

 birchal

CSF Yearbook

2021

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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 SMEs.

At a glance - all time results



A few words from Birchal



Birchal is proud to present the second edition of the CSF Yearbook for 2021. 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 2021.

Since commencement of Australia's CSF industry in 2018, over 200 Australian SMEs have collectively raised over \$146m often from their most passionate customers and fans. There are now over 93k investors that have participated in CSF offers, and this figure is accelerating.

In 2021, 89 successful CSF offers were completed (approximately 82% more than in 2020), with a total of approximately \$71m raised from over 37k investments (an increase of approximately 140% and 213% respectively year on year).

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!

2021: A year to remember!

Despite the obvious challenges we all faced during 2021, there were so many milestones achieved during the year that it really should be one to remember.

In 2021, Birchal hosted 59 successful CSF offers, raising a total of over \$53m from over 30k investors. A truly stunning result, representing a 165% increase on 2020.

✓ The industry is getting bigger

The total value of all companies that completed successful CSF offers in 2021 exceeded \$1b for the first time, approximately double the value of all CSF companies in 2020. We're seeing more companies come back for follow-on CSF rounds, 20 so far, with an average uplift in value of 114%.

✓ Deals are getting bigger

One of the most encouraging trends we've observed this year is that the average deal size on Birchal has increased by 54% in 2021, to \$906k. In total, Birchal hosted 20 CSF offers that raised more than \$1m; and 6 that raised more than \$2m!

✓ More professional investors are getting involved in CSF

A common misconception of CSF is that raising from the crowd is a lesser alternative, not interesting to professional investors, and might make a company uninvestable down the track.

This is a myth, and it's been busted!

In February 2021, we hosted Thrive's (now Thriday) successful \$3m CSF offer, which reached its maximum target in just three days in a round that saw professional investors including a significant family office and several notable VCs investing alongside retail investors.

This was followed by ZeroCo's record breaking \$5m CSF offer in October 2021, hitting its maximum (and the most allowed under CSF) in less than seven hours. An additional \$6m was invested by SquarePeg on substantially the same terms as CSF investors.

We're observing a marked increase in professional investor participation in CSF offers, and CSF funded companies. This is really encouraging, and consistent with our observations of the UK equity crowdfunding industry at a similar stage in its development.



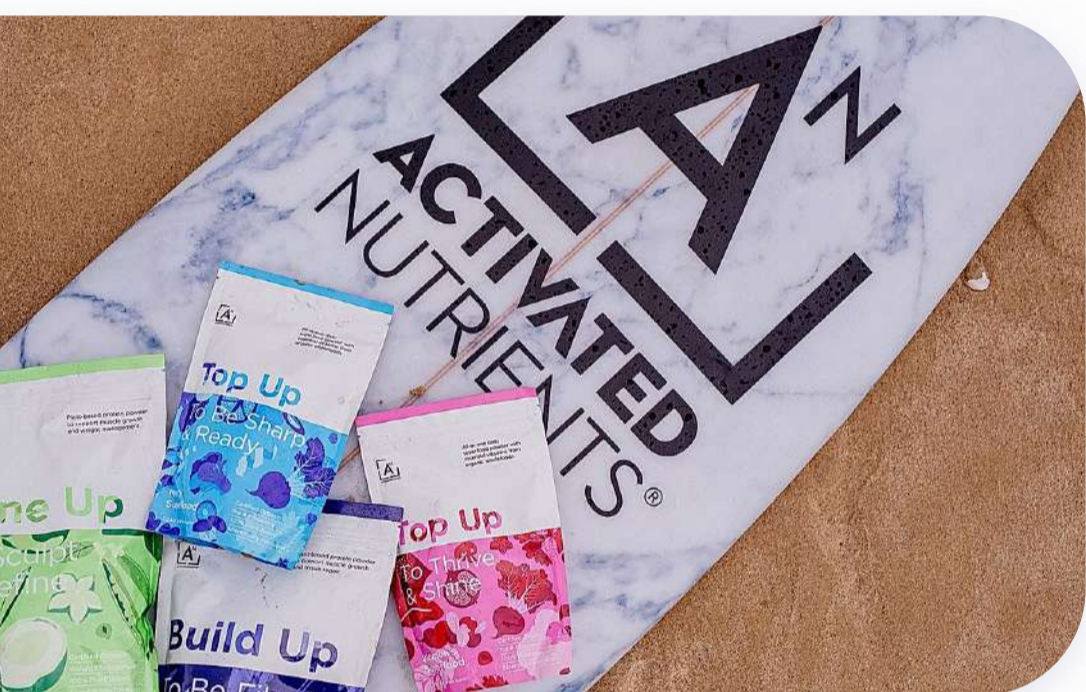


Activated Nutrients becomes the first CSF funded company to hit the ASX (ASX: BIO)

Activated Nutrients (Biome Australia Ltd) raised over \$330k on Birchal in 2019 from over 150 investors at a pre-money valuation of \$6.8m.

In November, Biome became the first CSF funded company to hit the ASX, successfully completing an oversubscribed \$8m IPO.

This is a significant milestone for the CSF industry, and Birchal, highlighting one of the many possibilities available for investors to realise a return from backing a business they believe in at an early stage through CSF.

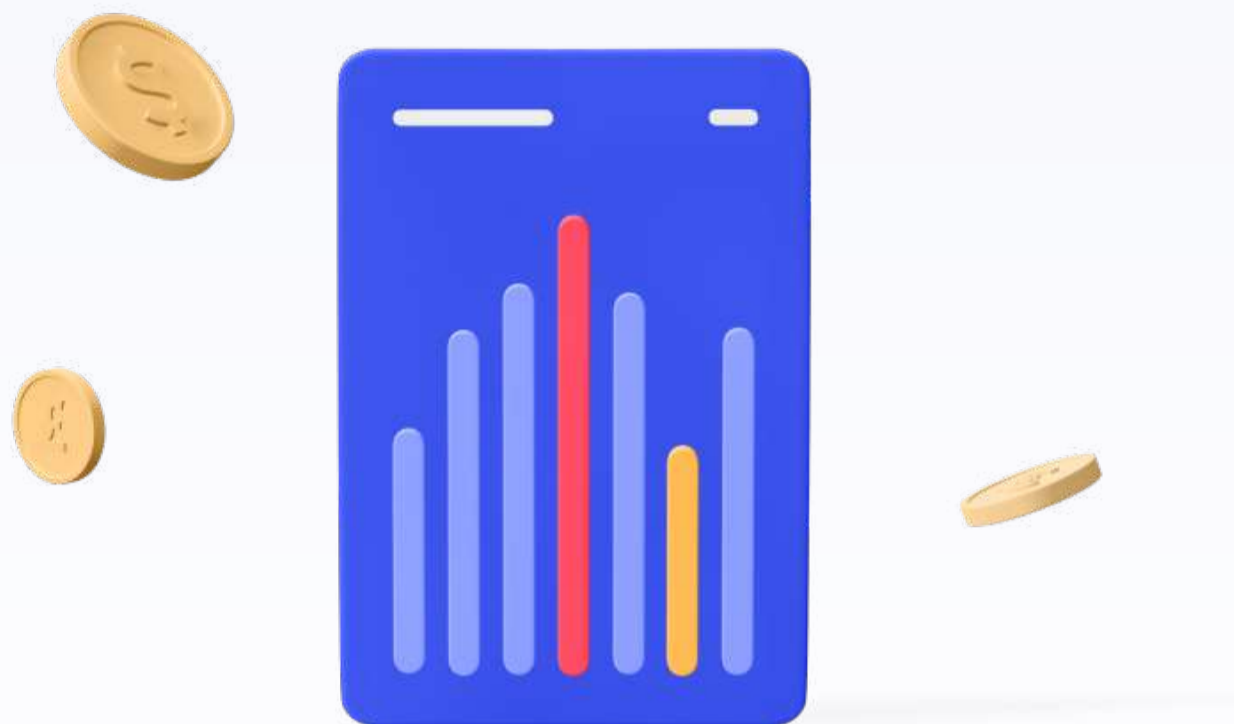


Looking ahead

We simplify fundraising so that forward-thinking businesses can build communities of engaged supporters and get back to shaping the future we all want to see.

It's been a challenging but rewarding year, and we're super excited for what's in store in 2022. Thank you to all the businesses that trusted us to host them in 2021, the investors that backed them, and our many partners and friends for all of your support.

Popular industries in 2021



Food and Beverage was the most invested industry in 2021, with 21 successful campaigns raising a total of \$16.64m (or 23% of the industry). Birchal hosted 2 of the top 3, with all three raising over \$1.5m: (Good Earth Dairy, \$1.6m; Bubble Tea Club, \$1.6m).

Financial Services was the second most invested in industry in 2021, with 9 successful campaigns raising a total of \$12.59m. Birchal hosted the top 4 campaigns, all raising over \$1m: (Thrive, \$3m; Coinstash, \$2.8m; Unhedged, \$2.3m; QPay, \$1.2m).

Sustainability and Software were the next most invested in industries, raising a total of \$8.97m and \$8.07m respectively.



Food & Beverage
\$16.64m (23%)

21 Deals



Financial Services
\$12.59m (18%)

9 Deals



Sustainability
\$8.97m (13%)

6 Deals



Software
\$8.07m (11%)

15 Deals

Industry sectors in 2021

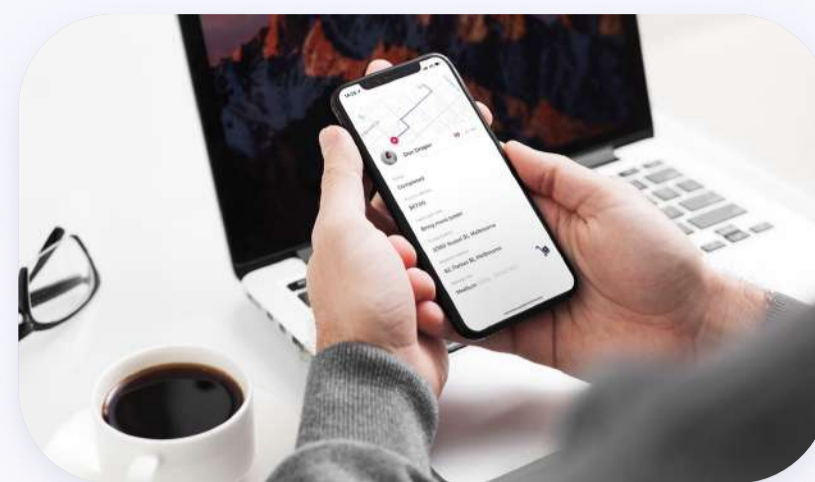
SECTOR	DEALS	AMOUNT RAISED	INVESTORS
Food and Beverage	21	\$16,643,725	8,742
Financial Services	9	\$12,590,068	4,645
Sustainability	6	\$8,972,348	5,815
Software	15	\$8,073,899	4,241
Health Care	5	\$6,886,585	2,649
Consumer Goods	6	\$3,985,417	2,561
Commerce and Shopping	7	\$4,484,973	2,760
Agriculture and Farming	7	\$3,158,113	2,080
Transportation	3	\$2,168,692	1,032
Travel and Tourism	2	\$1,719,750	637
Clothing and Apparel	3	\$1,194,008	1,096
Media and Entertainment	3	\$685,194	836
Real Estate	1	\$334,341	223
Gaming	1	\$326,726	150

CSF activity by state in 2021

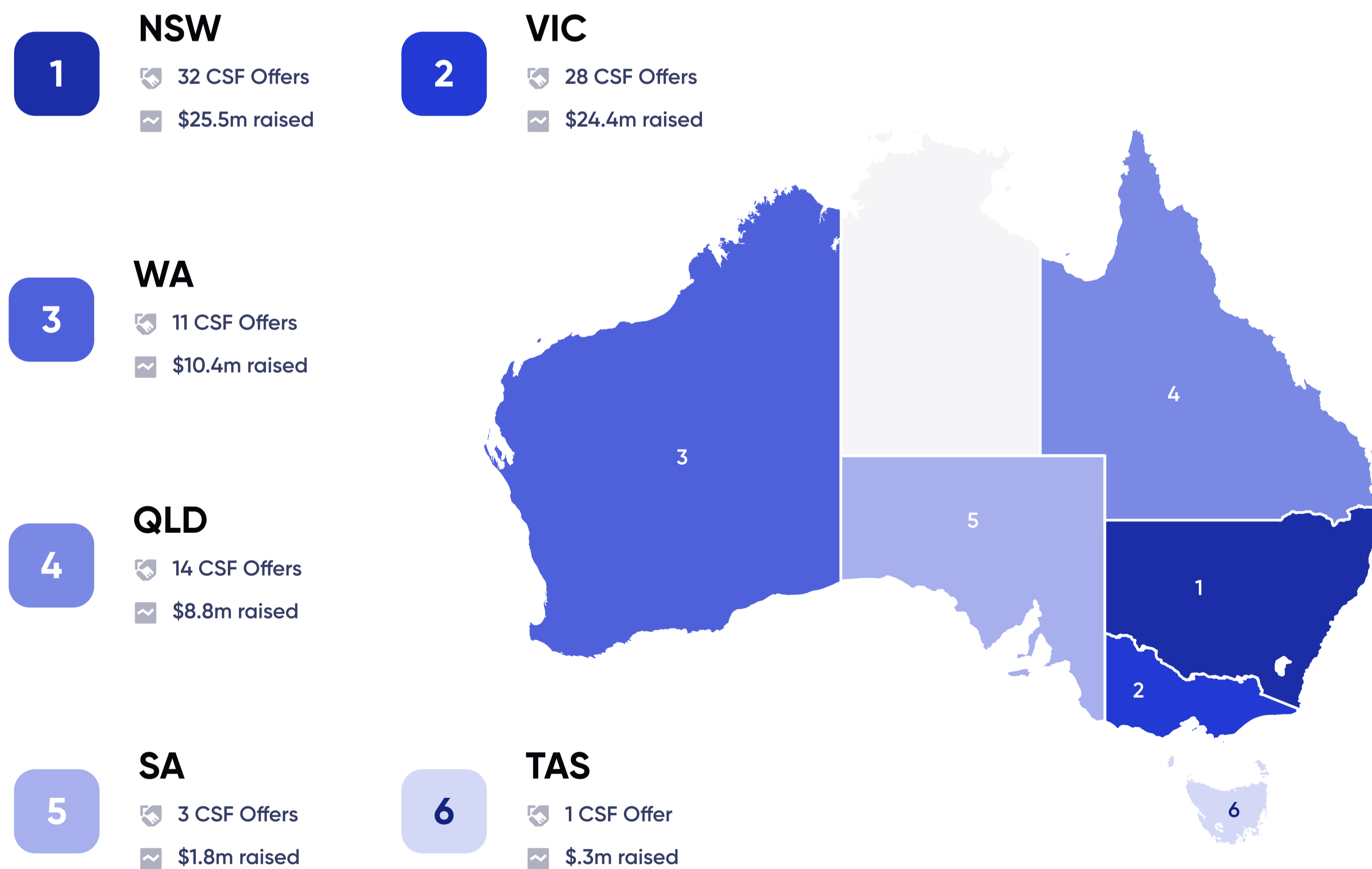
CSF funding activity has increased across all Australian States, with New South Wales accounting for the most funds raised, with \$25.5m (36% of all funds raised), followed by Victoria with \$24m (34% of all funds raised). NSW also accounted for the greatest number of completed deals of any state, with 32.

Western Australia saw the biggest increase in the number of completed deals year on year, with 11 successful CSF offers compared to only three in 2020. Western Australia also had the highest average deal size, at \$944k, leading Victoria (\$873k) and NSW (\$797k).

Tasmania also achieved its first successful CSF offer with **Rocketeer** raising approximately \$300k, on **Birchal** in May 2021.



Number of successful deals per State in FY21

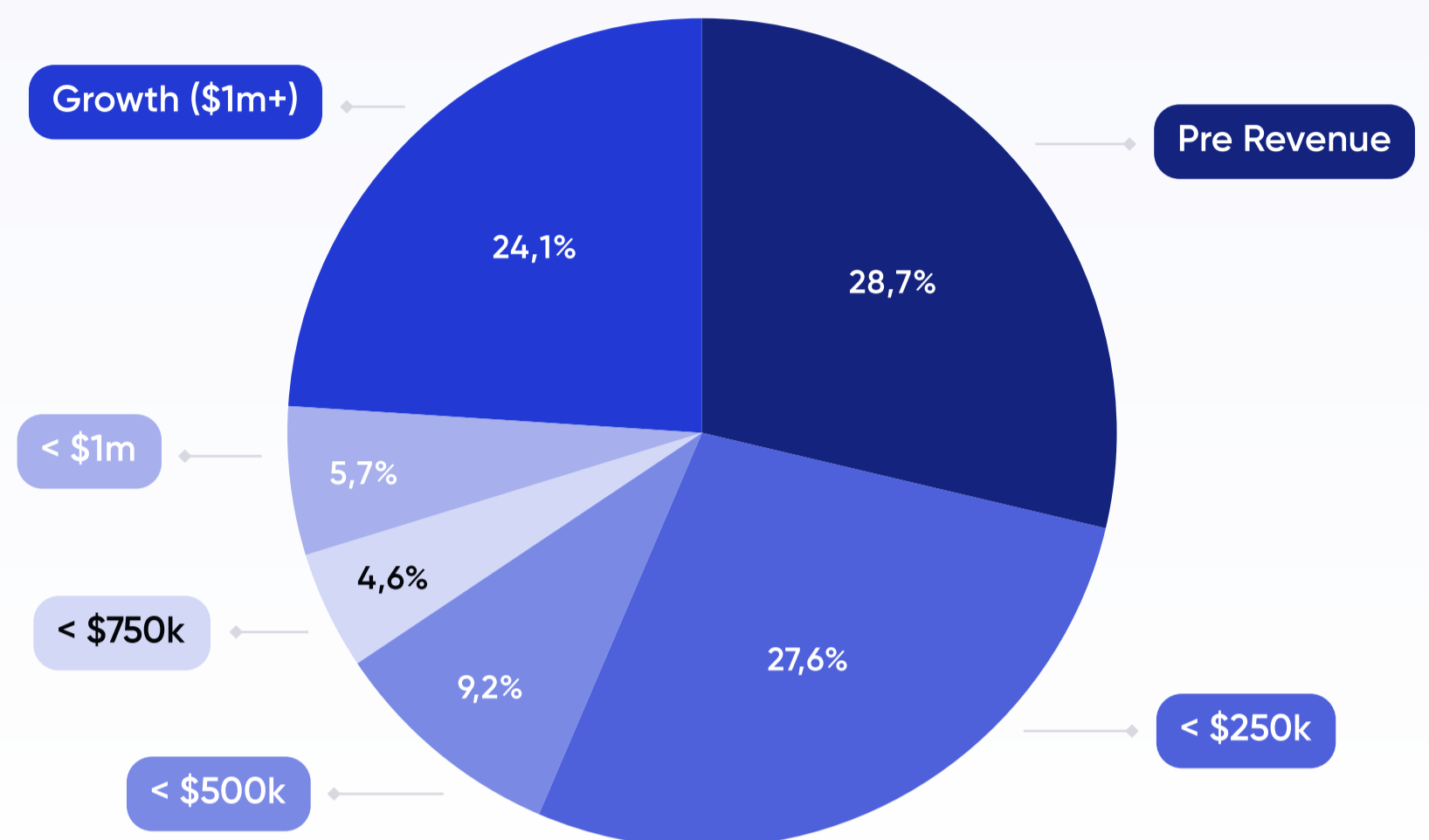


CSF activity by company stage in 2021

Growth Businesses (with greater than \$1m in reported revenue) achieved the most significant increase in the number of offers completed and total amount raised (\$27.2m in 2021, up from \$9.3m in 2020).

Pre Revenue Businesses completed the greatest number of CSF campaigns, with 25 successful CSF campaigns (29% of the total), and also accounted for the most investment raised with approximately \$19.1m. The median raise for Pre Revenue Businesses was approximately \$445k.

CSF offers for businesses that reported **Positive Earnings** at the time of their CSF offer also saw a significant increase from 4 (or 8% of all offers) in 2020, to 14 (or 16% of all offers) in 2021.



2021	% SHARE	% CHANGE	MEDIAN RAISE
Pre Revenue	28.74%	-36%	\$445,900
< \$250k	27.59%	8%	\$335,163
< \$500k	9.20%	-14%	\$331,316
< \$750k	4.60%	116%	\$804,704
< \$1m	5.75%	N/A	\$620,601
Growth (\$1m+)	24.14%	42%	\$892,306



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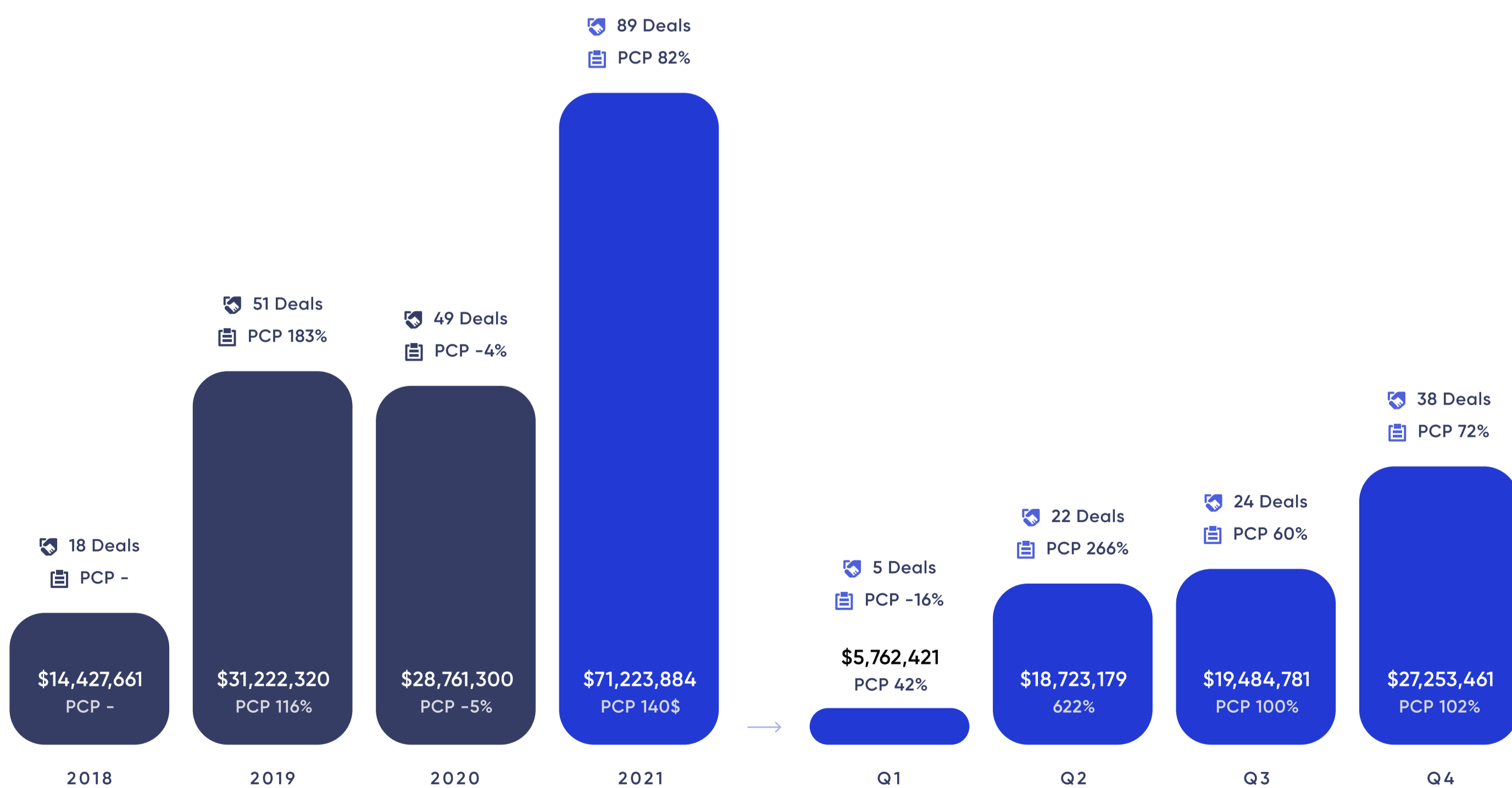
20 Looking ahead

CSF activity in 2021

The industry achieved a very strong year, with activity increasing approximately 82% compared to the same period in 2020. The final quarter of 2021 was the biggest for the CSF industry yet, with over \$27m raised across more than 38 successful campaigns. This is up from \$13m in the same period of 2020.



How did 2020 compare with 2021?



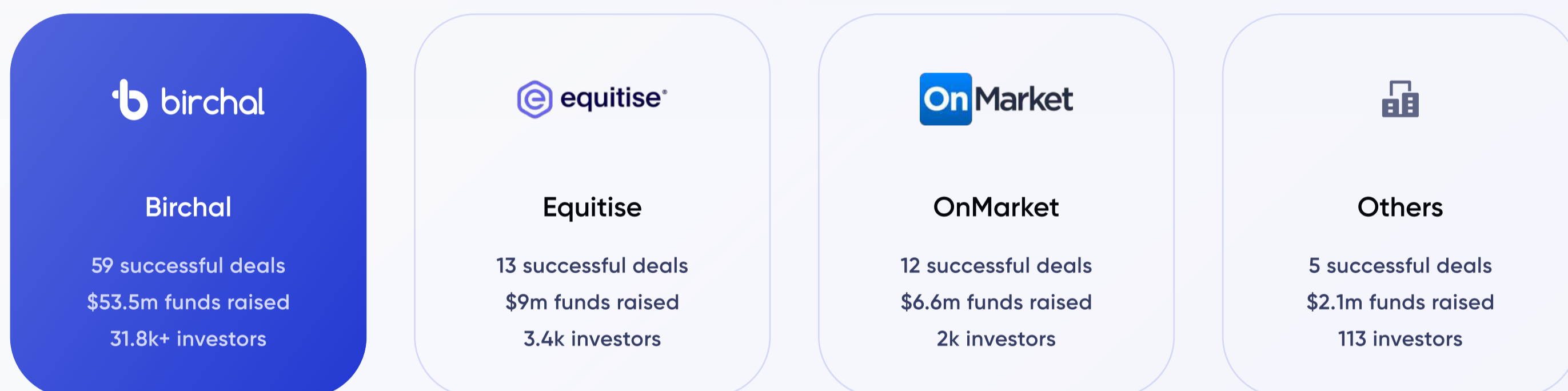
Performance by platform

Activity in the Australian CSF industry has continued to consolidate during 2021 towards the major platforms: Birchal, OnMarket and Equitise.

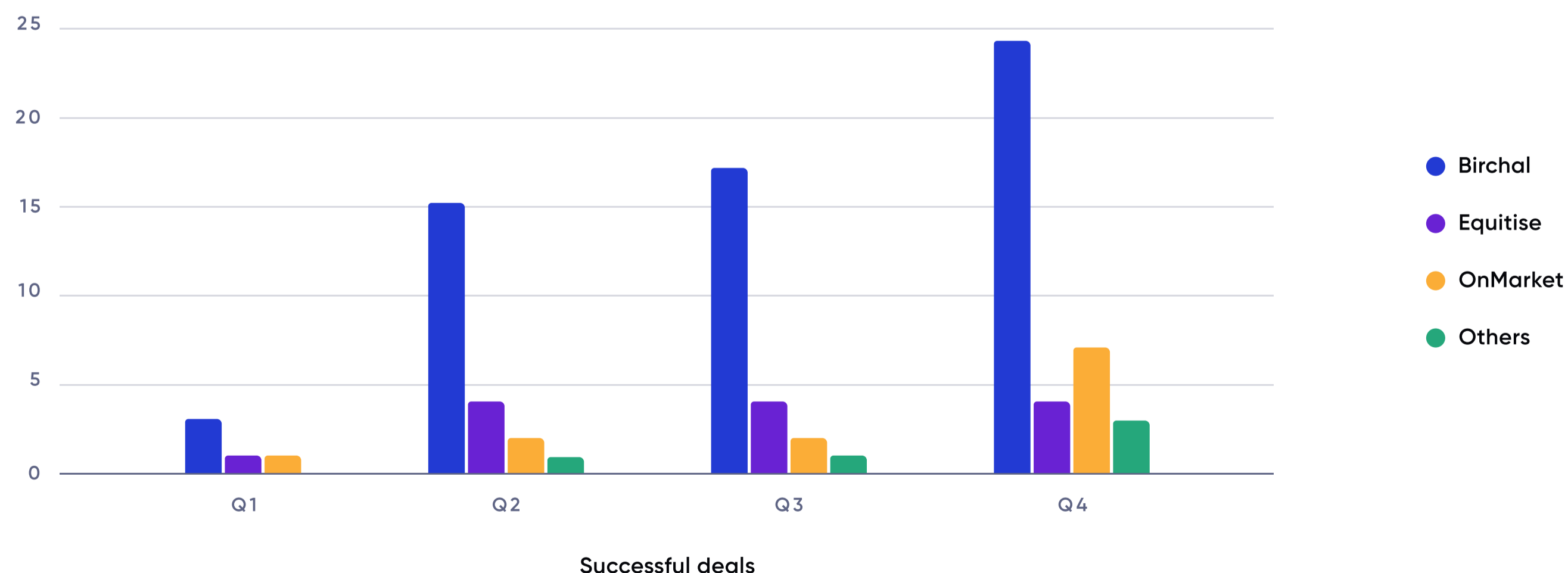
Birchal was the clear leader, finishing the year having hosted 66% of all successful deals (59 in total), and raising approximately 75% of all funds raised (\$53.5m) across the CSF industry in 2021.

For Birchal, 2021 was an incredibly successful year. Even after a strong 2020, Birchal was able to post a 160% increase in funds raised in 2021 compared to 2020. Furthermore, there was a 70% increase in the number of transactions for the full calendar year, and a 130% increase in the number of investors using the Birchal platform compared to 2020.

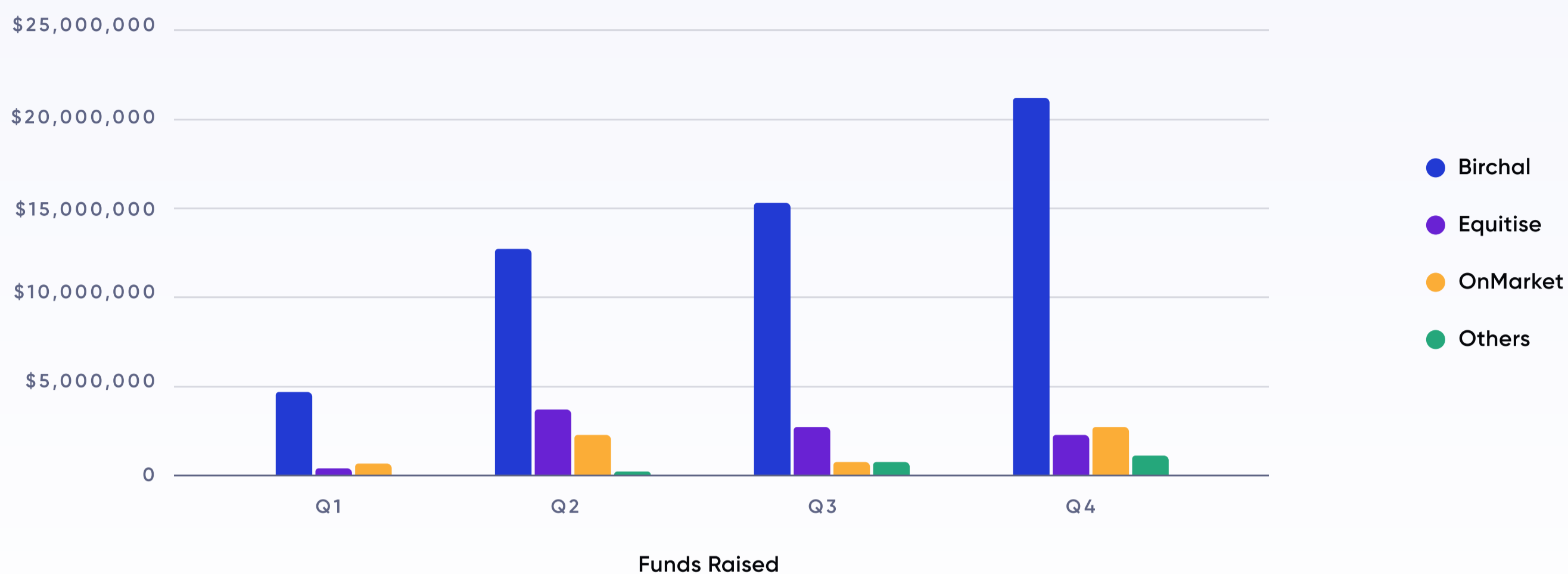
Major CSF platform performance in 2021



Quarterly Performance - Successful Deals



Quarterly Performance - Funds Raised



Top 10 CSF offers (funds raised) in 2021

COMPANY	AMOUNT RAISED / INVESTORS (MONTH, PLATFORM)
ZeroCo	\$5m / 3082 investors (October, Birchal)
Montu	\$3.5m / 1490 investors (November, Birchal)
Thrive	\$3m / 525 investors (February, Birchal)
Coinstash	\$2.8m / 1329 investors (March, Birchal)
Unhedged	\$2.3m / 980 investors (June, Birchal)
Kester Black	\$2.2m / 1687 investors (October, Birchal)
Spinifex Brewing	\$2m / 740 investors (September, Equitise)
1 Question	\$1.9m / 451 investors (June, OnMarket)
Medibis	\$1.8m / 932 investors (March, Birchal)
Bubble Tea Club	\$1.7m / 1399 investors (June, Birchal)



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Sustainability in focus

Sustainability has continued to be a popular category for CSF campaigns; and in 2021 was the second most popular category in terms of number of investors, with approximately 6,000 investors backing sustainability focused companies (approx. 16% of the industry), raising \$9m. Notably, **ZeroCo** was the first company in the Australian CSF industry to reach a maximum target \$5m (the most allowed under the CSF regime) in less than seven hours on Birchal.



ZERO^{CO}

ZeroCo

ZeroCo aims to reduce single-use plastic and help fund ocean cleanup. They produce eco-friendly personal-care and home cleaning products and deliver them direct to your door (carbon negative), minus all the single-use plastic.



ZeroCo raised the target maximum \$5m from over a staggering 3,000 investors in October 2021 with Birchal.



Planet Protector Packaging

PPP was established in response to the global plastic waste crisis and its impact upon our environment, and the planet's oceans. Their alternative product, WOOLPACK, uses sheep's wool unsuitable for the textile industry, which is ordinarily designated a waste stream and directed to landfill.



Planet Protector Packaging raised \$1.25m from over 1,850 investors in July 2021 with Birchal.



Seabin

Seabin is a Byron Bay-based company with technology in 52 countries. Its "trash skimmer" is designed to be installed in the water of marinas, yacht clubs, ports and any water body, acting as a floating garbage bin.



Seabin Project raised \$1.2m from over 1,000 investors in May 2021 with Birchal.

Food and Beverage in focus

Food and beverage was the most invested in industry in 2021, with a massive 21 successful campaigns raising a total of \$16.6m. Birchal hosted 2 of the top 3 biggest campaigns, all of which raised over \$1.5m.



Spinifex Brewing

Founded in 2019 following two years of research and development, Spinifex dared to be different by creating a range of beers infused with native Australian botanicals.

 Spinifex Brewing raised its maximum target of \$2m from over 700 investors in September 2021 on the Equitise platform.



Bubble Tea Club

Pam Yip and Jenny Le are two Melbourne girls who turned the bitter tea of losing their jobs during COVID into a \$2m dollar company within 12 months - all thanks to their genius idea of selling DIY bubble tea making kits online.

 Bubble Tea Club raised over \$1.6m from over 1,300 investors in June 2021 on Birchal.



Good Earth Dairy

Founded in 2014 in Western Australia, Good Earth Dairy aims to innovate the dairy industry and provide an ethical dairy alternative through affordable high-quality, appetising camel milk with demonstrated health benefits.

 Good Earth Dairy raised \$1.6m from over 850 investors in September 2021 with Birchal.

Fintech in focus

Financial Services was the second most invested in industry in 2021, with 9 successful campaigns raising a total of \$12.59m. Birchal hosted 5 of the top 6 biggest deals, with all of raising over \$1m. The top 3 all made over \$2.3m: (Thrive, \$3m; Coinstash, \$2.8m; Unhedged, \$2.3m).



Thrive (now Thrriday)

Thrive has developed a unique product that uses artificial intelligence to automate banking, accounting, tax and lending for small-to-medium businesses. Thrive acts like a CFO in your pocket, taking care of everything a business needs.

 Thrive raised its maximum target of \$3m from over 500 investors in February 2021 with Birchal.



Coinstash

Coinstash currently operates as an AUSTRAC registered Australian digital currency exchange provider, which allows our customers to buy, sell, send, and receive cryptocurrencies supported by the Coinstash platform.

 Coinstash raised its maximum target of \$2.8m from over 1,300 investors in March 2021 with Birchal.



Unhedged

Unhedged is a unique, simple app where customers can utilise algorithmic investing tools, based on machine learning and artificial intelligence, to invest their money in stocks and exchange traded funds.

 Unhedged raised over \$2.3m from 980 investors in June 2021 with Birchal.

Craft Beer in focus

Food and Beverage was the most invested in industry in 2021, with 21 successful campaigns raising a total of \$16.6m (or 23% of the CSF industry). Of these 21, 8 campaigns were for Craft Beer-related businesses (or 40% of total number of successful F&B offers and 9% of the CSF industry as a whole). In 2020, we saw no Craft Beer offers, so 8 successful campaigns is a significant increase.

Altogether, they were able to raise a total of \$9.25m (or 56% of total revenue raised by F&B campaigns and 13% of the CSF industry as a whole). Furthermore, 5,136 investors invested in a Craft Beer campaign (or 59% of all investors investing in F&B campaigns and 14% of the CSF industry as a whole).

Three campaigns raised over \$1m: (Spinifex Brewing, \$2m; Batch Brewing, \$1.5m; and Beer Cartel, \$1.45m).



Craft Beer CSF Campaigns (2021)



\$1.16m

Average raise



642

Average investors

COMPANY

AMOUNT RAISED/ INVESTORS (MONTH, PLATFORM)

Spinifex Brewing

\$2m / 740 investors (September, Equitise)

Batch Brewing

\$1.5m / 649 investors (March, Equitise)

Beer Cartel

\$1.45m / 1,063 investors (July, Birchal)

Triple 1 Three

\$1.1m / 559 investors (November, Birchal)

Sobah Beverages

\$1m / 569 investors (October, Birchal)

Newcastle Distilling Co.

\$844k / 646 investors (October, Birchal)

Rebellion Brewing (O'Brien's)

\$701k / 475 investors (July, Birchal)

Co-Conspirators Brewing

\$619k / 407 investors (July, Birchal)



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Looking ahead

We're really excited about what lies ahead for equity crowdfunding in 2022. Be part of this next chapter. The landscape of capital raising in Australia is rapidly developing and more companies are connecting with their customers to turn them into invested, brand ambassadors.

To find out more behind the data in this report, reach out to our team at Birchal – the platform that connects great Australian brands with the investors that love them..

raise@birchal.com



