



b birchal

CSF Yearbook

2023

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Section 1

Industry overview

CSF industry key stats

Since commencement of the CSF industry in 2018, equity crowdfunding has grown to become an increasingly popular source of funding for Australian startups and innovators.

At a glance - all time results as at 31 Dec 2023



Australian records - all time



Founders' perspectives on CSF



"In the food and beverage sector, resonating with consumer values and authenticity is key. Crowd-sourced funding offers more than capital—it's a platform for storytelling, fostering deep customer connections and shaping authentic products. Success is about being believed in, not just being seen."

David Andrew
Founder
Naked Life Spirits



"As a female-founded-and-operated business in the rapidly emerging cannabis sector, accessing capital via traditional channels was an uphill slog for my company. The decision to partner with Birchal has been an absolute game changer for both X-Hemp and the hemp building products industry in Australia, as we were able to draw in capital from a diverse group of people eager to back a business that dares to be different."

Andi Lucas
Founder and CEO
X-Hemp



"CSF has proven pivotal for Medigrowth as a medicinal cannabis venture, connecting us with investors passionate about plant-based medicine. These advocates fuel our growth and share our vision, making CSF more than capital—it's a community driving healthcare innovation"

Adam Guskich
CEO and Co-Founder
Medigrowth

A few words from Birchal



Birchal is proud to present the fourth edition of the CSF Yearbook for 2023. This report tracks activity in the Australian crowd sourced funding (CSF) industry, and is based on data gathered by Birchal, as well as publicly available information gathered online. Analysis and information in this report is current as at 31 December 2023.

Early-stage businesses have now raised over \$289 million across 380 successful CSF offers through the CSF regime since it commenced in 2018.

In the context of persistently challenging funding conditions, 2023 was a truly remarkable year. 82 successful CSF Offers were completed, with a total of approximately \$71 million raised from over 35,000 investments.

We would like to thank all of the companies that have trusted us to help them along their journey, and the many thousands of Australian investors that have backed Australian businesses they believe in.

We are very pleased to share this report with you, and look forward to the year ahead!

Resilience and Momentum

2023 was a standout year for Australia's CSF scene, holding its ground in a globally uncertain financial climate. Even with the broader venture capital funding industry suffering a steep 58% drop, the CSF industry built momentum throughout the year to facilitate \$71 million funding volume, approximately the same amount as 2022.

Non-Beer Food and Beverage has its biggest year

Food and Beverage was again the most invested industry in 2023, for the third year running, with 24 successful campaigns raising a total of \$21.6m (or 31% of the industry).

Non-beer businesses surged, contributing \$19 million (the highest ever and 38% up from 2022's \$13.7 million). Beer-related businesses, which represented more than half of the Food and Beverage category in 2022 (\$14.3m of \$28m), raised \$2.7m across only 2 successful offers in 2023.

Big Moves and Notable Wins

CSF is becoming an increasingly important part of the financial system for early stage businesses and startups, alongside other funding sources and ecosystem players.

Recycle Smart made a smart move with CSF, raising \$1.037 million from 965 investors in July via Birchal. Their journey from the first cohort of the Antler program to leveraging CSF is a great example of how companies are accessing different capital sources throughout their growth journey.

Our Cow's journey this year is a prime example of strategic growth through CSF. Raising a hefty \$2.1 million from over 1100 investors on Birchal in March, they expanded their business by acquiring the assets of VC-backed Voly and have continued to scale their offering to other cities.

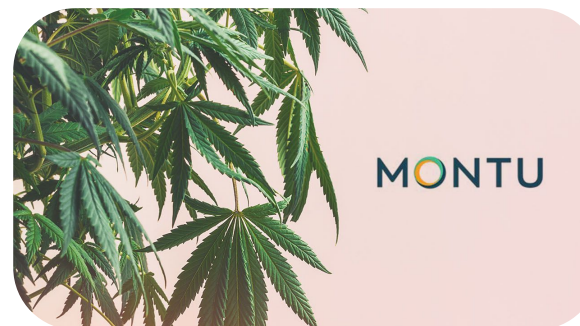
Exits and successes

Montu Group, which has raised \$5.5m through the CSF regime across two Birchal offers (\$2m in 2020 and \$3.5m in 2021), has potentially achieved the greatest success of any Birchal-funded company.

Montu achieved revenue of \$21m in FY22 (approximately 20x FY21), earning it first place in Deloitte's Technology Fast 50 in 2022 and again in 2023 (the first time any company has achieved back to back wins).

Montu recently reported to shareholders preliminary revenues of \$98m (with profit margin of 7% before tax) in FY23, from approximately \$100k in FY20, reported at the time of their first CSF offer.

In November 2021, Biome Australia Limited became the first CSF-funded company to list on the ASX (ASX: BIO). Recently, Alta (formerly Wimp 2 Warrior) announced its plans to list on a US exchange, following a series of acquisitions including fitness app "Steppen" and MMA community "The Underground" in 2023.



Thematic investors continuing appetite for cannabis

Cannabis ventures gained significant traction in 2023, with cannabis-related campaigns raising \$10.9 million out of a total of \$13.3 million for the healthcare category. Leading this wave was Cannaponics with their \$5 million raise in May, only the second company to achieve this.

This renewed interest in plant-based medicine and the budding psychedelics industry, following regulatory changes, point to an expanding focus area for CSF. Birchal anticipates this trend to gain momentum into 2024 and beyond.

Innovative Ventures: Redefining Boundaries

Campaigns like Cappsule, (an AI-driven property management innovator), Cyclion (a trailblazer in waste-to-energy technology) and Sunshine Hydro, (with its pioneering green energy solutions) have expanded the CSF industry into new territory. These innovative companies, with their groundbreaking approaches, highlight CSF's role in supporting an increasing amount of Australia's diverse and pioneering ventures.

Empowering Regional and Underserved Areas

A noteworthy mention goes to Ready Team One, a Perth-based VR gaming company. Resisting the trend to relocate to the East coast for investment, they raised \$600k with Birchal in May. This success story is a testament to the power of CSF in enabling tech companies to thrive anywhere. The CSF results underscore the growing opportunities for regions and areas traditionally underserved by professional investors.

Momentum and outlook for 2024

Momentum built towards a huge finish to 2023. In Q4 Birchal had its busiest quarter ever, hosting 27 successful CSF offers, including a \$2.4 million raise of our own in December.

With significant activity in Healthcare and Technology, and a focus on expanding the CSF regime to industries currently underrepresented in CSF, we're excited for what 2024 will bring.

Birchal Co Founder & CEO
Matt Vitale

Popular industries in 2023

Food and Beverage was again the most invested industry in 2023, for the third year running, with 24 successful campaigns raising a total of \$21.6m (or 31% of the industry).

Beer-related businesses, which represented more than half of the Food and Beverage category in 2022 (\$14.3m of \$28m), raised \$2.7m across only 2 successful offers in 2023. In stark contrast, non-beer businesses surged, contributing \$19 million (the highest ever and 38% up from 2022's \$13.7 million).

Health Care was the second most invested in industry in 2023, with 9 successful campaigns raising a total of \$13.3m. This sector was dominated by cannabis businesses which raised \$10.9m across four campaigns, including Cannaponics' \$5m raise in May 2023.

Sustainability and Consumer Goods were the next most invested in industries, raising a total of \$7.6m and \$4.7m respectively.



Food & Beverage

\$21.6m (31%)

24 Deals



Health Care

\$13.3m (19%)

9 Deals



Sustainability

\$7.6m (11%)

12 Deals



Consumer Goods

\$4.7m (7%)

8 Deals

Industry sectors in 2023



Food & Beverage

24 Offers

\$21.6m Funding

31%



Health Care

9 Offers

\$13.3m Funding

19%



Sustainability

12 Offers

\$7.6m Funding

11%



Consumer Goods

8 Offers

\$4.7m Funding

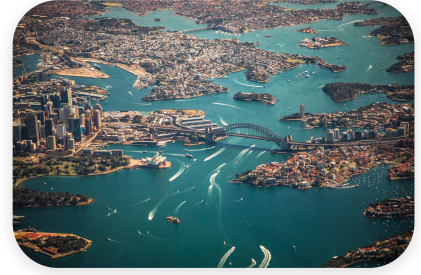
7%

SECTOR	DEALS	AMOUNT RAISED	INVESTORS
Food and Beverage	24	\$21.6m	9,728
Health Care	9	\$13.3m	7,521
Sustainability	12	\$7.6m	5,494
Consumer Goods	8	\$4.7m	2,632
Manufacturing	2	\$4m	1,630
Agriculture & Farming	5	\$3.9m	2,485
Transportation	4	\$3.8m	1,575
Financial Services	4	\$3.6m	1,345
Clothing and Apparel	3	\$2.7m	497
Apps	4	\$1.6m	1,336
Travel and Tourism	3	\$1.4m	531
Real Estate	1	\$1.4m	256
Media and Entertainment	1	\$600k	406
Software	2	\$359k	137

2023 – CSF activity by state

CSF funding activity was a mixed bag among Australian states in 2023. Victoria accounted for the most funds raised, with \$22m across 23 deals (31% of all funds raised, and an 11% drop on 2022), followed by New South Wales with \$19.7m (28% of all funds raised, and a 2% drop against 2022).

Western Australia achieved the biggest increase year on year, raising \$16.8m across 15 deals (24% of all funds raised, and a 116% increase on 2022). Tasmania achieved its most active year in CSF raising \$3.9m across 2 deals. And the ACT achieved its first result with Eeve’s \$1.6m raise on Birchal.



Number of successful deals per State in 2023

1

VIC

- 📄 23 CSF Offers
- 📈 \$22.1m raised

5

TAS

- 📄 2 CSF Offers
- 📈 \$4m raised

6

ACT

- 📄 1 CSF Offer
- 📈 \$1.6m raised

2

NSW

- 📄 28 CSF Offers
- 📈 \$19.7m raised

3

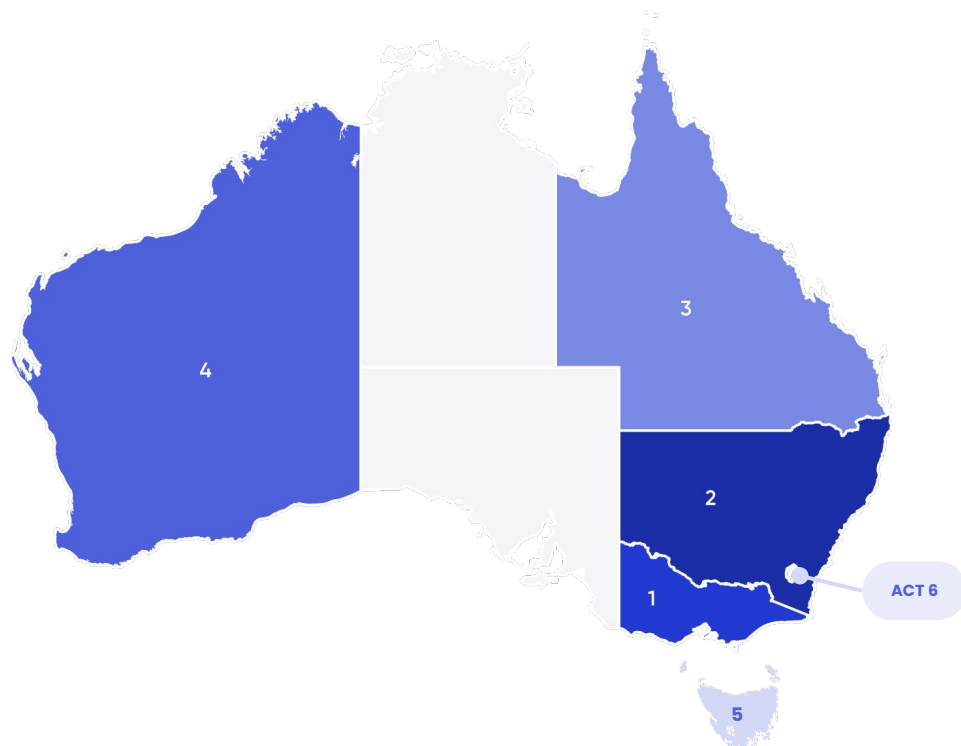
QLD

- 📄 13 CSF Offers
- 📈 \$6.7m raised

4

WA

- 📄 15 CSF Offers
- 📈 \$16.8m raised

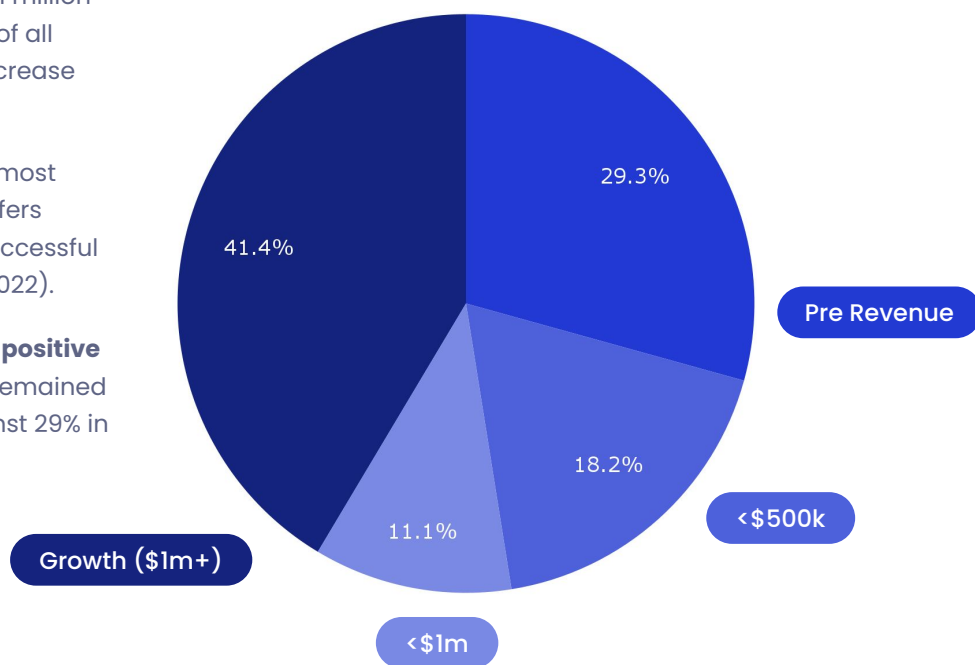


2023 – Activity by company stage

Growth Businesses with greater than \$1 million in reported revenue accounted for 41% of all successful CSF Offers in 2023 (a 14% decrease on 2022).

Pre Revenue Businesses achieved the most significant increase in the number of offers completed, accounting for 29% of all successful CSF Offers in 2023 (a 78% increase on 2022).

CSF Offers for businesses that reported **positive earnings** at the time of their CSF Offer remained steady at 26% of all offers in 2023, against 29% in 2022.



2023	% SHARE	% CHANGE	MEDIAN RAISE
Pre Revenue	29%	78%	\$441,965
<\$500k	18%	-28%	\$465,966
<\$1m	11%	11%	\$624,520
Growth (\$1m+)	41%	-14%	\$708,753



Section 2

CSF activity in 2023

Summary of CSF activity in 2023

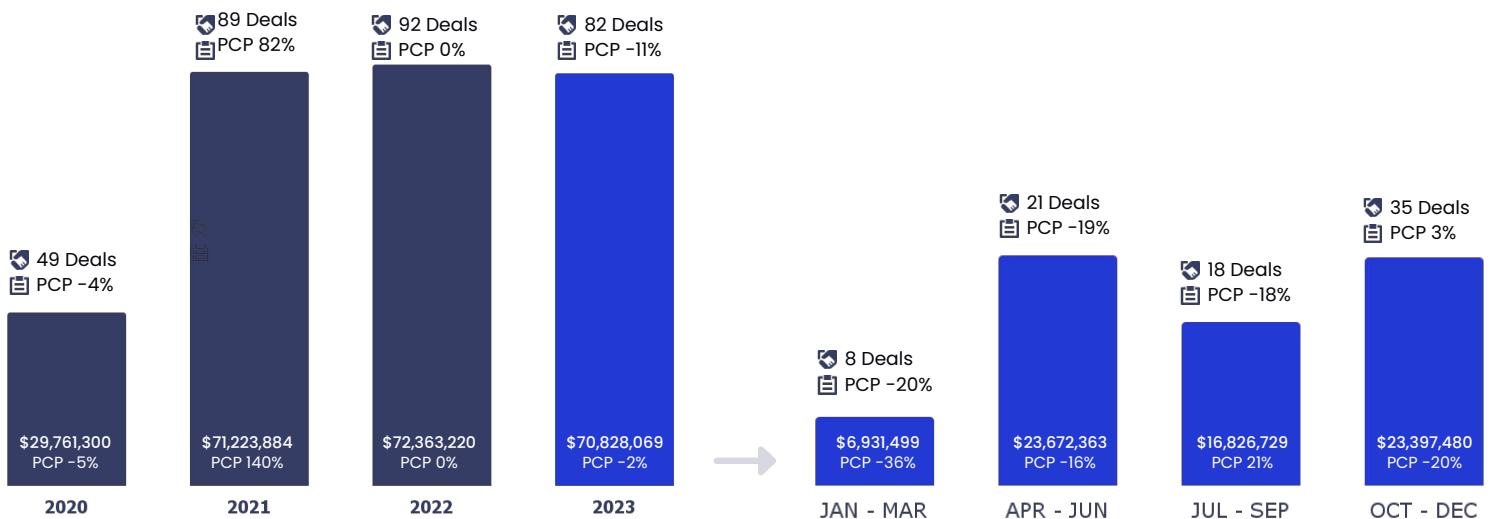
Despite persistently challenging funding conditions, equity crowdfunding has continued to be a resilient source of funding for Australian early stage businesses.

Growth in the Australian equity crowdfunding industry was flat in 2023 (as in 2022), with similar funding volumes to 2022.

Another very solid result, against the backdrop of significantly lower funding volumes in venture capital and ASX IPOs.



How did 2023 compare with 2022?

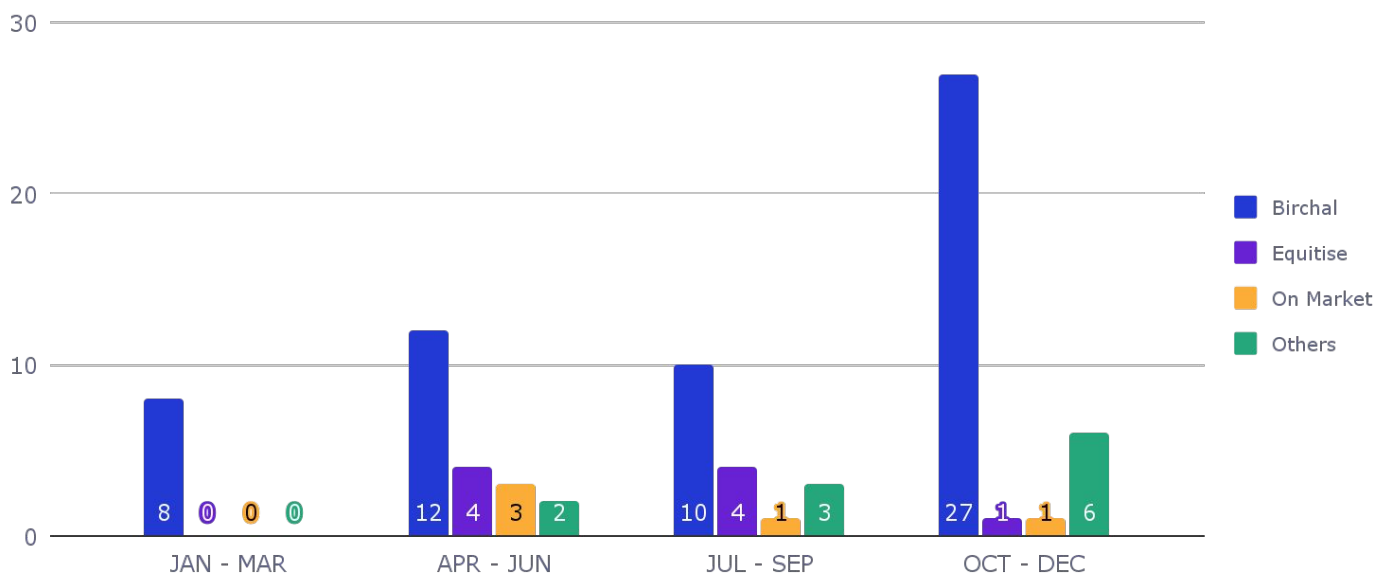
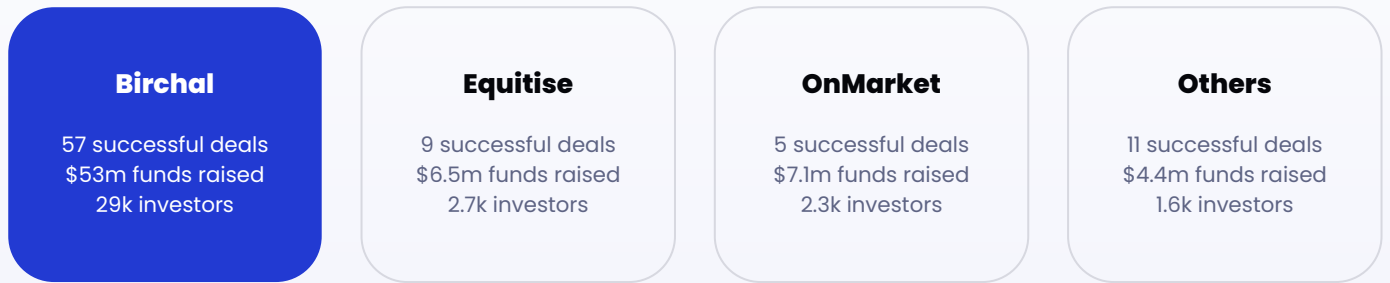


Performance by platform

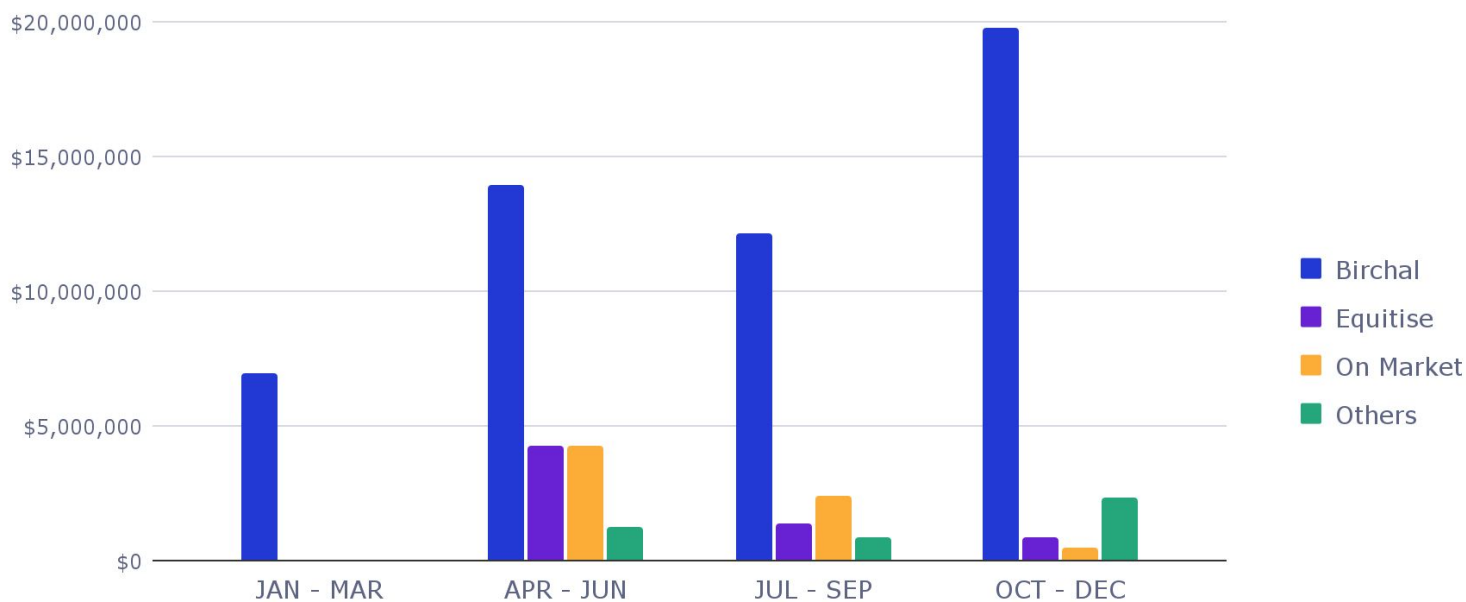
The Australian crowdsourced funding industry held steady with most activity still belonging to the major platforms including Birchal, Equitise and OnMarket.

Birchal remains the clear leader, responsible for 75% of all CSF funding volume (\$53m) across the crowdsourced funding industry in 2023, an 8% increase on its share of funding volume in 2022.

Major CSF platform performance in 2023



Quarterly performance – funds raised



Top 10 CSF offers (funds raised) in 2023

COMPANY	AMOUNT RAISED / MONTH / PLATFORM
Cannaponics	\$5m (May, Birchal)
Medigrowth	\$3.5m (August, Birchal)
Naked Life	\$3m (July, Birchal)
Old Young's	\$2.7m (March, Birchal)
Hydrowood Holdings	\$2.4m (July, OnMarket)
Birchal	\$2.4m (December, Birchal)
Dargo Hotels	\$2.3m (June, OnMarket)
Philter Brewing	\$2.2m (November, Birchal)
Our Cow	\$2.1m (March, Birchal)
Zhik	\$2m (April, Equitise)



Section 3

In focus

Food and Beverage in focus

In 2023, the Food and Beverage sector led CSF investments, raising \$21.6 million across 24 campaigns. Notably, non-beer businesses surged, contributing \$19 million, a 38% increase from 2022's \$13.7 million. In contrast, beer-related businesses saw a decrease, securing \$2.67 million, down from \$14.3 million the previous year.

CSF provides food and beverage businesses with a unique opportunity to raise funds while building a community of supporters, validating their market, and enhancing their brand visibility and engagement. This makes it a particularly suitable and effective funding model for the sector.



NAKED LIFE

\$3m raised
935 investors

Naked Life

A journey that began with an experiment to reduce sugar in Founder David Andrew's own diet is now a mission to accelerate a healthier Australia with refreshing no & low sugar beverages, including Non-Alcoholic alternatives.



Naked Life Non-Alc Spirits is Australia's #1 Non-Alc Cocktail, dominating with 81% grocery market share. Australia's fastest growing business (AFR 2022).



\$2.7m raised
855 investors

Old Young's

Old Young's started with the dream of distilling exceptional spirits that would be enjoyed all over the world. Old Young's were named Australian Champion Distiller in 2017 & 2018 and WA Champion Distiller in 2020 & 2022.



Old Young's raised its maximum target of \$2.7m from over 800 investors in March 2023 in less than 24 hours.



\$1.6m raised
1,299 investors

Roogenic

Roogenic partners with naturopaths & Indigenous growers to create delicious teas, powders, and spices that offer effective natural remedies for top health concerns. 100% Australian-made with medicinal native plants.



Roogenic raised its maximum target of \$1.6m from over 1,200 investors in April 2023 in just over a day.

Cannabis in focus

In 2023, cannabis ventures within healthcare significantly prospered through CSF, capturing investor attention. Among the healthcare category, the second most invested sector, cannabis campaigns stood out, raising \$10.9 million out of the \$13.3 million total. This underscores the sector's appeal and the effectiveness of CSF in supporting growth.

Birchal has played a pivotal role in this development, offering a key platform for cannabis businesses to secure funding. This reflects a shift towards sectors combining health benefits and entrepreneurial innovation, highlighting evolving investor interests.



Cannaponics

Cannaponics are cultivators of medicinal cannabis building a biotech production facility in Collie, Western Australia, on 165 acres of southwestern Australian land with for effective large-scale production using 100% renewables to run its site.

\$5m raised
2,771 investors



In May 2023, Cannaponics became only the second company to achieve a \$5m maximum target for a CSF offer, joining ZeroCo, the first to achieve this in 2021.



Medigrowth

Medigrowth is an innovative medicinal cannabis biotech company. Medigrowth distributes its medicinal products (THC, CBD & dry flower) via multiple channels including their telehealth platform Haiku.Health.

\$3.5m raised
2,047 investors



Medigrowth raised \$3.5m from over 2 thousand investors in August 2023.



Medicann

MediCann Health is an Australian medicinal cannabis company, established in 2019 with the purpose of improving the quality of life of people (and pets) using reliable and affordable cannabis products.

\$1.5m raised
1,170 investors



In November 2023, Medicann successfully completed its second CSF offer on Birchal raising \$1.5m from over 1 thousand investors, and exceeding its first CSF offer of \$1m.

Sustainability in focus

Sustainability continued to receive strong backing as the third most popular category by volume and number of investors, with more than 5,000 investors supporting sustainability-focused companies to raise a total of \$7.6 million (approx 11% of the funding volume). It also came in second by number of deals, with 12 successful raises for the year.



SEABIN PROJECT™

\$1.2m raised
1,194 investors

Seabin

Seabin don't sell Seabins anymore, they clean up entire cities and sell the impact data they create. With the emerging biodiversity market in Australia expected to be worth \$137 billion by 2050, Seabin aim to be operational in 100 cities by 2050, and to use impact data to help repair the planet.



Seabin raised approximately \$1.2m from over 1 thousand investors in June 2023, their third CSF offer, having now raised over \$4m from their passionate community through CSF since 2020.



\$1.1m raised
724 investors

Pleasant State

Pleasant State is Australia's first B Corp homecare brand, out to prove that doing good is good for business, by building a brand that balances people, planet, and profits. They exceeded \$526,000 in revenue in their first financial year and their products are now in over 20,000 homes.



Having bootstrapped their business to get it started, Pleasant State raised \$1.1m from over 720 investors in June 2023 with Birchal.



\$1m raised
965 Investors

Recycle Smart

70% of Australians are frustrated at being forced to landfill recyclable items. Recycle Smart is determined to change this. Leveraging their own proprietary tech platform, and transparent partnerships, Recycle Smart make recycling the tricky stuff (including soft plastics) as easy as ordering a pizza.



Among the first cohort of companies to emerge from Antler's Australian program, Recycle Smart built a community of over 900 investors with Birchal.

Consumer Goods in focus

Consumer Goods had 8 successful deals in 2023, placing it among the top performing categories in 2023 raising a total of \$4.7m (a 22% increase on 2022) to make up 7% of this year's funding volume.

STUFF™ achieved the biggest result on Birchal in 2022, raising \$1.1m from over 400 passionate supporters to fuel their purposeful mission to shape a positive future for masculinity.



STUFF™

\$1.1m raised
444 Investors

STUFF™

STUFF™ is the fast-growing Aussie brand re-imagining male grooming with a high-quality range of vegan face, hair and body products. Backed by some of Australia's most prominent investors and athletes, including Paul Bassat and Ian Thorpe.



Stuff raised \$1.1m from over 400 investors in August 2023 with Birchal.



\$979k raised
732 Investors

Techni Ice

Techni Ice started out with a vision to save water by reducing ice use. Now, they are a leading high-performance thermal products brand, supplying products to some of the world's largest organisations and a large consumer market of outdoor enthusiasts.



In 2023, Techni Ice raised over \$2.5m across two CSF campaigns, raising over \$900k through its most recent campaign with Birchal in October 2023.

VM

\$519k raised
236 Investors

Vanessa Megan

Vanessa Megan skincare and wellness products are Australian made and distributed using 100% natural (and certified organic where possible) ingredients, to help our customers live a naturally healthy life.



Over 200 passionate supporters from the Vanessa Megan community supported their first CSF offer in November 2023.

Female Founders in focus

In 2023, approximately \$22m was invested (or 31% of the total invested) into businesses with at least one female-identifying member of the founding team (or board).

\$6.1m was invested into 9 businesses with all female-identifying founding teams, compared to \$1.4m invested into 3 businesses in 2022 (an increase of 335% and 200% respectively).

X-Hemp, a female founded and operated manufacturer of hemp building products in Tasmania achieved the biggest result raising \$1.5m from over 962 investors in October 2023 with Birchal.



\$1.5m raised
962 Investors

X-Hemp

X-Hemp is at the forefront of Australian eco-friendly hemp-based building material production. Female founded and operated, X-Hemp is the only hemp fibre processing mill in Tasmania, and one of a very small handful operating in Australia, holding a strong first-mover advantage.

 X-Hemp raised \$1.5m from over 960 investors in October 2023 with Birchal.



\$1.1m raised
724 investors

Pleasant State

Pleasant State is Australia's first B Corp homecare brand, out to prove that doing good is good for business, by building a brand that balances people, planet, and profits. They exceeded \$526,000 in revenue in their first financial year and their products are now in over 20,000 homes.


 Having bootstrapped their business to get it started, Pleasant State raised \$1.1m from over 720 investors in June 2023 with Birchal.



\$913k raised
315 Investors

Wander

Wander is on a mission to redefine how we travel by transforming our relationship with our planet, our communities and ourselves. To do this, Wander are creating a network of design-led, eco-aware accommodation in breathtaking nature-based locations.

 Over 315 passionate supporters from the Wander community supported their first CSF offer in October 2023.

Female founders in focus



CSF offers (all female-identifying founding teams) in 2023 on Birchal

COMPANY	AMOUNT RAISED / INVESTORS (MONTH)
X-Hemp	\$1.5m / 962 investors (October)
Pleasant State	\$1.1m / 724 investors (June)
Wander	\$913k / 315 investors (October)
Lilly's Little Lunchbox	\$685k / 286 investors (June)
Bunsters	\$649k / 371 investors (November)
Vanessa Megan	\$519k / 236 investors (November)
Formulite	\$518k / 121 investors (November)
Heartful	\$131k / 130 investors (November)
Ziinkle	\$113k / 82 investors (February)



Our supporters through CSF are not merely investors: they're advocates for change in the way we build homes, tackle climate change, and support women in regional areas. The best thing about the raise was the number of times I was told this is the first time an investor had ever purchased shares in any business... what an honour! This democratic funding approach is enabling us to thrive, proving that innovative, sustainable practices and female leadership can drive significant impacts in agriculture and construction."

Andi Lucas
Founder and CEO of X-Hemp

Gender Diversity Portfolio Reporting

(as at 31 December 2023)

As part of the Equity Clear initiative spearheaded by Scale Investors, and aimed at improving the transparency of reporting on funding of diverse startup founders, Birchal has committed to publishing information about funding diversity.

The table below shows the percentage of deals completed and funds raised by companies on Birchal with founding or leadership teams that are either all female identifying, all male identifying, or mixed, and is consistent with the way in which other Equity Clear participants have begun to report on this data.

CATEGORY	ALL FEMALE IDENTIFYING	MIXED TEAM	ALL MALE IDENTIFYING
All time - % \$ invested	11%	24%	65%
All time - % deals done	11%	22%	67%
FY24 (YTD) - % \$ invested	15%	16%	69%
FY24 (YTD) - % deals done	19%	24%	57%
FY23 - % \$ invested	3%	32%	65%
FY23 - % deals done	7%	23%	70%
FY22 - % \$ invested	7%	29%	64%
FY22 - % deals done	7%	31%	62%
FY21 - % \$ invested	6%	20%	74%
FY21 - % deals done	7%	18%	75%
FY20 - % \$ invested	11%	33%	56%
FY20 - % deals done	14%	24%	62%
FY19 - % \$ invested	44%	3%	53%
FY19 - % deals done	17%	8%	75%

We acknowledge that more work needs to be done on identifying and reporting on the activity and funding received by several under-represented minorities among startup founders, besides female-identifying founders, but believe this initiative is a step in the right direction.



Section 4

Looking ahead

Looking ahead

Reflecting on 2023, we anticipate an even more dynamic 2024. Last year, the CSF industry held its ground in a challenging global financial climate, facilitating a remarkable \$71 million funding volume.

Diverse Successes and Expanding Horizons

2023 saw diverse industries thrive under CSF, especially in the non-beer Food and Beverage sector, which raised a record \$19 million. The successful fundraising journeys of companies like Montu, Recycle Smart and Our Cow exemplify the strategic growth achievable through CSF.

Emerging Industries and Regional Empowerment

Looking forward, 2024 is set to welcome a surge in thematic investments. The cannabis sector, which notably raised \$10.9 million in 2023, points to a growing investor interest in emerging industries like psychedelics. Additionally, the success stories from emerging startup ecosystems, such as Perth-based Ready Team One, highlight CSF's role in promoting inclusivity and empowering businesses across all regions.

2024: A Year of Opportunities

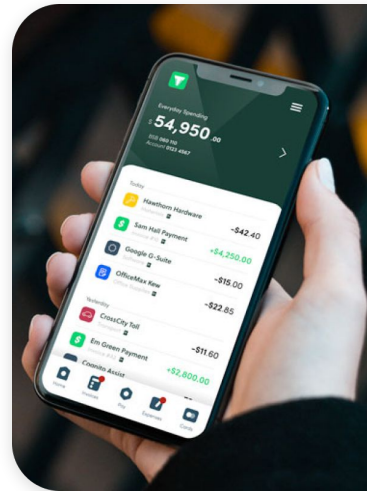
The final quarter of 2023 set a new record for Birchal, indicating a strong momentum heading into 2024. With a focus on broadening CSF's reach to underrepresented industries and harnessing innovations in technology and healthcare, the upcoming year promises a range of opportunities for startups and investors alike.

The outlook looks promising for equity crowdfunding in 2024

Businesses can expect the resilience in Australian equity crowdfunding to continue in 2024 as an ever-growing number of investors look to connect with brands, whose future they want to share in.

To find out more about emerging industry trends or discuss your equity crowdfunding ambitions, talk to the team at Birchal – Australia's most experienced campaign team.

raise@birchal.com





CSF Yearbook 2023

www.birchal.com