisters Brands, Inc. (the “Company”) was incorporated on September 19, 2016 under the laws of the State of Delaware, and is headquartered in Bridgeport, Connecticut. The Company was originally formed as a limited liability company in Delaware and was known as Quantum Marketing Group LLC. On March 23, 2022, the Company converted to a Delaware corporation and changed its name to Rose Sisters Brands, Inc. d/b/a Rose Sisters Chips.

Management continues to pursue attractive investor funding opportunities. Proceeds are intended to allow the Company to invest in custom automation equipment for the front-end aspects of our production line. Such an investment will allow us to run materially higher product throughput much more efficiently. By doing so we will also be in a position to purchase raw ingredients and materials in larger volumes and at significantly lower per unit costs. Combined, these efforts should drastically reduce our COGS and increase both our gross and net margins. In the event the Company is unable to secure adequate investment funding, Management will continue to focus on finding additional ways to reduce expenses and evaluate our current production processes to identify any potential changes which would result in greater product output with the current staff levels.

Liquidity and Capital Resources

On March 23, 2022 the Company conducted an offering pursuant to Section 4(a)(2) and raised .

On the Company conducted an offering pursuant to Regulation CF and raised .

The Company does not have any additional sources of capital other than the proceeds from the Regulation CF Offering.

Capital Expenditures and Other Obligations

The Company does not intend to make any material capital expenditures in the future.

Material Changes and Other Information

Trends and Uncertainties

The financial statements are an important part of this Form C-AR and should be reviewed in their entirety. The financial statements of the Company are attached hereto as Exhibit A.

Restrictions on Transfer

Any Securities sold pursuant to Regulation CF being offered may not be transferred by any Investor of such Securities during the one-year holding period beginning when the Securities were issued, unless such Securities were transferred: 1) to the Company, 2) to an accredited investor, as defined by Rule 501(d) of Regulation D of the Securities Act of 1933, as amended, 3) as part of an Offering registered with the SEC or 4) to a member of the family of the Investor or the equivalent, to a trust controlled by the Investor, to a trust created for the benefit of a family member of the Investor or the equivalent, or in connection with the death or divorce of the Investor or other similar circumstances. "Member of the family" as used herein means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse or spousal equivalent, sibling, mother/father/daughter/son/sister/brother-in-law, and includes adoptive relationships. Remember that although you may legally be able to transfer the Securities, you may not be able to find another party willing to purchase them.

TRANSACTIONS WITH RELATED PERSONS AND CONFLICTS OF INTEREST

Related Person Transactions

From time to time the Company may engage in transactions with related persons. Related persons are defined as any director or officer of the Company; any person who is the beneficial owner of 10 percent or more of the Company's outstanding voting equity securities, calculated on the basis of voting power; any promoter of the Company; any immediate family member of any of the foregoing persons or an entity controlled by any such person or persons.

The Company has the following transactions with related persons:

None.

Conflicts of Interest

To the best of our knowledge the Company has not engaged in any transactions or relationships, which may give rise to a conflict of interest with the Company, its operations or its security holders.

OTHER INFORMATION

The Company has not failed to comply with the ongoing reporting requirements of Regulation CF § 227.202 in the past.

The Company is not subject to any Bad Actor Disqualifications under any relevant U.S. securities laws. The Co-Issuer is not subject to any Bad Actor Disqualifications under any relevant U.S. securities laws.

Bad Actor Disclosure

The Company is not subject to any Bad Actor Disqualifications under any relevant U.S. securities laws.

SIGNATURE

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form C-AR and has duly caused this Form to be signed on its behalf by the duly authorized undersigned.

The issuer also certifies that the attached financial statements are true and complete in all material respects.

/s/Ann Marcus

(Signature)

Ann Marcus

(Name)

CEO

(Title)

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), this Form C-AR has been signed by the following persons in the capacities and on the dates indicated.

/s/Ann Marcus

(Signature)

Ann Marcus

(Name)

Co-Founder, CEO and Director

(Title)

(Date)

Instructions.

1. The form shall be signed by the issuer, its principal executive officer or officers, its principal financial officer, its controller or principal accounting officer and at least a majority of the board of directors or persons performing similar functions.
2. The name of each person signing the form shall be typed or printed beneath the signature.

Intentional misstatements or omissions of facts constitute federal criminal violations. See 18 U.S.C. 1001.

EXHIBITS

Exhibit A Financial Statements

EXHIBIT A

Financial Statements

Balance Sheet

Rose Sisters Brands, Inc
As of December 31, 2023
Accrual Basis

Account	Dec 31, 2023
Assets	
Current Assets	
Cash and Cash Equivalents	
Wells Fargo 8647	0.00
Wells Fargo 4240	354,485.47
Premier Business Money Market	800,793.75
M&T Business Checking - Loan Servicing	100,581.09
Total Cash and Cash Equivalents	1,255,860.31
Accounts Receivable	127,020.10
Inventory	36,179.03
Security Deposit	11,149.00
Stripe Receivable	23.96
ROU Asset	232,842.00
Fundraising receivable	0.00
Deferred Tax Asset State	8,115.00
Deferred Tax Asset Federal	24,760.00
Total Current Assets	1,695,949.40
Fixed Assets	
Leasehold Improvements	65,014.91
Less Accumulated Depreciation on Leasehold Improvements	(11,074.95)
Less Accumulated Depreciation on Office & Production Equipment	(89,691.89)
Office Equipment	61,244.40
Production Equipment	143,669.54
Fundraising related cost	18,032.39
Financing Cost	66,462.38
Less Accumulated Amortization	(317.00)
Total Fixed Assets	253,339.78
Long Term Assets	
Trademark	2,000.00
Total Long Term Assets	2,000.00
Total Assets	1,951,289.18
Liabilities and Equity	
Liabilities	
Current Liabilities	
Payroll Wages Payable	532.32
Line of Credit - Wells Fargo	0.00
State of CT Boost Loan	0.00
Accrued Interest	6,868.75
Stonehenge Term Loan	900,000.00
Stonehenge Term Note Payable	800,000.00
Total Current Liabilities	1,707,401.07
Long Term Liabilities	
EIDL Loan	0.00
EIDL Loan (Current portion reclass)	0.00
Bridge Loan	0.00
Equipment Lease Payable	0.00
ROU (Lease Liability)	232,842.00
Total Long Term Liabilities	232,842.00
Total Liabilities	1,940,243.07
Equity	
Fundraising 2022	48,350.00
Owner Contribution 1	275,327.20
Owner Contribution 2	10,502.34
Owner Contribution 3	75,000.00
Owner Contribution 4	83,500.00
Owner Contribution 5	137,637.00
Current Year Earnings	(162,621.03)
Retained Earnings	(456,649.40)
Total Equity	11,046.11
Total Liabilities and Equity	1,951,289.18

Income Statement (Profit and Loss)

Rose Sisters Brands, Inc

For the year ended December 31, 2023

Account	2023
Income	
Discounts	(6,909.33)
Interest Income	581.09
Other Revenue	45,758.01
Sales - E-Commerce	8,874.85
Sales - Retail (Direct to Consumer)	31,644.30
Sales - Wholesale Direct	107,549.93
Sales - Wholesale Distributor	35,893.49
Shipping Income	516.68
Total Income	223,909.02
Cost of Goods Sold	
Contracted Labor Wages	41,873.30
Cost of Ecommerce	10,275.93
Cost of Wholesale Direct Invoices	69,909.27
Cost of Wholesale Distributor	19,337.00
Freight and Shipping	18,854.14
Wages and Salaries - Direct	48,634.90
Total Cost of Goods Sold	208,884.54
Gross Profit	15,024.48
Operating Expenses	
Advertising (Marketing)	6,353.25
Advertising (Photography)	100.00
Automobile Expenses	5,149.60
Bank Service Charges	1,696.27
Consulting & Accounting	18,552.64
Dues & Subscriptions	363.76
Fundraising Expenses	2,000.00
General Expenses	4,551.10
Graphic Design	204.53
Insurance	2,122.97
Interest Expense	22,844.21
IT Telephone, Internet, Computer	5,121.91
Janitorial, Trash & Grease Removal Expenses	7,409.70
Legal Expenses (Attorney)	1,190.33
Legal Expenses (Licenses, Permits, Registrations, Trademarks)	9,421.45
Office Supplies & Expenses	8,469.81
Payroll Processing Fees	2,849.80
Payroll Tax Expense	10,211.28
Pest Control	1,595.22
Postage, Delivery and Related Expense	9,571.40
Printing & Stationery	917.53
Property Tax Expense	933.75
Rent	73,675.24
Repairs and Maintenance	3,387.07
Research	85.52
Sales Commission	6,978.77
Slotting and Placement Fees	966.95
Travel (Conferences, Tradeshows, Meetings)	8,772.82
Wages and Salaries- Admin	14,711.55
Workers Compensation Insurance	3,513.18
Total Operating Expenses	233,721.61
Operating Income	(218,697.13)
Other Income / (Expense)	
Contracted Labor Billings	44,076.10
Grants	12,000.00
Total Other Income / (Expense)	56,076.10
Net Income	(162,621.03)

Rose Sisters Brands, Inc.
Db a Rose Sisters Chips
Notes to the Unaudited Financial Statements
December 31, 2023
\$USD

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Rose Sisters Brands, Inc. db a Rose Sisters Chips (“Company”) was formed in the state of Delaware in 2016 and commenced current business operations in 2018. All administration and production operations are located in Bridgeport, Connecticut. The Company manufactures and sells seasoned, baked, flour tortilla snacks which are unique in flavor, texture, and application straddling multiple food categories (chips, crackers, flatbreads, and breadcrumbs) in a single product. The Original Family Recipe is based on a four-generations old creation of the Rose family’s matriarch, Goldie Rose. In 2021, the Company introduced a second flavor with others planned for the future. The majority of the Company’s revenues are generated through wholesale distributor channels and direct sales to retailers across the USA and parts of Canada. Direct-to-consumer sales, while growing, are a small percentage of overall sales. Prior to 2020, the Company operated as a woman-owned, single-member Delaware LLC under the name Quantum Marketing Group LLC. On January 1, 2021, the Company admitted partners and operated as a partnership under the LLC indicated above. On March 23, 2022, the partnership converted into a Delaware C-corporation and changed its name to Rose Sisters Brands, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). Our fiscal year ends on December 31. The Company has no interest in variable interest entities and no predecessor entities.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

Fair Value of Financial Instruments

ASC 820 “*Fair Value Measurements and Disclosures*” establishes a three-tier fair value hierarchy, which prioritizes the inputs in measuring fair value. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Rose Sisters Brands, Inc.
Db a Rose Sisters Chips
Notes to the Unaudited Financial Statements
December 31, 2023
\$USD

These tiers include:

- Level 1: defined as observable inputs such as quoted prices in active markets;
- Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and
- Level 3: defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Concentrations of Credit Risks

The Company maintains cash balances at financial institutions, which in some instances, may exceed insured limits. For the year ended December 31, 2023, four customers made up 84% of accounts receivables. For the year ended December 31, 2022, two customers made up 87% of accounts receivables. For the year ended December 31, 2023, there were no material sales concentrations.

Revenue Recognition

The Company recognizes revenue from the sale of products and services in accordance with ASC 606, "Revenue Recognition" following the five steps procedure:

- Step 1: Identify the contract(s) with customers
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to performance obligations
- Step 5: Recognize revenue when or as performance obligations are satisfied

The Company derives its revenues from the sale of tortilla snack chips. Revenues are recognized when control of these products is transferred to its wholesale distributors and retailers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products. Sales and other taxes the Company collects concurrent with revenue-producing activities are excluded from revenue. The Company does not have any significant financing components as payment is received at or shortly after the point of sale. For performance obligations related to the sale of a product, control transfers to the customer at a point in time. The Company's principal terms of sale are upon receipt by the customer.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income. Depreciation is provided using the straight-line method, based on useful lives of the assets. The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected

Rose Sisters Brands, Inc.
Db a Rose Sisters Chips
Notes to the Unaudited Financial Statements
December 31, 2023
\$USD

future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment for December 31, 2023. A summary of the Company's property and equipment, as well as their useful lives, are below.

Leasehold improvements	15 years
Production equipment	5-7 years

2023

Production equipment	\$ 204,914
Leasehold improvements	<u>65,015</u>
Total Property and Equipment	269,929
Less: Accumulated depreciation	<u>139,128</u>
Property and Equipment, Net	<u>\$ 130,801</u>

Depreciation expense for the year ended December 31, 2023 totaled \$38,361.

Inventory

Inventory is stated at the lower of cost (determined using the first-in, first-out method) or net realizable value (generally, estimated selling price).

When necessary, the Company provides allowances to adjust the carrying value of its inventory to the lower of cost or net realizable value. Appropriate consideration is given to obsolescence, excessive inventory levels, product deterioration and other factors in evaluating net realizable value.

Accounts Receivable

Trade receivables due from customers are uncollateralized customer obligations due under normal trade terms. Trade receivables are stated at the amount billed to the customer. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices. Payments are generally collected upfront, but some of the merchants that products are sold through have a delay between collecting from the customer and sending to the Company. The Company estimates an allowance for doubtful accounts based upon an evaluation of the current status of receivables, historical experience, and other factors as necessary. It is reasonably possible that the Company's estimate of the allowance for doubtful accounts will change.

Advertising Costs

Advertising costs associated with marketing the Company's products and services are generally expensed as costs are incurred. Advertising expense for the year ended December 31, 2023 totaled \$6,453.

Rose Sisters Brands, Inc.
Db a Rose Sisters Chips
Notes to the Unaudited Financial Statements
December 31, 2023
\$USD

General and Administrative

General and administrative expenses consist of payroll and related expenses for employees and independent contractors involved in general corporate functions, including accounting, finance, tax, legal, business development, and other miscellaneous expenses.

Income Taxes

For years prior to 2021, the Company operated as a sole proprietorship for federal and state income tax purposes. Accordingly, all earnings and losses of the Company were reported on the federal and state individual income tax returns of the owner. On January 1, 2021, the Company owner admitted partners, and, starting in 2021 through March 23, 2022, the Company was taxed as a partnership for federal and state income tax purposes. Accordingly, all earnings and losses of the Company were reported on the federal and state individual income tax returns of the partners. As of March 23, 2022, the partnership converted into a Delaware C-corporation. Accordingly, all earnings and losses are reported under that entity.

The Company is required to recognize in its financial statements the impact of uncertain tax positions when it is more likely than not the positions will not be sustained upon examination. As of December 31, 2023, no significant income tax uncertainties have been included in the Company's financial statements.

The Company's policy is to recognize interest and penalties on unrecognized tax benefits, if incurred, in income tax expense in the statements of operations. No interest and penalties were recorded during the year ended December 31, 2023.

The Company's income tax provision for the year ended December 31, 2023 is a deferred tax asset of \$55,029.

The Company has the following carryforwards available to offset future taxable income:

Federal Net Operating Loss	\$311,748
State Net Operating Loss	\$299,853

Recent accounting pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The financial assets held by the company that are subject to this guidance were trade accounts receivable. The ASU is effective for fiscal years beginning after December 15, 2022, with early adoption permitted. The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

Rose Sisters Brands, Inc.
Db a Rose Sisters Chips
Notes to the Unaudited Financial Statements
December 31, 2023
\$USD

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company follows ASC 850, “Related Party Disclosures,” for the identification of related parties and disclosure of related party transactions. See Subsequent Events.

NOTE 4 – COMMITMENTS, CONTINGENCIES, COMPLIANCE WITH LAWS AND REGULATIONS

We are currently not involved with or know of any pending or threatening litigation against the Company or any of its officers. Further, the Company is currently complying with all relevant laws and regulations.

Capital Lease

The Company leases certain production equipment under terms of a capital lease. Obligations under the capital lease include imputed interest at 8.27% and are due in monthly payments of \$4,000 through December 31, 2022.

Lease

The Company entered into a lease agreement with an unrelated third party for the rental of its manufacturing and office facilities with an original expiration date of June 30, 2025. The lease provides for minimum rents and certain other area costs and is guaranteed by a partner of the partnership. There is a one-time option to extend the lease terms an additional five years. Minimum rentals under the current lease agreement are as follows:

**Lease Maturity 5 Years
Subsequent to 2023**

<u>Year</u>	<u>Amount</u>
2024	\$73,390
2025	75,850
2026	38,540

NOTE 5 – DEBT

Secured Loan Transaction with Stonehenge Capital Fund Connecticut VI, LLC

I. Senior Secured Promissory Note

On November 13, 2023, the Company entered into an Investment and Security Agreement (the “ISA”) with Stonehenge Capital Fund Connecticut VI, LLC (“Stonehenge”), pursuant to which Stonehenge invested \$900,000 into the Company in exchange for a senior secured promissory note in the amount of \$900,000 (the “Senior Note”). The Senior Note accrues interest at an annual rate of: (i) 4% from November 13, 2023 through November 12, 2024, and (ii) 6% from November 13, 2024 until November 13, 2028 (the “Maturity Date”). In addition, the Senior Note accrues PIK interest at an annual rate: (i) 4% from November 13, 2023 through November

Rose Sisters Brands, Inc.
Db a Rose Sisters Chips
Notes to the Unaudited Financial Statements
December 31, 2023
\$USD

12, 2024, and (ii) 2% from November 13, 2024 until the Maturity Date. Pursuant to the terms of the Senior Note, the Company shall make monthly payments in the amount of \$15,000 commencing on January 1, 2025 through and until the Maturity Date, at which time the entire unpaid principal balance and accrued but unpaid interest is due.

In addition, and as a material part of this financing arrangement, the Company issued to Stonehenge a warrant exercisable for shares of capital stock representing 15% of the Company's fully diluted capitalization.

II. Senior Secured Delayed Draw Term Note

On December 20, 2023, the Company and Stonehenge amended the ISA to enable the Company to, at Company's option, increase the amount of capital borrowed from Stonehenge on the terms summarized below. To facilitate this arrangement, the Company issued to Stonehenge a Senior Secured Delayed Draw Term Note in the amount of \$800,000, which gives the Company the ability to draw down such additional amounts through and until December 31, 2025. To the extent that the Company draws down any portion of such \$800,000 credit, such amount accrues interest at an annual rate of 8%. Such unpaid amounts, together with accrued but unpaid interest, are due and payable on the following terms: 1.67% of the post draw balance is due to Stonehenge on a monthly basis, commencing on February 1, 2026; and the balance of unpaid principal and accrued but unpaid interest is due to Stonehenge on November 13, 2028.

The Senior Secured Promissory Note and Senior Secured Delayed Draw Term Note are each secured by (i) a first priority lien on all of the Company's assets and (ii) a pledge of all outstanding capital stock owned by Ann Marcus, Jonathan Marcus, and Lauren Rosato.

Loans

On May 31, 2020, the Company entered into an SBA loan agreement for \$19,000 with an interest rate of 3.75% and a maturity date of May 31, 2050. The entire outstanding balance and accrued interest was paid in full as of December 31, 2023.

Line of credit

The Company had a committed, unsecured \$30,000 line of credit with a bank, which has no stated expiration date. Borrowings under this committed line of credit carry interest at an adjusted 12.75% per annum. In February 2022, the line of credit was increased to \$37,000. The entire outstanding balance and accrued interest was paid in full as of December 31, 2023.

Rose Sisters Brands, Inc.
Db a Rose Sisters Chips
Notes to the Unaudited Financial Statements
December 31, 2023
\$USD

State of Connecticut Small Business Boost Loan

In July 2022, the Governor of Connecticut announced the launch of a public-private partnership providing low-interest loans to small businesses and nonprofits in the State. The program is aimed at helping small businesses and nonprofits, particularly those in low-income and historically underserved communities, with access to flexible working capital. In October 2022, the Company executed a loan agreement with NDC Community Impact Loan Fund, secured by Company assets, in the amount of \$85,000 with an interest rate of 4.5%. Beginning December 1, 2022 and continuing for 3 months, the Company paid interest only payments. Thereafter and until October 26, 2027, the Company is to make monthly principle and interest payments in the amount of \$1,659. The entire outstanding balance and accrued interest was paid in full as of December 31, 2023.

Loans from Shareholders

Frank and Marie Pisacane, shareholders of the Company, have provided multiple unsecured, open-term, interest-only loans to the Company between May 1, 2022 and February 23, 2023. As of December 31, 2023, the loans have no outstanding balance.

NOTE 6 – RISKS AND UNCERTAINTIES

The 2019 novel coronavirus (or “COVID-19”) has adversely affected, and may continue to adversely affect, economic activity globally, nationally and locally. These economic and market conditions and other effects of the COVID-19 outbreak may continue to cause volatility. The full extent of any adverse impact of the COVID-19 outbreak on the Company’s future operations cannot be predicted at this time.

NOTE 7 – SUBSEQUENT EVENTS

The Company has evaluated events subsequent to December 31, 2023 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through April 30, 2023, the date these financial statements were available to be issued.

NOTE 8 – GOING CONCERN

The accompanying balance sheet has been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The entity has realized losses and negative cashflows from operations for the years presented. The Company’s ability to continue as a going concern in the next twelve months following the date the financial statements were available to be issued is dependent upon its ability to produce revenues and/or obtain financing sufficient to meet current and future obligations and deploy such to produce profitable operating results. Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs. No assurance can be given that the Company will be successful in these efforts. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities.