

VEGAN FINE FOODS

2019 Report

Dear investors,

The past year was great for me personally and for Vegan Fine Foods. As founder and CEO, I have learned so much about our business, our industry, and the amazing growth prospects that are right before us. I've also learned that no matter how much you analyze and forecast, there are always challenges and surprises on the horizon. This year has made me stronger as a person and leader. It's also confirmed the unique opportunity we have as a business and brand to establish ourselves as a leader in the plant-based foods market. I really believe that all of the challenges, successes, and mistakes made since we launched have given us the opportunity to learn what works and what doesn't work. These are the experiences that have helped me grow and our entire team as well. If Vegan Fine Foods continues to get the support from our current and future investors, we will create a culture that we will make us all proud and a business that generates exceptional returns for our investors.

We need your help!

Our investors have been incredibly supportive throughout our campaign and afterwards. We need the continued support in our mission and vision of what Vegan Fine Foods can achieve. We would also ask our investors to stick with us and consider an additional investment when we launch our next round of financing. With the recent challenges in the U.S. and global economy, we are confident that we are much better positioned to exceed our goals. We just have to get through our three year startup phase with the support of our investors.

Sincerely,

Steven Smith

Founder and CEO

Our Mission

In five years we would like to be preparing our IPO with over 100 franchises, covering every major market in the US, with international expansion as well. We would also like to have the most successful vegan e-commerce website, providing our own "Vegan Fine" brand of products, as well as startup and national brands. We will also be leader in providing information and education on health, wellness, and nutrition.

[See our full profile](#)



How did we do this year?

Report Card

B-



The Good

We had great momentum as a business and incredible support from our customers in 2019.

Over 200 people from the United States and abroad have expressed interest in owning a Vegan Fine Foods franchise.

Our first fundraising round was a huge success with



The Bad

We did not raise enough capital to fund the initiatives that are critical to achieving our financial and strategic objectives.

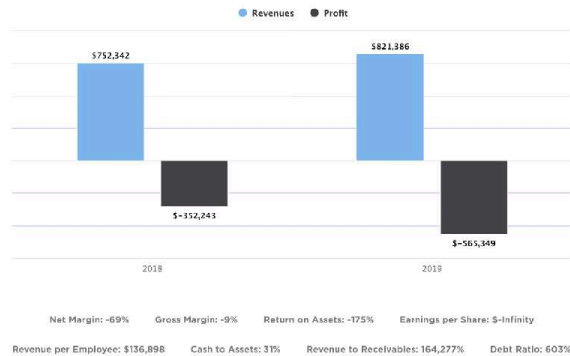
The launch of our e-commerce platform has experienced significant delays based on challenges with our fulfillment suppliers.

Operating costs were much higher than forecasts, which forced us to focus more resources on improving internal efficiencies.

January 1 to December 31



NARRATIVE



 Vegan_Fine_Foods__LLC_12-31-18_FS.PDF

Thank You For Believing In Us

[illegible]

From the Vegan Fine Foods Team

The Board of Directors

DIRECTOR	OCCUPATION	JOINED
Sara Sherbondy	Chief Operating Officer @ Vegan Fine Foods, LLC	2019
Iselgis Garcia	Director of Operations @ Florida Atlantic University	2018
Rainford Knight	Co-Founder & Managing Partner, Florida Institute of Finance @ Florida Institute of Finance	2018
Scott Schotter	CEO of Meta Group Media @ Meta Group Media	2018
Steven Smith	CEO of Vegan Fine Foods @ Vegan Fine Foods	2017
Scott Alter	Physician @ Hospital	2019

Officers

OFFICER	TITLE	JOINED
Sara Sherbondy	Chief Operating Officer	2019
Rainford Knight	CFO	2018
Scott Schotter	Chief Marketing Officer	2018
Steven Smith	President CEO	2017

Voting Power ^(b)

HOLDER	SECURITIES HELD	VOTING POWER
Steven Smith	Membership Interests	100.0%

Past Equity Fundraises

DATE	AMOUNT	SECURITY	EXEMPTION
11/2018	\$20,000		Section 4(a)(2)

The use of proceeds is to fund general operations.

Convertible Notes Outstanding

ISSUED	AMOUNT	INTEREST	DISCOUNT	VALUATION CAP	MATURITY
11/28/2018	\$20,000 ^(b)	20.0%	10.0%	None	11/28/2019 ^(b)

Outstanding Debts

LENDER	ISSUED	AMOUNT	OUTSTANDING	INTEREST	MATURITY	CURRENT
Vegan Market Inc.	12/31/2017	\$164,992	\$164,992 ^(b)	5.0%		Yes
Loan Builder	08/07/2018	\$75,000	\$0 ^(b)	9.21%	12/28/2018	
Funding Metrics	10/02/2018	\$60,000	\$0 ^(b)	6.53%		
LoanBuilder	12/28/2018	\$100,000	\$67,522 ^(b)	8.26%	01/03/2020	Yes
Vegan Market Inc.	12/31/2018	\$100,225	\$138,290 ^(b)	5.0%		Yes
Scott Alter	01/26/2019	\$100,000	\$133,676 ^(b)	11.0%	01/25/2023	Yes
Scott Alter	01/26/2019	\$100,000	\$94,950 ^(b)	11.0%	01/25/2023	Yes

Related Party Transactions

Name	Scott Alter
Amount Invested	\$100,000
Transaction type	Loan
Issued	01/26/2019
Outstanding principal plus interest	\$133,676 as of 05/2019
Interest	11.0 per annum
Maturity	01/25/2023
Outstanding	Yes
Current with payments	Yes
Relationship	Company Director

Name	Vegan Market Inc.
Amount Invested	\$164,922
Transaction type	Loan
Issued	12/31/2017
Outstanding principal plus interest	\$164,922 as of 05/2019
Interest	5.0 per annum
Outstanding	Yes
Current with payments	Yes
Relationship	Parent Company

This is a related party loan with no set maturity date. It is intended to be repaid as the company becomes profitable.

Name	Scott Alter
Amount Invested	\$100,000
Transaction type	Loan
Issued	01/26/2019
Outstanding principal plus interest	\$94,950 as of 03/2019
Interest	11.0 per annum
Maturity	01/25/2023
Outstanding	Yes
Current with payments	Yes
Relationship	Company Director

Name	Vegan Market Inc.
Amount Invested	\$100,225
Transaction type	Loan
Issued	12/31/2018
Outstanding principal plus interest	\$100,225 as of 05/2019
Interest	5.0 per annum
Outstanding	Yes
Current with payments	Yes
Relationship	Parent Company

This is a related party loan with no set maturity date. It is intended to be repaid as the company becomes profitable.

Capital Structure

CLASS OF SECURITY	SECURITIES (OR AMOUNT) AUTHORIZED	SECURITIES (OR AMOUNT) OUTSTANDING	VOTING RIGHTS
	SECURITIES RESERVED FOR ISSUANCE UPON EXERCISE OR CONVERSION		
Warrants:	0		
Options:	0		

Risks

Iselgis Garcia is a part-time officer. As such, it is likely that the company will not make the same progress as it would if that were not the case.

Rainford Knight is a part-time officer. As such, it is likely that the company will not make the same progress as it would if that were not the case.

Scott Schotter is a part-time officer. As such, it is likely that the company will not make the same progress as it would if that were not the case.

Supply chain. The demand for plant-based products is sometimes very high, causing our distributors to go out of stock. If our distributors are out of stock and we cannot secure inventory, our business may be negatively impacted.

Grocery sales. Margins in grocery sales are tight. Consumers tend to be price-sensitive, and scenarios if there is a downturn in the economy, consumers may lose faith in our

and opportunity to obtain or to access such products elsewhere, customers may need to visit products or shop elsewhere entirely.

Competition. We are in competition with larger, better capitalized grocery stores such as Whole Foods, Trader Joes, and The Nugget. Should they offer the same products we do we may struggle to compete.

Market. Our business model is based on an assumption that the natural foods and vegan trend will continue to grow. If that is untrue, our business revenues may be negatively impacted.

Description of Securities for Prior Reg CF Raise

Additional issuances of securities. Following the Investor's investment in the Company, the Company may sell interests to additional investors, which will dilute the percentage interest of the Investor in the Company. The Investor may have the opportunity to increase its investment in the Company in such a transaction, but such opportunity cannot be assured. The amount of additional financing needed by the Company, if any, will depend upon the maturity and objectives of the Company. The declining of an opportunity or the inability of the Investor to make a follow-on investment, or the lack of an opportunity to make such a follow-on investment, may result in substantial dilution of the Investor's interest in the Company.

Issuer repurchases of securities. The Company may have authority to repurchase its securities from unitholders, which may serve to decrease any liquidity in the market for such securities, decrease the percentage interests held by other similarly situated investors to the Investor, and create pressure on the investor to sell its securities to the Company concurrently.

A sale of the issuer or of assets of the issuer. As a minority owner of the Company, the investor will have limited or no ability to influence a potential sale of the Company or a substantial portion of its assets. Thus, the investor will rely upon the executive management of the Company to manage the Company so as to maximize value for unitholders. Accordingly, the success of the investor's investment in the Company will depend in large part upon the skill and expertise of the executive management of the Company. If the Management of the Company authorizes a sale of all or a part of the Company or a disposition of a substantial portion of the Company's assets, there can be no guarantee that the value received by the investor, together with the fair market estimate of the value remaining in the Company, will be equal to or exceed the value of the investor's initial investment in the Company.

Transactions with related parties. The investor should be aware that there will be occasions when the Company may encounter potential conflicts of interest in its operations. On any issue involving conflicts of interest, the executive management of the Company will be guided by their good faith judgement as to the Company's best interests. The Company may engage in transactions with affiliates, subsidiaries or other related parties, which may be on terms which are not arm's-length, but will be in all cases consistent with the duties of the management of the Company to its unitholders. By acquiring an interest in the Company, the investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

Minority Ownership

An Investor in the Company will likely hold a minority position in the Company, and thus be limited as to its ability to control or influence the governance and operations of the Company.

The marketability and value of the Investor's interest in the Company will depend upon many factors outside the control of the Investor. The Company will be managed by its officers and be governed in accordance with the strategic direction and decision-making of its Management, and the investor will have no independent right to name or remove an officer or member of the Management of the Company.

Following the investor's investment in the Company, the Company may sell interests to additional investors, which will dilute the percentage interest of the Investor in the Company. The investor may have the opportunity to increase its investment in the Company in such a transaction, but such opportunity cannot be assured.

The amount of additional financing needed by the Company, if any, will depend upon the maturity and objectives of the Company. The declining of an opportunity or the inability of the investor to make a follow-on investment, or the lack of an opportunity to make such a follow-on investment, may result in substantial dilution of the Investor's interest in the Company.

Exercise of Rights Held by Principal Shareholders

As holders of a majority-in-interest of voting rights in the Company, the unitholders may make decisions with which the investor disagrees, or that negatively affect the value of the investor's securities in the Company, and the investor will have no recourse to change these decisions. The Investor's interests may conflict with those of other investors, and there is no guarantee that the Company will develop in a way that is optimal for or advantageous to the investor.

For example, the unitholders may change the terms of the operating agreement for the company, change the terms of securities issued by the Company, change the management of the Company, and even force out minority holders of securities. The unitholders may make changes that affect the tax treatment of the Company in ways that are unfavorable to you but favorable to them. They may also vote to engage in new offerings and/or to register certain of the Company's securities in a way that negatively affects the value of the securities the investor owns. Other holders of securities of the Company may also have access to more information than the investor, leaving the investor at a disadvantage with respect to any decisions regarding the securities he or she owns.

In cases where the rights of holders of convertible debt, SARBS, or other outstanding options or warrants are exercised, or if new awards are granted under our equity compensation plans, an Investor's interests in the Company may be diluted. This means that the pro-rate portion of the Company represented by the Investor's securities will decrease, which could also diminish the Investor's voting and/or economic rights. In addition, as discussed above, if a majority-in-interest of holders of securities with voting rights cause the Company to issue additional units, an Investor's interest will typically also be diluted.

Restrictions on Transfer

The securities offered via Regulation Crowdfunding may not be transferred by any purchaser of such securities during the one year period beginning when the securities were issued, unless such securities are transferred:

- to the issuer;
- to an accredited investor²;
- as part of an offering registered with the U.S. Securities and Exchange Commission; or
- to a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

Valuation Methodology for Prior Reg CF Raise

The offering price for the securities offered pursuant to this Form C has been determined arbitrarily by the Company, and does not necessarily bear any relationship to the Company's book value, assets, earnings or other generally accepted valuation criteria. In determining the offering price, the Company did not employ investment banking firms or other outside organizations to make an independent appraisal or evaluation. Accordingly, the offering price should not be considered to be indicative of the actual value of the securities offered hereby.

The initial amount invested in a Convertible Note is determined by the investor, and we do not guarantee that the Convertible Note will be converted into any particular number of shares.

As discussed in Question 13, when we engage in an offering of equity involving Units, investors may receive a number of shares of Preferred Units calculated as either the conversion price equal to the lesser of (i) 80% of the price paid per share for Equity Securities by the Investors in the Qualified Financing or (ii) the price equal to the quotient of the valuation cap of \$5,000,000.00 (the "Valuation Cap") divided by the aggregate number of outstanding shares of the Company's units as of immediately prior to the initial closing of the Qualified Financing (assuming full conversion or exercise of all convertible and exercisable securities then outstanding, but excluding the shares of equity securities of the Company issuable upon the conversion of the Notes or any other debt).

Because there will likely be no public market for our securities prior to an initial public offering or similar liquidity event, the price of the Units that investors will receive, and/or the total value of the Company's capitalization, will be determined by our board of directors. Among the factors we may consider in determining the price of Units are prevailing market conditions, our financial information, market valuations of other

companies that we believe to be comparable to us, estimates of our business potential, the present state of our development and other factors deemed relevant. In the future, we will perform valuations of our units that take into account, as applicable, factors such as the following:

- unrelated third party valuations;
- the price at which we sell other securities in light of the relative rights, preferences and privileges of those
- our results of operations, financial position and capital resources;
- current business conditions and projections;
- the marketability or lack thereof of the securities;
- the hiring of key personnel and the experience of our management;
- the introduction of new products;
- the risk inherent in the development and expansion of our products;
- our stage of development and material risks related to our business;
- the likelihood of achieving a liquidity event, such as an initial public offering or a sale of our company given the
- market conditions and the nature and history of our business;
- industry trends and competitive environment;
- trends in consumer spending, including consumer confidence;
- overall economic indicators, including gross domestic product, employment, inflation and interest rates; and
- the general economic outlook.

We will analyze factors such as those described above using a combination of financial and market-based methodologies to determine our business enterprise value. For example, we may use methodologies that assume that businesses operating in the same industry will share similar characteristics and that the Company's value will correlate to those characteristics, and/or methodologies that compare transactions in similar securities issued by us that were conducted in the market.

Company

Vegan Fine Foods LLC
- Florida Limited Liability Company
- Organized July 2017
- 6 employees

330 SW 2nd Street
Fort Lauderdale FL 33312

<http://www.veganfinefoods.com>

Business Description

Refer to the [Vegan Fine Foods](#) profile.

EDGAR Filing

The Securities and Exchange Commission hosts the [official version of this annual report](#) on their EDGAR web site. It looks like it was built in 1989.

Compliance with Prior Annual Reports

Vegan Fine Foods is current with all reporting requirements under Rule 202 of Regulation Crowdfunding.

All prior investor updates

You can refer to the company's [updates](#) page to view all updates to date. Updates are for investors only and will require you to log in to the Wefunder account used to make the investment.

Say Hello

Questions? Ideas? Love Letters?

Say something nice...



SUBMIT COMMENT



You're the first one here!
Early people don't usually get a prize, so here's a love letter from us.



About us

[Our Profile](#)
[Jobs](#)
[Press](#)
[Blog](#)
[Charter](#)

Investors

[Getting Started](#)
[Risks](#)
[Earning Returns](#)
[Funds](#)
[Give/Get \\$2300](#)

Founders

[Raise Money](#)
[FAQ](#)
[Legal Primer](#)
[Deals](#)
[Fundraising Playbook](#)

Say Hello

hello@wefunder.com
[Twitter](#)
[Facebook](#)
[Instagram](#)
[San Francisco](#)

wefunder.com/vegan.fine.foods/reports/2019 is managed by Wefunder Inc. Wefunder Inc. runs wefunder.com and is the parent company of Wefunder Advisors LLC and Wefunder Portal LLC. Wefunder Advisors is an exempt reporting advisor that advises SPVs used to buy offerings. Wefunder Portal is a funding portal (CFO 3962252) that operates sections of wefunder.com where, since Regulation Crowdfunding offerings are made. Wefunder Inc. operates accounts of wefunder.com where some Regulation Direct Offerings are made. Wefunder Inc. is not regulated in either a broker-dealer or investment advisor capacity in any of the states in which it operates. Wefunder Inc. is not a registered broker-dealer or investment advisor in any state.

