

# VEGAN FOOD HUB

## SOUL BURGER HOLDINGS PTY LTD T/A VEGAN FOOD HUB

### CROWD-SOURCED FUNDING OFFER DOCUMENT

**Dated 21 JUNE 2023**

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Offer of fully-paid ordinary shares in Soul Burger Holdings Pty Ltd at \$0.79 per share to raise a maximum of \$1,000,000

This crowd-sourced funding (CSF) offer document relates to the Offer of fully-paid ordinary shares in Soul Burger Holdings Pty Ltd. This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (Corporations Act).

#### **Issuer**

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Soul Burger Holdings Pty Ltd T/A Vegan Food Hub  
ABN 21 644 340 296

#### **Intermediary**

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Birchal Financial Services Pty Ltd ACN 621 812 646 AFSL  
502618

**ALWAYS CONSIDER THE GENERAL CSF RISK  
WARNING AND OFFER DOCUMENT BEFORE  
INVESTING**







## TABLE OF CONTENTS

<b>SECTION 1 - RISK WARNING</b>	<b>3</b>
<b>SECTION 2 - INFORMATION ABOUT THE COMPANY</b>	
FOUNDERS NOTE	4
COMPANY DETAILS	5
OUR PHILOSOPHY	6
BUSINESS MODEL	7
BUSINESS STRATEGY	8
SERVING THE MARKET, SERVING SOCIETY	9
OUR MARKET	10
OUR TEAM	11
ORGANISATIONAL STRUCTURE	12-13
CAPITAL STRUCTURE	14-16
KEY RISKS FACING THE BUSINESS	17
FINANCIAL INFORMATION	18-20
<b>SECTION 3 - INFORMATION ABOUT THE OFFER</b>	
TERMS OF OFFER	21
USE OF FUNDS	22
RIGHTS ASSOCIATED WITH THE SHARES	23-24
WHAT CAN I DO WITH MY SHARES?	25
<b>SECTION 4 - INFORMATION ABOUT INVESTOR RIGHTS</b>	
COOLING-OFF RIGHTS	26
COMMUNICATION FACILITY FOR THE OFFER	26
PROPRIETARY COMPANY CORPORATE	27
GOVERNANCE OBLIGATIONS	27
COMMUNICATION FACILITY FOR THE OFFER	27
GLOSSARY	28



# SECTION 1 : RISK WARNING

Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks. You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.



# SECTION 2: INFORMATION ABOUT THE COMPANY

## FOUNDERS NOTE

Hey folks! My name is Amit and I'm the founder and CEO of the Vegan Food Hub.

Our story began in 2012, when I took a year off medical school and started my first restaurant in Randwick. Since then we've grown to 4 restaurants, have won multiple awards, developed a loyal following and helped inspire many other restaurants to add vegan options.

The Vegan Food Hub was established after COVID and was created in response to the following key epiphanies I had::

- The plant-based fast food market was exploding in popularity throughout Australia.
- The delivery market, especially within quick service, was becoming a mainstay for restaurants.
- The combination of digital ordering and on-demand courier services meant the restaurant industry was entering the "online shopping" space and brands could be now made virtually

In this new restaurant economy, kitchens were better seen as production centres and could produce food for multiple online brands

Soul Burger was our proven crowning jewel, and now we had the opportunity to create iconic plant-based brands across the quick service scene.

Our vision at the VFH is as follows:

- Create a key, iconic plant-based brand across each popular, feasible cuisine, under the VFH umbrella
- Each brand we create should have a physical restaurant to build brand equity.
- Each physical restaurant will also house 2-4 delivery-only versions of our existing brands (and also allow us to trial new brands as delivery-only prior to investing in a physical restaurant for it)

- The VFH App should channel as much online and in-store revenue as possible, building a database of customers & avoiding 3rd party delivery aggregator fees.

We currently have 4 physical Soul Burger restaurants, each housing delivery-only versions of Plantas Taqueria & Zaynas Lebanese, with 33,000+ VFH members & doing system-wide sales of over \$3M inc GST per annum over the last 12 months (with \$2.4M+ in consolidated group revenue for FY23 til May 31st). Almost 30% of our sales occur through the VFH member portal (either online or in-store).

Our vision for the future is a national footprint of plant-based restaurants, across a range of our brands, featuring multiple delivery-only concepts in the kitchen. Our aim is to scale Australia with approximately 40 physical restaurants and build our membership database on the VFH to hundreds of thousands members (we currently have 33,000 members across 4 stores)

During this growth we will explore a range of different expansion strategies, including joint-venture equity partnerships at restaurant locations with key managers (of which we currently have 2 arrangements, see "Organisational Structure" for further details).

Following a national footprint, we aim to pursue overseas growth and will look at a range of different approaches to make this happen.

If our vision excites you, and you back me and my team in getting us there, I urge you to join us in our crowd equity raise and become a shareholder of the VFH!

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## AMIT TEWARI







# COMPANY DETAILS

This offer of shares is made by Soul Burger Holdings Pty Ltd T/A The Vegan Food Hub ACN 644 340 296

Date of incorporation 15/09/2020

Registered office  
7/28 Crystal Street, Waterloo NSW 2017

Principal place of business  
7/28 Crystal Street, Waterloo NSW 2017

Directors  
Amit Tewari & Rulathevy Tewari

## **Subsidiaries**

- - Soul Burger Newtown Pty Ltd (100% Ownership)
- - Soul Burger Franchise Partnerships Pty Ltd (100% Ownership)
- - Soul Burger Franchise Leases Pty Ltd (100% Ownership)
- - Soul Burger Franchising Pty Ltd (100% Ownership)

## **Joint Ventures**

- - Soul Burger Glebe Pty Ltd (68% Ownership)
- - Soul Burger Randwick Pty Ltd (58% Ownership)

## **Franchises**

- - Food Giant Pty Ltd T/A Soul Burger Parramatta (No Ownership/Independent Franchisee Entity)

Share registry  
Cake Equity

## **Website**

[www.veganfoodhub.com.au](http://www.veganfoodhub.com.au)



# OUR PHILOSOPHY

## Our Philosophy

- We believe in creating an institutional business. We want the Vegan Food Hub, and the brands it creates, to exist for decades to come, and to make genuine, impactful change in the food system
- We are a purpose-based business, with our primary purpose being to popularise plant-based food around Australia, and our method being through penetrating the market.
- We are efficiency-orientated and we operate via the 80/20 Pareto efficient rule – there are no bloated offices here and we take our Profit & Loss statements very seriously! We run super-lean, we trial ideas with minimal capital, and we are competitive to the core!

**Our Mission:** To change Australian Food Culture by popularising vegan quick service food

**Our Ethos:** Celebrating brilliant, plant-based food!

**Our Strategy:** Build amazing plant-based QSR restaurant concepts across different cuisines

See the following brands we have developed

- Soul Burger (developed – front of house brand)
- Plantas Taqueria (developed – currently delivery-only brand)
- Zaynas Lebanese (developed – currently delivery-only brand)
- PokeWay (PokeBowl - currently in development)

Future cuisines that may be developed into brands

- Indian QSR Concept (Potential Cuisine)
- Café/Bagel Concept (Potential Cuisine)
- Banh Mi Concept (Potential Cuisine)
- Gyro Concept (Potential cuisine)
- Ramen Concept (Potential cuisine)
- Wok-style Concept (Potential cuisine)







# BUSINESS MODEL

- In-store Restaurant Sales at our physical locations
- Off-site digital sales via the VFH Mobile App and online store through a multi-brand approach (with each kitchen hosting between 2-4 delivery only brands)
- Off-site digital sales via 3rd Party Aggregators/Partners through a multi-brand approach (with each kitchen hosting between 2-4 delivery only brands)
- Off-site catering sales using physical restaurants

The VFH is a house of brands concept which will own several retail-facing consumer brands in the Quick Service Space.

Each of our brands will be built in popular cuisines to create key plant-based offerings in the space. Each brand will initially be trialled as a delivery-only kitchen inside an existing restaurant, and once demand is proven and operations are honed, it will secure its own physical location. Each physical location we have will also feature 2-4 delivery-only brands.

## Ownership structure of different restaurants:

Soul Burger Parramatta is a franchise, independently owned by Food Giant Pty Ltd (our franchisee). Soul Burger Glebe and Randwick restaurants are currently in a joint-venture arrangement with Soul Burger Franchise Partnerships Pty Ltd, with the managers owning a minority share of equity to incentivise performance. Soul Burger Newtown is wholly owned by Soul Burger Franchise Partnerships Pty Ltd. See "Organisational Structure" for more info.

We have pursued joint-venture models at 2 restaurants as a strategy to engage restaurant managers. We plan to wholly own restaurants moving forward, however we find key personnel, we will retain this approach to keep them invested in the business.

Whilst we have 1 independent franchise, we do not plan on pursuing this model for further growth.

## **Total System Sales FY 23 (until 31/5/23) ex GST: \$2,922,705**

Note: this is 4 store revenue including independent franchisee in Parramatta

## **Consolidated Revenue Sales FY 23 ((until 31/5/23) ex GST: \$2,463,694**

Note: this is Revenue attributable to Soul Burger Holdings Pty Ltd or where its controlled subsidiaries are majority shareholders (Soul Burger Newtown Pty Ltd, Soul Burger Randwick Pty Ltd, Soul Burger Glebe Pty Ltd and Soul Burger Franchising Pty Ltd).



# BUSINESS STRATEGY

## Create the best customer service experiences in Australia

We have amazing food, consistently great feedback, fast order to service times, a great delivery business and, above all, an amazing reputation.

And now we want to have the **\*best\* customer service of any quick service restaurant in Australia**, and ensure they are pillars in their local communities.

We have developed a guide to future recruitment which includes a focus on personality and a formal orientation and training program in-house which translates to a VFH “customer specialist” badge

## Ensure each restaurant in Australia is a pillar in its local community through local dine-in specials, event hosting, fundraising nights & local speakers –

We have a range of actions we want to take in our restaurants to create community in stores and drive in-store dining. These include:

- Partner and reach out to local groups in our community such as university vegetarian and/or sustainability societies, university food groups and interest groups, student unions and more.
- Hosting local community events such as Soul Burger Speed Dating with a focus on our vegan/vegetarian/flexitarian/sustainable customer base.
- Hosting local speakers, including people in the environmental, healthier eating and animal rights spaces
- Hosting charity fundraising nights by working with local animal sanctuaries & non-for-profit partners
- Hosting impact business owner nights and speakers to build community in the impact entrepreneurship space.

## Driving Revenue through our VFH membership portal

We are currently doing approximately 30% of our system revenue through the VFH portal and have over 33,000 members on our database –

We aim to do the majority of our revenue through the VFH portal (this includes dine in customers who are members + mobile app + online webstore)

## Always serve amazing food

Our food is the backbone of why we resonate with customers. Soul Burger constantly gets "the best burger ever!" type feedback. Plantas & Zaynas have both had phenomenal feedback. We will always ensure that brand we build has an amazing food experience at its core.

## Most compelling Brands should have a physical restaurant

The core advantages of having a brick and mortar sites is

- Creating customer recognition and brand goodwill, something "virtual-only brands" struggle with
- Creating dine-in experiences for the brand, which are more profitable than delivery-only revenue
- Enhance the delivery-only sites through brand recognition – e.g. a physical Plantas Taqueria in Marrickville will likely increase delivery sales of the delivery-only location of Plantas in Randwick

## Growth in systematic, sustainable fashion

Once existing stores are optimised, we aim to build out new stores in Sydney first, growing in a slower, systematic method. Our main focus is on each store being profitable & loved by the community.

We aim to grow interstate in a similar fashion, avoiding haphazard erratic expansion, and focussing on city-by-city growth, using our existing teams to train new stores.

## Profitability Focus

For us to achieve our lofty ambitions we need to ensure our restaurants are profitable. This means staying lean at Head Office, using capital-lite methods to check and test concepts, and constantly having critical oversight over our Balance Sheet and Profit & Loss Statements.

Our objective is to avoid loss-making sites, and fix any issues before opening any new sites.



# SERVING THE MARKET

We are customer-centric organisation (read: Customer Obsessed!) and we operate by focussing on what's known as 5-sense marketing in hospitality – we believe this is the maximal method in satisfying customer expectations

- 1.Sight
- 2.Smell
- 3.Sound
- 4.Touch
- 5.Taste

We focus in on each of these senses and ask ourselves detailed question around each of them

Focussing just on sight the following can be asked –

- Are the tables neat?
- Are plates or cutlery spotty?
- Are staff uniformed?
- Is the drinks fridge organised?
- Are there cardboard boxes around?
- Are the burgers (or burritos/kebabs/chips etc) beautiful?
- Are we serving with a smile?
- Do we have cracks in our store? Old paint? Dirty corners? Broken chairs?
- Is the VFH app aesthetic?
- Can customer track their delivery visually (GPS tracking)
- Is packaging attractive? Are there visible oil stains?

The questions for each sense can fill a page and our mission this year, prior to scaling restaurants nationally, is to thoroughly audit each restaurant & ensure we are achieving the outcomes for each store

Fundamentally, we realise that as a business, **we operate within the realms of peoples' preferences**. And we need to win those preferences with amazing experiences. Those experiences are quantifiable metrics that we can measure and manage – and we aim to do so!

Every time a customer orders, we will be in competition with hundreds of other alternatives, and winning these orders is baked in our DNA! We are competitive to the core!

# SERVING SOCIETY

As a purpose-based organisation, we are committing to serving society along with the market. Not all customer preferences are aligned with the social good, and we aim to do both –

How do we do this through an ESG framework

## ENVIRONMENT:

- Animals – We aim to broadly reduce harm to animals through cultural change. This is our main mission, and it will never change. By leading the popularisation of plant-based alternatives, we are part of a social movement that is reducing animals in factory farms and slaughter houses Australia-wide.
- Sustainability: By being a vegan group, we are already amongst the \*most\* sustainable companies that exist – it's genuinely hard not to be when you're vegan! However we have also dramatically reduced our plastic usage & are currently auditing renewable energy options.

## SOCIAL:

- Employees: We are conscious of ensuring working conditions are safe and enjoyable with a focus on creating fun, engaging work environments. We use an external accounting firm to audit flat-rate/salaried employee contractual agreements to mitigate any underpayment risks, and audit our employee contracts around complying with the relevant Restaurant Awards.
- Community: We are looking at how we can better foster ourselves in community. Working with local populations, specifically around employing and training local disadvantaged populations and refugee youth, is something we will look at as we scale.

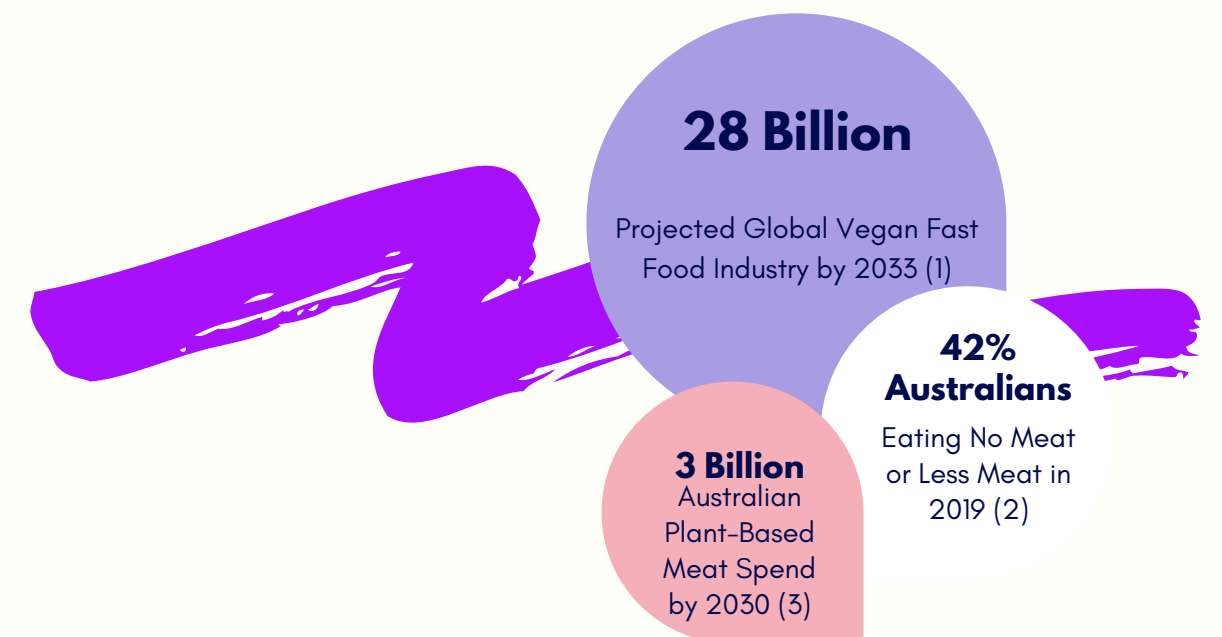
## GOVERNANCE:

- We believe in involving our employees in ownership – we have an active ESOP plan and aim to keep it ongoing as we scale.
- We believe diverse leadership is a strength, and allows companies to better navigate the future. We aim to incorporate this as part of our governance.





# OUR MARKET



The surge in interest in vegan eating is largely fueled by **health, sustainability and a growing awareness around the treatment of animals.**

- Firstly, **health concerns** are a major factor for Australians. According to a study by Toluna (2) **around 80% of Australians want to consume less meat due to health reasons.** Additionally, plant-based meat sales are predicted to increase from **AU\$185 million in 2020 to AU\$3 billion by 2030.** This surge is expected to create over 6,000 new jobs by the end of the decade (3)
- **Sustainability** is another significant factor. Consumers around the world are becoming more conscious of the environmental impact of animal agriculture. The demand for sustainable and healthier food options is driving the global market for plant-based meat and dairy alternatives. **Bloomberg Intelligence predicts that the plant-based foods market could make up to 7.7% of the global protein market by 2030 (\$162 billion)** (5)
- **Animal welfare concerns** are also becoming an increasingly relevant factor around why people decide to eat more plant-based options. According to the ABC, **"Meat and Livestock Australia (MLA) said that 84 per cent of the predicted loss (\$3.2 billion) could be attributed to animal welfare concerns (by 2030)".** (4)

Future Market Insights - December 2022 (1)

Toluna Research Report, 2021 - (2)

Food Frontier - Meat the Alternative Report (3)

ABC Article - MLA Quote (4), 2019; <https://www.abc.net.au/news/rural/2019-05-29/vegan-movement-challenges-for-red-meat-industry/11154724>

Bloomberg Intelligence Report, 2021 (5)



# HEAD OFFICE TEAM



**AMIT TEWARI**  
**FOUNDER/CEO/COO  
DIRECTOR**

Amit has had over 11 years of restaurant ownership experience, Amit is the acting CEO and COO at the VFH, taking the operational, strategic and cultural lead for the group., and making executive decisions around growth.

Amit has been a director of an entity that has gone through a voluntary administration in 2021 and was subsequently brought out of administration, and back to trading, through an accepted Deed of Creditor Arrangement.



**DR KULATHEVY TEWARI**  
**DIRECTOR/OPERATIONAL  
LEAD**

Kulathevy was one of Soul Burgers first employees and has seen the brand grow from 1 to 4 locations.

She has maintained the role of Director at Soul Burger Holdings Pty Ltd.

Her duties revolve around operational assistance, new concept reviews and administrative oversight.

She is currently also working as a General Practitioner



**KYLE JENKINS**  
**GROUP ACCOUTANT**

Kyle is the group accountant to the VFH and oversees cash flow management, forecasting and financial modelling for the VFH group.

Kyle has worked as a manager and senior manager across the Big 4 Firms, before holding roles as a CFO and CCO at startups REFFIND and Clipsal



**JESSIE CLEAR**  
**BRAND DEVELOPMENT  
CONSULTANT**

Jessie Clear has worked as a creative director at different agencies including SERV and the M Agency.

She has also worked as an Art Director at Merivale and has designed the creatives for Plantas Taqueria and Zaynas Lebanese



**DAVE WRIGHT**  
**DIGITAL ADVERTISING  
CONSULTANT**

Dave Wright has had over 20 years of experience in paid advertising including managing over \$6M AUD a year in media spend across Youtube, Facebook, Google & Meta.

Dave manages VFH's social media spend & is accountable for ROAS.



**CHRIS MOLLOY**  
**CHEF CONSULTANT**

Chris is a former Head Chef at Establishment Group for Merivale. He has over 10 years in high end chef experience and is exceptionally passionate about vegan food and growing the alternative meat space.

Chris joined the VFH in a consulting capacity in 2022 and has helped review the Plantas and Zaynas Menu builds



**LAURA VALENCIA**  
**GROUP EXECUTIVE  
ASSISTANT**

Laura is currently the Executive Assistant at the Vegan Food Hub.

Laura is across operational work, project management, general administration tasks as well as assisting the CEO in communicating to store managers and teams on the store level

# ADVISORY TEAM



**DEVEN BILLIMORIA**  
**GROUP ADVISOR**

Deven Billimoria is the former CEO and Managing Director at SmartGroups Investments, joining the company from <\$1M ARR and leading it to a public listing and >\$250M ARR as the CEO. Deven is an experienced CEO and is focussed on guiding the VFH around business strategy, operational accountability and effective management.

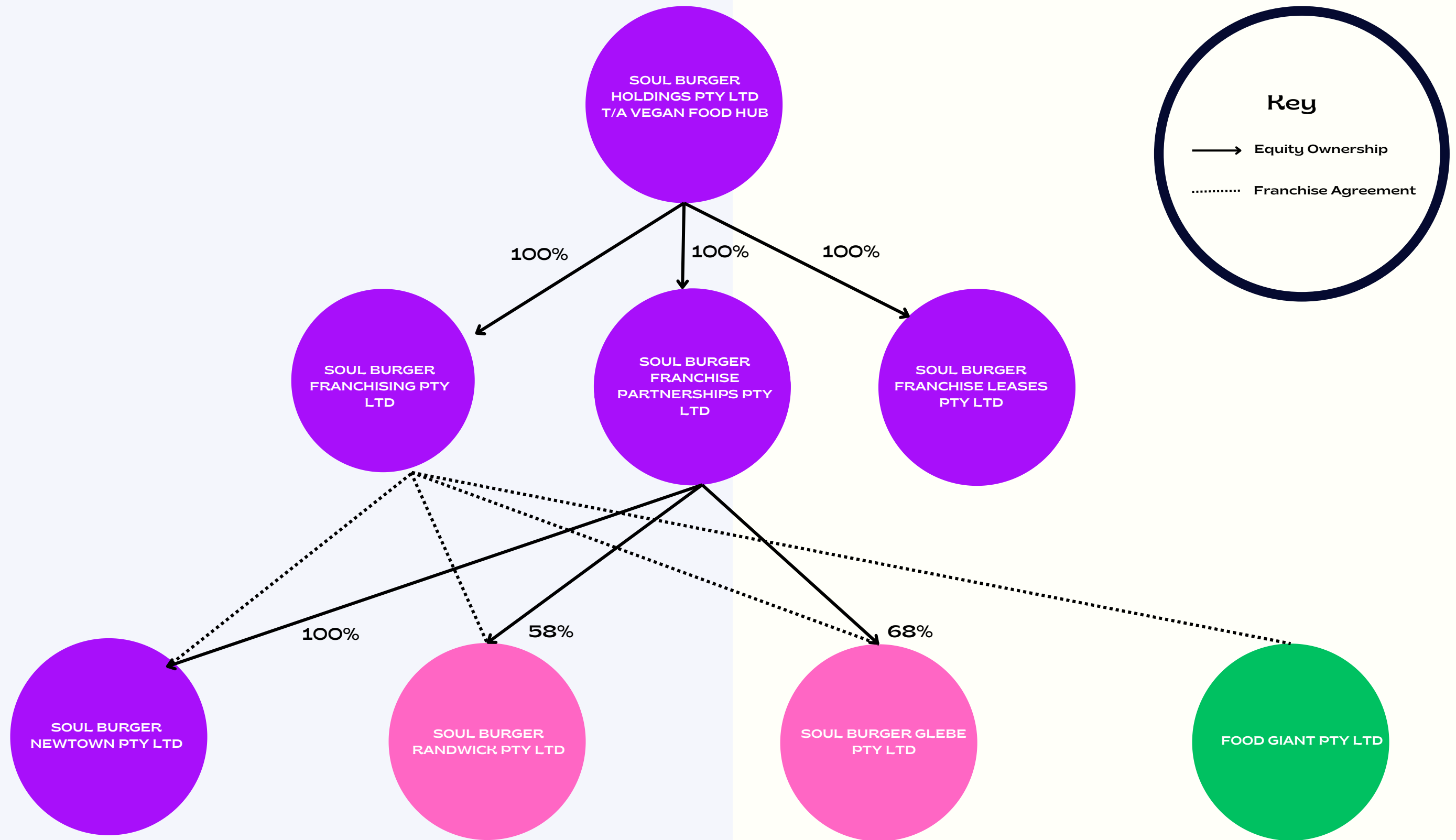


**MICHAEL EPHRAIM**  
**GROUP ADVISOR**

Michael is the former PlayStation Managing Director, ANZ and VP Sony Computer Entertainment Europe.. During his time at Sony he helped launched the iconic Playstation brand throughout AU and NZ. Michael is an experienced MD and is focussed on guiding the VFH around branding and retail strategy



# ORGANISATIONAL STRUCTURE



Wholly owned by Soul Burger Franchise Partnerships Pty Ltd. Also bound to franchising agreement with Soul Burger Franchising Pty Ltd

110 shares owned by Soul Burger Franchise Partnerships Pty Ltd; 80 shares owned by Manager Ranjhana Khatri. Also bound to franchising agreement with Soul Burger Franchising Pty Ltd

150 shares owned by Soul Burger Franchise Partnerships Pty Ltd; 70 shares owned by Manager Rabin Shrestha. Also bound to franchising agreement with Soul Burger Franchising Pty Ltd

Wholly independent entity owned by franchisee; bound to franchising agreement with Soul Burger Franchising Pty Ltd



# COMMENTS



**Soul Burger Holdings Pty Ltd:** This is the IP holdings entity and head entity that owns 100% of the shares in Soul Burger Franchising, Soul Burger Franchise Partnerships Pty Ltd and Soul Burger Franchise Leases Pty Ltd.

**Soul Burger Franchise Leases Pty Ltd:** This is the lease holdings entity for the group, should a dispute arise with a landlord, this entity protects the group. Soul Burger Holdings Pty Ltd is the sole shareholder of this entity.

**Soul Burger Franchise Partnerships Pty Ltd:** This is the operations entity for the group. It owns 100% of Soul Burger Newtown Pty Ltd, 58% of Soul Burger Randwick Pty Ltd and 68% of Soul Burger Glebe Pty Ltd. Soul Burger Holdings Pty Ltd is the sole shareholder of this entity.

**Soul Burger Franchising Pty Ltd:** This is the Head office and Franchising Entity of the group. It has franchise agreements with all stores, including company owned stores in the event we want to joint-venture any stores with future managers. It gives us additional control and ensures head office is funded prior to any profit line. Soul Burger Holdings Pty Ltd is the sole shareholder of this entity.

**Soul Burger Randwick Pty Ltd:** This is the trading entity for the Soul Burger store in Randwick which owns Randwick store assets and revenue. It is majority owned by Soul Burger Franchise Partnerships Pty Ltd and minority owned by the store manager. See chart above for exact share split. As a franchisee entity, it is wholly bound to franchising agreement with Soul Burger Franchising Pty Ltd

**Soul Burger Glebe Pty Ltd:** This is the trading entity for the Soul Burger store in Glebe which owns Glebe store assets and revenue. It is majority owned by Soul Burger Franchise Partnerships Pty Ltd and minority owned by the store manager. See chart above for exact share split. As a franchisee entity, it is wholly bound to franchising agreement with Soul Burger Franchising Pty Ltd

**Soul Burger Newtown Pty Ltd:** This is the trading entity for the Soul Burger store in Newtown which owns Newtown store assets and revenue. It is wholly owned by Soul Burger Franchise Partnerships Pty Ltd. As a franchisee entity, it is wholly bound to franchising agreement with Soul Burger Franchising Pty Ltd

**Food Giant Pty Ltd:** This is a wholly independent franchisee entity operating in our Parramatta location. As a franchisee entity, it is wholly bound to franchising agreement with Soul Burger Franchising Pty Ltd



# CAPITAL STRUCTURE

As at the date of this Offer Document, the Company has 10,000,000 ordinary shares and 1,381,861 SAFEs. The majority of shares are held by the Company’s founders/directors.

The Company also has the authority to issue up 8.67% of the Company’s issued share capital under the Company’s Employee Share Option Plan.

Table 1 below sets out the issued capital of the Company before the Offer.

## ISSUED CAPITAL

Table 1: Issued capital of the Company before the Offer

SHAREHOLDER	SHARE TYPE	SHARES	OPTIONS
TEWARI HOLDINGS PTY LTD	ORDINARY	10,000,000(100%)	
#ESOP (Allocated but not issued)	Ordinary	0	333,333 (100%)
TOTAL		10,000,000 (100%)	333,333 (100%)

Note Soul Burger Holdings Pty Ltd intends to implement a total of 1,111,111 shares for ESOPs. Of these, 333,333 shares have been allocated in ESOP offers vesting over 3 years, with 0 issued into shares so far.

Table 2: Issued capital of the Company following the Offer (on a fully diluted basis)

SHARES	MINIMUM SUBSCRIPTION (\$250,000)	MAXIMUM SUBSCRIPTION (\$1,000,000)
EXISTING ORDINARY SHARES	10,000,000 (78%)	10,000,000 (73%)
SAFE SHARES	1,381,861 (10%)	1,381,861 (10%)
ESOP Shares (Issued & Allocated)	333,333 (3%)	333,333 (3%)
ESOP Shares (Unallocated)	777,778 (6%)	777,778 (6%)
OFFER SHARES	316,455 (3%)	1,265,822 (9%)
TOTAL SECURITIES	12,809,427 (100%)	13,758,794 (100%)

# RIGHTS AND LIABILITIES ASSOCIATED WITH SECURITIES

As at the date of this Offer, the only class of shares on issue are ordinary shares. . The Company has also issued SAFEs notes (which will convert to ordinary shares should our crowd equity fund reach its minimum) and has also adopted an Employee Share Option Plan.

Set out below is a summary of the rights and liabilities associated with the securities in the Company. A copy of the Company’s Constitution is available on the Intermediary’s platform. The Company has the power to refuse a transfer of shares to a third party.





## Ordinary Shares

The rights and liabilities associated with the ordinary shares are set out in the Company's constitution, including:

All ordinary shares have the same voting rights and the same rights to receive dividends. Restrictions on the sale or transfer of shares, including drag and tag rights and exit provisions.

The Company has the discretion to approve a transfer of shares to a third party. The Constitution includes a definition of a Substantial Shareholder which means a shareholder with an equity proportion of 10% or more.

### **The Substantial Shareholder concept relates to:**

Shareholder reserved matters regime ie provisions requiring a "Substantial Shareholder Majority" which is a resolution approved by 50% or more of the votes cast on a resolution by the Substantial Shareholders.

Pre-emptive rights for Substantial Shareholders in certain circumstances on the issue or transfer of shares. The shares offered under this Offer are ordinary shares. A more detailed description of the rights and liabilities associated with the ordinary shares is set out below in Section 3.

### **SAFE (Simple Agreement for Future Equity)**

The Company has issued 3 Rounds of SAFEs to pre-seed and pre-series A investors. The SAFE will convert to ordinary shares when the Company raises over \$200,000. Key terms of the SAFE are as follows:

#### **Pre-Seed SAFE Round**

- Amount - \$350,000
- Discount Rate - 50%
- Trigger - Capital raise over \$200,000
- Use of funds - Working Capital

#### **Pre-Series A SAFE Round (Initial)**

- Amount - \$320,000
- Discount Rate - 15%
- Trigger - Capital raise over \$200,000
- Use of funds - Working Capital

#### **Pre-Series A SAFE Round (Later)**

- Amount - \$105,000
- Discount Rate - 10%
- Trigger - Capital raise over \$200,000
- Use of funds - Working Capital



Employee Share Option Plan (ESOP)

The Company has implemented an employee share option plan (ESOP) to attract, retain and incentivise key employees. The maximum number of options that can be issued under the existing ESOP is 8.67% of the share capital of the Company.

As at the date of this CSF Offer Document, the Company has allocated **333,333 options** (in the form of Ordinary Shares) and issued **0** of these under the Company's existing ESOP.

Shareholders Agreement

Other than the Constitution, there is no shareholders agreement or other agreement between the existing shareholders of the Company.

SOURCES OF FUNDING

DEBT FUNDING

As at the date of this Offer, the Company has relied on debt financing and SAFE notes to fund its business activities.

As at the date of this Offer, the Company has the following outstanding loans:

Description –Equipment Lease

Principal amount borrowed - \$60000  
Amount outstanding - \$17251  
Interest - fixed  
Repayment date – 30/8/2025  
Security - Equipment

Description – Unsecured Commonwealth Bank Loan

Principal amount borrowed - \$90,000  
Amount outstanding - \$68000  
Interest - fixed  
Repayment date - 30/8/23  
Security - Nil

Description – Unsecured Business Loan

Principal amount borrowed - \$50000  
Amount outstanding - \$10000  
Interest - fixed  
Repayment date - 30/9/2024  
Security - Nil





# RISKS OF FACING THE BUSINESS

An investment in the Company should be seen as high-risk and speculative. A description of the main risks that may impact the Company’s business is below. Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general risks associated with the Company (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

Risk	Description
Market Shift	There is a risk that the market shifts away from both delivery as a form of off-site food consumption as well as plant-based food in general. The Company strongly holds the position that the quick-service market is moving in the direction of greater sustainability and off-site consumption, however this carried inherent risk.
Competition	The plant-based quick service restaurant market is experiencing a growing influx of competitors. The Company has devised a distinctive formula; however, with intensifying competition, the Company must sustain its commitment to innovation in order to maintain a competitive edge. Such a pursuit entails inherent risks
Attracting and Retaining Talent	Our ability to execute our growth strategy and effectively manage the operational and financial risks of expansion may be compromised if we fail to attract and retain essential employees. The Company faces the risk of losing key team members who play a critical role in its ongoing success.
Supply Chain Partners	In the event of a supply disruption caused by ingredient shortages from suppliers or the inability of contract manufacturer(s) to continue production, there is no assurance that alternative suppliers or contract manufacturers can offer comparable services or products, and even if they can, it may not be at a similar price or available at all.
National Economic Shocks	A future pandemic, or national/global economic shock could impact our ability to operate as a business. The Company holds very low break even points and runs a very lean operation, however a global or national event could pose an inherent risk to the business.



# FINANCIAL INFORMATION - PROFIT AND LOSS STATEMENTS

Below are the consolidated financial statements of the Company and its controlled subsidiaries for the financial year ended 30 June 2022 which have been prepared in accordance with the Accounting Standards.

Financial information for the 11 months ended 31 May 2023 has also been included. The information has been prepared on a consistent basis based on management accounts, and accordingly may be subject to change.

The consolidated group include Soul Burger Holdings Pty Ltd, its wholly controlled subsidiaries, and its majority owned entities (Soul Burger Newtown Pty Ltd, Soul Burger Randwick Pty Ltd, Soul Burger Glebe Pty Ltd and Soul Burger Franchising Pty Ltd).

	For the 11 months ended 31 May 2023	FY23 % Revenue	For the 12 months ended 30 June 2022	FY22 % Revenue
Total Trading Income	\$2,463,695		\$2,386,695	
Restaurant Sales	\$2,418,298		\$2,380,564	
Franchise Fees	\$45,397		\$6,130	
Total Cost of Sales	\$700,750	28.4%	\$778,803	32.6%
Gross Profit	\$1,762,945	71.6%	\$1,607,892	67.4%
General Overheads	\$20,436	0.8%	\$22,436	0.9%
Finance Costs	\$11,908	0.5%	\$9,908	0.4%
Consulting & Accounting	\$23,432	1.0%	\$23,400	1.0%
Delivery Fees (Aggregator + Direct)	\$472,951	19.2%	\$375,312	15.7%
Insurance	\$18,551	0.8%	\$32,801	1.4%
Utilities (Gas/Electricity)	\$52,863	2.1%	\$31,972	1.3%
Rent	\$252,887	10.3%	\$298,546	12.5%
Repairs and Maintenance	\$57,033	2.3%	\$47,896	2.0%
Subscriptions	\$26,115	1.1%	\$19,086	0.8%
Superannuation	\$67,218	2.7%	\$73,664	3.1%
Wages and Salaries	\$654,569	26.6%	\$750,616	31.5%
Total Operating Expenses	\$1,657,963		\$1,685,637	
Restaurant Profit	\$104,982	4.3%	\$(77,745)	-3.3%
Head Office Cost	\$(158,182)	-6.4%	\$(65,523)	-2.7%
Net Position	\$(53,199)	-2.2%	\$(143,268)	-6.0%



# BALANCE SHEET

Consolidated Balance Sheet	As at 31st May 2023	As at 30th June 2022
Cash and Cash Equivalents	\$151,775	\$161,776
Cash	\$68,900	\$78,901
Bank Guarantees	\$82,875	\$82,875
Non Current Assets	\$989,036	\$806,555
Tax Loss Receivable	\$291,594	\$291,594
Property, Plant and Equipment	\$487,650	\$514,961
Intangible Assets	\$209,792	
Total Assets	\$1,140,811	\$968,331
Current Liabilities	\$150,011	\$149,313
Current Trade Payables	\$38,000	\$45,000
CBA Loan	\$68,000	\$90,000
Accrued Leave	\$44,011	\$14,313
Non Current Liabilities	\$409,207	\$609,226
Silverchef Equipment Finance (24 month)	\$17,251	\$47,353
Business Fuel	\$10,000	\$50,000
Non Current Liabilities (>12 months)	\$173,956	\$360,873
ATO BAS/PAYG Payables (36 months)	\$208,000	\$151,000
Total Liabilities	\$559,218	\$758,539
Net Assets	\$581,593	\$209,792
Total Equity	\$581,593	\$209,792
Retained Earnings	\$(193,408)	\$(140,208)
Contributed Equity	\$775,000	\$350,000
Minority Interest		

# CASH FLOW STATEMENT

	For the 11 months ended 31 May 2023	For the 12 months ended 30 June 2022
Receipts from customers	\$2,463,695	\$2,386,695
Cost of Sales	\$(700,750)	\$(778,803)
Expenses	\$(1,657,963)	\$(1,685,637)
Other Income	\$-	\$-
Cash Tax Paid	\$-	\$-
Changes in Accounts Payable		
Changes in Liabilities	\$(395,520)	\$(196,199)
Change in Other Current Assets	\$82,875	\$82,875
Operating Cashflow	\$(207,664)	\$(191,070)
Change in Fixed Assets (ex Depn and Amort)	\$-	\$-
Change in Intangible Assetts (Brand Goodwill)	\$350,000	\$-
Change in Investments or Non-Current Assetts	\$-	\$-
Free Cash Flow	\$(207,664)	\$(191,070)
Net Interest (after tax)	\$-	\$-
Contributed Capital	\$425,000	\$350,000
Net Cash	\$151,775	\$161,776



# STATEMENT OF CHANGES IN EQUITY

	For the 11 months ended 31 May 2023	For the 12 months ended 30 June 2022
Beginning Balance	\$209,792	\$3,060
Profit/(Loss)	\$(53,199)	\$(143,268)
Issued Capital	\$425,000	\$350,000
Ending Balance	\$581,593	\$209,792

# MANAGEMENT COMMENTS

The financial performance over the last 12 months has been positive.

Particularly encouraging is the operational efficiency of the business that is accompanying the revenue rise.

The key following restaurants metrics which represent COGS (Cost of Goods Sold), Restaurant Labour Costs and Restaurant Rental Costs have improved as follows from FY22 (ending June 30th) to FY23 (ending 31st May) (expressed in % of revenue)

- Group Gross Profit has increased by 4.19%
- Restaurant Labour costs has decreased by 5.24%
- Restaurant Rental costs has decreased by 2.24%

The 3 key expenses (Rent + Labour + COGS) as a % of restaurant revenue add to 68%.

Group Restaurant Profitability also rose from -3.13% (for the 12 months ended 30 June 2022) to +4.26% in (for the 11 months ended 31 May 2023) which is to be expected given the improvements in the key operational expense lines above.

Head Office Loss rose by \$92,658.36 (for the 11 months ended 30 June 2023) as compared to the PNL for (for the 12 months ended 30 June 2022).

This was due to the below:

- The development of Plantas Taqueria from inception to execution.
- The development of Zaynas Lebanese from inception to execution.
- The cost of the Birchal Crowd Equity Raise Campaign
- The initial development of PokeWay, an upcoming brand to be trialled.
- The addition of a full time paid Digital Marketing Intern to manage the growing social media accounts across the brands (it has since been determined this role will be replaced with a dedicated restaurant social media agency which will drop costs by approximately \$25,000 p.a.)

We estimate Head Office will not run as an expense line next year as we do not plan to develop any new brands, and instead focus on building physical stores for existing brands and optimising revenue from Soul Burger, Plantas Taqueria , Zaynas Lebanese and eventually, PokeWay.

The group anticipates a reduction in delivery costs as a % of revenue as we will increase focus on dine-in revenue & catering. A re-emphasis on local area marketing will see us target a 15% increase in same store sales over the next 12 months. We expect to have no cash burn in the company for FY 2024.

Financial statements of the Company have been prepared in accordance with Australian accounting standards by appropriately qualified accountants. They have not been audited. All figures, unless otherwise stated, are denominated in whole Australian dollars.

Comments on revenue outlook are inherently uncertain and should not be solely relied upon as they are subject to change, uncertainty and unexpected events, many of which cannot be controlled. Accordingly, actual results are likely to differ from the forecasts. No representation or assurance is or can be given that the forecasts will be achieved. Past performance is no guarantee of future performance. This revenue outlook has been prepared by the Company and has not been validated by an independent third party



# SECTION 3 INFORMATION ABOUT THE OFFER

## TERMS OF THE OFFER

The Company is offering up to 1,265, 822 shares at an issue price of \$0.79 per share to raise up to \$1,000,000. The key terms and conditions of the Offer are set out below.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$0.79 per share
Minimum Subscription	\$250,000
Maximum Subscription	\$1,000,000
Opening date	June 21st, 2023
Closing date	July 6th, 2023

**A description of the rights associated with the shares is set out below**

To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary’s platform. The Intermediary’s website provides instructions on how to apply for shares under the Offer at [www.birchal.com](http://www.birchal.com).

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

Retail investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4 of this CSF offer document.

The Offer is not underwritten and there is no guarantee that these funds will be raised.





# USE OF FUNDS

The table below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts.

Intended use	Minimum Subscription (\$250,000)	Maximum Subscription (\$1,000,000)
Working Capital	\$129,700	\$150,000
Soul Burger Finalise Site #5	\$100,000	\$100,000
Zaynas Site #1		\$225,733
Plantas Site #1		\$225,733
Plantas Site #2		\$225,734
Soul Burger Melb #1		
Plantas Melb #1		
Offer costs	\$20,300	\$72,800
Total	\$250000	\$1,000,000

Working Capital includes overhead expenses, stock costs, employee wages, costs related to branding and marketing



The Offer costs includes the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are up to 6% of all funds raised by the Company through Birchal Financial Services Pty Ltd (Intermediary), plus \$2,800 for administration and setup costs.

Other than as specified above, no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling shareholders, or any other persons involved in promoting or marketing the Offer.

We expect that the Maximum Subscription amount will be sufficient to meet the Company's short-term objectives over the next 18-24 months. We plan to raise future funds after this period for further growth, which will dilute existing shareholder equity.

If this CSF Offer is unsuccessful, or if only the Minimum Subscription amount is raised, the Company will require further funding to be able to carry out our intended activities over the next 12-18 months. In such circumstances, the Company may consider alternative sources of funding, such as undertaking a further CSF offer under the CSF regime or other debt or equity funding. Until additional funding is obtained, we will scale back and continue to focus our cash resources on day to day business activities.

# RIGHTS ASSOCIATED WITH THE SHARES

Immediately after issue, the shares under this Offer will be fully-paid ordinary shares. There will be no liability on the part of shareholders and the shares will rank equally with the shares currently on issue.

The rights associated with the shares are set out in the Company's constitution. These rights are described below. A copy of the constitution is available on the Intermediary's platform.

## VOTING RIGHTS

Each shareholder has one vote on a show of hands and, on a poll, one vote for each share held.

## DIVIDENDS

All shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion and may resolve to pay dividends, subject to their obligations under the Corporations Act (for example, they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

## GENERAL MEETINGS AND NOTICES

Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares. Shareholders who hold at least 10% of the votes which may be cast at a general meeting of the Company have the power to call and hold a meeting themselves or to require the directors to call and hold a meeting.

## ELECTION AND REMOVAL

Shareholders may vote to elect and remove directors at a general meeting by way of ordinary resolution (50%).

## WINDING-UP

If the Company is wound up and there are any assets left over after all the Company's debts have been paid, the surplus is distributed to shareholders after secured and unsecured creditors of the Company. Holders of fully-paid ordinary voting shares rank [ahead/behind] other classes of shares (if any).



# RESTRICTIONS ON SALE AND TRANSFER

Drag along and tag along rights

The Constitution contains drag and tag-along rights, as follows:

- Drag rights - If Shareholders who together hold 60% of the shares on issue propose to sell all of their shares to a third party, they can 'drag' the remaining 40% to sell their shares on the same terms. The pre-emptive rights process does not need to be undertaken in order for the drag along to be triggered.
- Tag rights - If Shareholders who together hold 85% or more of the shares on issue propose to sell their shares to a third party under one transaction (or series of transactions) the remaining 15% may also 'tag'-along and sell their shares on the same terms.

If the Company has no CSF shareholders and is regulated under Chapter 6 of the Corporations Act, the Constitution contains a mechanism to 'turn off' the drag along and tag along provisions (as these provisions cannot functionally apply if the Company is regulated by Chapter 6 of the Corporations Act).

## Exit provisions

The Board may propose an Exit Event including an IPO, share sale, asset sale or another transaction which results in a change of control, or which the Board determines is an Exit Event. A Substantial Shareholder Majority must approve the Exit Proposal. If an Exit Proposal is approved by a Substantial Shareholder Majority, all Shareholders (and Directors) must exercise all rights and do all things to enable the Exit Event to occur.

# PRE-EMPTIVE RIGHTS ON ISSUES OF SHARES

If a Substantial Shareholder provides a notice to transfer its shares (other than as a permitted disposal), the Company must first offer each other Substantial Shareholder the right to purchase those shares. The Board may vary this procedure, provided that each Substantial Shareholder has an opportunity to acquire their pro rata entitlement to the Sale Shares and there is no material adverse impact on a Substantial Shareholder. The Constitution also includes carve outs for CSF offers and capital raisings up to [##]% of the capital of the Company.

Escrow arrangements in an IPO

If an Exit Proposal is approved under the Constitution and that Exit Proposal involves an IPO, each shareholder agrees to enter into any required escrow arrangements as may be required by law, the rules of the relevant stock exchange, or as may be recommended by the relevant financial adviser to enable the success of the IPO.

On-sale restrictions under the Corporations Act

Shares acquired under the Offer may not be on-sold within 12 months of their issue without a prospectus or other disclosure document, unless an exemption under section 708 of the Corporations Act 2001 (Cth) applies (e.g. sales to sophisticated or professional investors) or unless ASIC gives relief from the requirement to provide such prospectus or other disclosure document.

If the Board resolves to issue new Equity Securities (which includes shares, options, warrants, convertible notes or any other instrument convertible into shares), it must first offer the new Equity Securities to each Substantial Shareholder (as defined in the Constitution) unless one of the following exceptions apply::

- The Board resolves to make a CSF offer
- The issue of Equity Securities is a public offer of securities
- The Board resolves to issue up to 10% in aggregate of the issued share capital of the Company, provided such issuances are not exercised more than once in any 12 month period
- The Substantial Shareholders waive (by Substantial Shareholder Majority) the pre-emptive rights provisions related to the issuance of new Equity Securities
- The Equity Securities are issued as part of an approved ESOP
- The Equity Securities are issued as part of an Exit Event approved in accordance with the Constitution
- The Equity Securities are issued as part of an arm's length commercial agreement, provided that such issuances in any 12 month period are in aggregate not more than 20% of the issued share capital of the Company;
- The Equity Securities are issued as part of the consideration for an acquisition of an interest in any business, entity or company approved by the Board by Special Resolution Vote.

## 3.3.8 Amendments to the Constitution

To vary the Constitution or adopt a new constitution, the Company must pass a special resolution at a general meeting. At least 60% of the voting members of the Company must vote in favour of the resolution for it to pass.





# WHAT CAN I DO WITH MY SHARES?

Shares in the Company are considered illiquid as they cannot easily be transferred or sold.

However, there are numerous possible circumstances that may create an opportunity for shareholders to exit their investment in the Company. These include:

- A trade purchase of the Company
- A listing on a registered stock exchange (eg the ASX)
- A private equity investment in the Company
- A share buy-back by the Company

There is no guarantee that any of the exit options will eventuate.





# SECTION 4

## INFORMATION ABOUT INVESTOR RIGHTS

### Cooling-off rights

If you are a retail investor, you have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (Cooling-off Period).

You must withdraw your application via the Intermediary's platform. You will be able to withdraw your application within the Cooling-off Period by following the link and the instructions within your portfolio on the Intermediary's platform.

After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.

### Communication facility for the Offer

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The Company and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of the Company, and related parties or associates of the Company or the Intermediary, may participate in the facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.





## **Proprietary company corporate governance obligations**

### **Annual report**

While the Company is currently a small proprietary company that is not required to prepare annual financial reports and directors' reports, if we successfully complete this Offer, then we will be required to prepare and lodge these annual reports with ASIC (within four months of the financial year end). The Company has a 30 June year end and its financial reports must be lodged by 31 October each year.

Our financial reports are currently not required to be audited as we are a small proprietary company. This means that the Company's financial reports will not be subject to auditor oversight and, therefore, there will be no independent assurance of the Company's financial statements. However, the directors are still required to ensure that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.

We may be required to have our financial reports audited in the future if we raise more than \$3 million from CSF offers (including this current offer and any future offers) or otherwise become a large proprietary company.

### **Distribution of annual report**

The Company is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the annual report via the password protected shared folder (free of charge) or can purchase the report from ASIC.

### **Related party transactions**

If we successfully complete this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as we continue to have CSF shareholders). This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

### **Company updates**

The Company will provide regular updates to investors on the Company's website at the following password protected shared folder – these will take the form of quarterly reports.





## Takeover

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company. However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

## GLOSSARY

**Company** means Soul Burger Holdings Pty Ltd ACN 644 340 296

**Cooling-off Period** means the period ending five business days after an application is made under this Offer, during which a retail investor has a right to withdraw their application and be repaid their application money

**CSF** means crowd-sourced funding under Part 6D.3A of the Corporations Act

**Intermediary** means Birchall Financial Services Pty Ltd ACN 621 812 646 AFSL 502618

**Maximum Subscription** means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer. The maximum subscription is subject to rounding based on the share price for the offer.

**Minimum Subscription** means the amount specified in this CSF offer document as the minimum amount sought to be raised by the Offer. The minimum subscription is subject to rounding based on the share price for the offer.

**Offer** means an offer of fully-paid ordinary shares by the Company under this CSF offer document

**Retail investor** has the meaning given to the term “retail client” under the Corporations Act