



Funded!

Crowd Sourced Funding in Australia

FY 2019/20
Published 21 July 2020

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Birchal 2019/20 Snapshot

29
successful
deals

\$16.7m
funds
raised

11k
investors

A few words from Birchal



Birchal is proud to present Funded!, the inaugural CSF industry report for FY 2019/20.

Since commencement of Australia's crowd sourced funding industry, over 80 Australian small and medium businesses have raised \$54m to fund their businesses in exchange for shares.

There are over 44 thousand investors that have participated in CSF offers. And this number is growing despite the impacts of COVID-19.

Globally, equity crowdfunding is emerging as an increasingly effective way for small and medium businesses to raise capital. In the UK, which has perhaps the most mature equity crowdfunding industry, over £400m was raised among the two major platforms (Crowdcube and Seedrs) in 2019 alone. And in the United States, platforms like StartEngine, Republic and SeedInvest are making use of recent expansion to America's own equity crowdfunding regime.

Australia was late to the party among its global peers in establishing the CSF regime,

but it is already leading the Asia-Pacific region in terms of funds raised and deals completed. But given the long-standing and critical funding need for early-stage capital in Australia, we have a huge opportunity ahead of us, and a long way to go.

The last few months have been tough. But as an industry, we've shown that CSF has the potential to deliver capital to small business and startups even in the face of uncertainty and risk. As we look towards rebuilding our economy together, the Australian CSF industry stands ready to deliver fast and efficient capital to the Australian small and medium businesses that have the potential to drive our recovery.

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!

The Birchal Team

Funding through COVID-19



We are in the midst of the most significant global health and economic crisis in living memory. In the face of unprecedented economic uncertainty, Australia's CSF industry has continued to deliver much needed capital to Australian SMEs.

Since 1 March 2020, **Birchal** has funded 10 successful CSF offers, raising approximately \$5.8m from approximately 5.8k investors.

Birchal has been the most active CSF platform since escalation of the COVID-19 pandemic, opening 93% of the 14 new CSF offers in the period 12 March 2020 to 30 June 2020.

Despite the uncertainty, investors have still shown a willingness to support CSF offers, which is tremendous.

Standout campaigns successfully funded post-COVID include:



Seabin Project - \$1.8m raised from 1,685 investors on 19 March 2020 (opened pre-COVID).



Outland Denim - \$1.3m raised from 1,012 investors on 13 May 2020.



Two Hands - \$472k raised from 352 investors on 11 June 2020.



Indigo Power - \$300k raised from 246 investors on 7 May 2020.

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 results as at 20 July 2020

\$54m
Funds raised

84
Successful offers

44k+
Investors

\$640k+
Average deal size

\$1,210
Average investment size

13
Offers > \$1m

\$1m
Biggest investor

(Shebah Rideshare,
March 2019)

Biggest platform
Birchal

45 Successful Offers
\$25,849m funds raised

25
Days

Average Offer
Open on Birchal

3 days
Fastest deal

(Dainton Brewery,
April 2019)

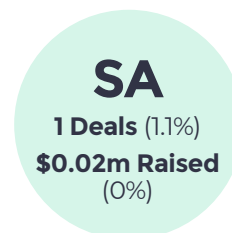
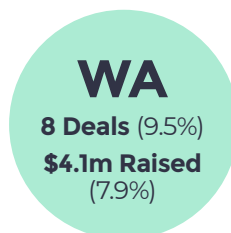
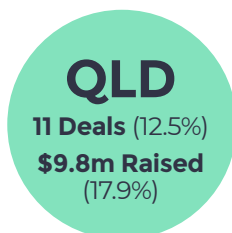
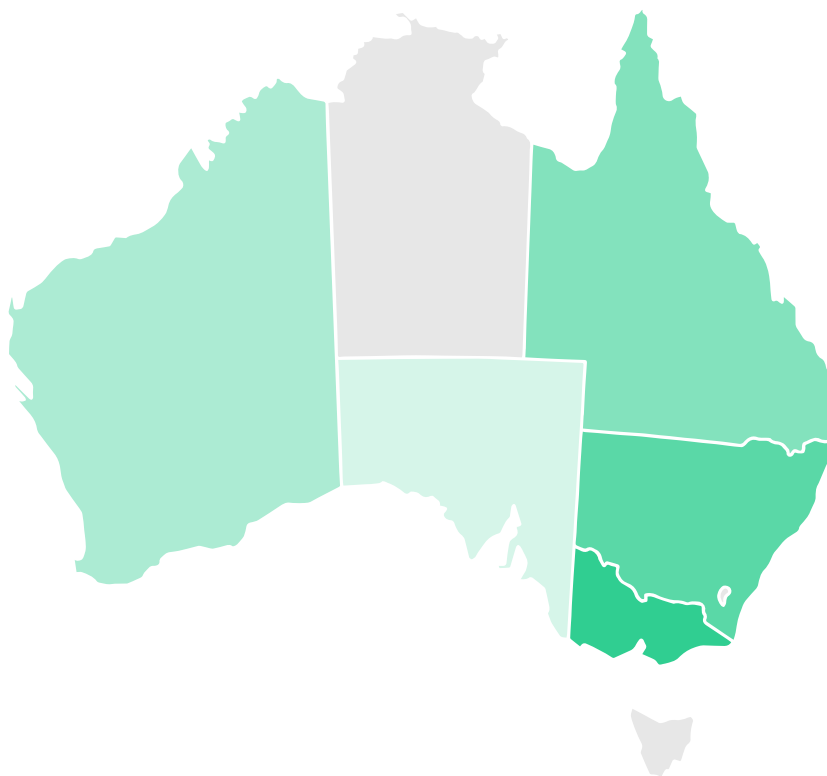
\$3m
Biggest deal

(Shebah Rideshare,
March 2019)

CSF activity by State



Number of successful deals per State 2018 - 2020



Sectors and verticals

At a glance - industry sectors and verticals as at # July 2020

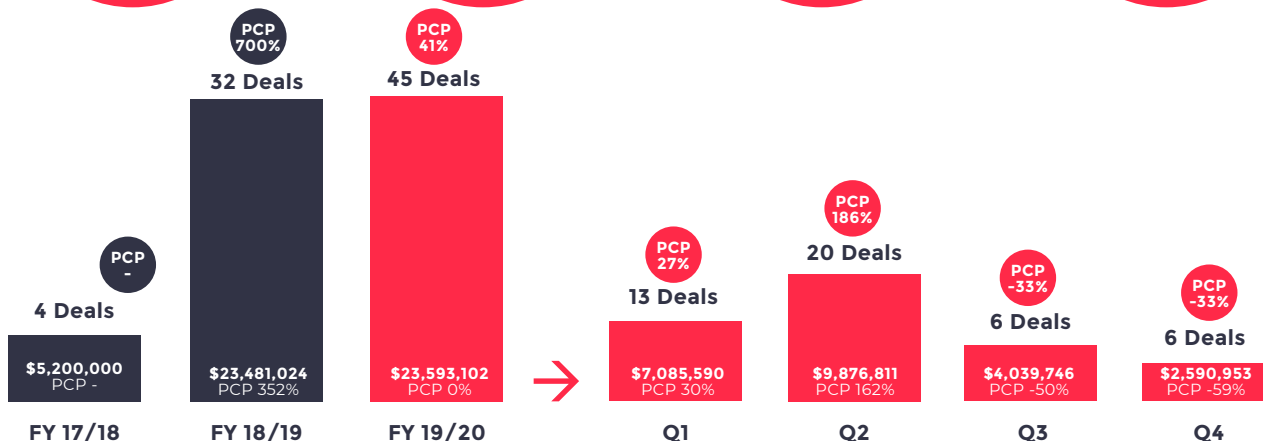
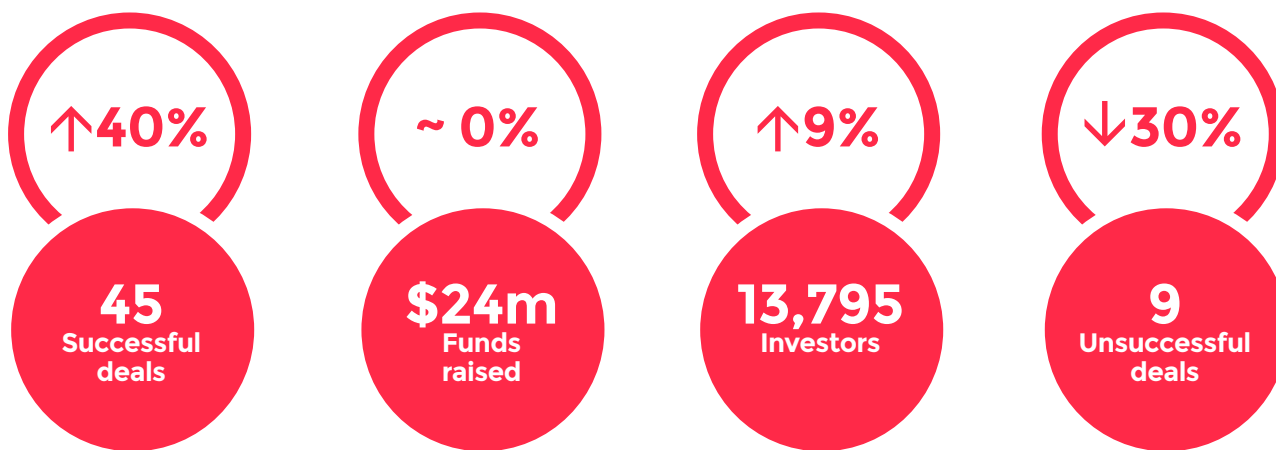
Industry	Deals	Value
 Fintech	12	\$9,439,974
 Consumer App	14	\$8,421,473
 Renewable Energy	7	\$6,884,588
 Consumer Product	14	\$5,891,047
 Craft Beer, Spirits & Liquor	7	\$3,901,865
 Cannabis	3	\$2,818,595
 Social Enterprise	1	\$2,126,849
 Hospitality	3	\$1,973,513
 Fashion	4	\$2,732,850
 Online Retail	4	\$1,872,019
 Enviro Tech	1	\$1,815,528
 Agtech	3	\$1,085,466
 Health & Fitness	3	\$1,373,751
 Construction Tech	1	\$942,993
 Food tech	2	\$890,561
 Medtech	2	\$549,651
 Telecommunications	1	\$445,750
 Esports	1	\$361,398
 Film	1	\$79,000

CSF activity in FY 2019/20



The 2019/20 financial year saw the CSF regime continue its strong growth trajectory during the first half. However, investment activity was severely affected in the second half, as the effects of the bushfire crisis, and then COVID-19 were felt across the CSF industry and the broader economy.

How did FY 2019/20 compare with FY 2018/19?



Quarterly performance by platform

Activity in the Australian CSF industry has continued to consolidate during the 2019/20 financial year towards the major platforms: Birchal, Equitise and OnMarket.

Birchal was the clear leader, finishing the year having hosted 64% of all successful deals (29 in total), and raising 70% of all funds raised (\$16.7m) across the CSF industry in the 2019/20 financial year.

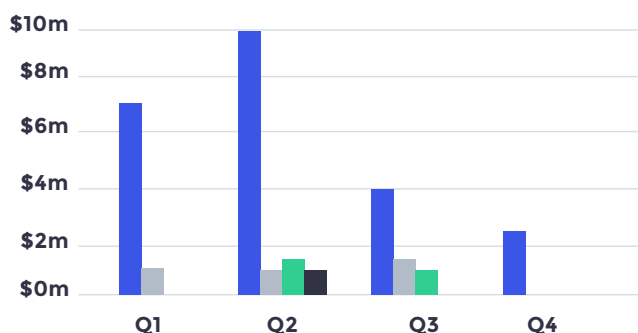
Major CSF platform performance in FY 2019/20



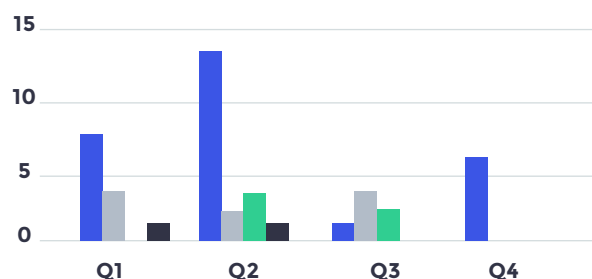
Top 10 CSF offers (funds raised) in FY 2019/20

Company	Amount Raised/ Investors (Month, Platform)
Seabin Project	\$1.81m/ 1781 investors (March, Birchal)
DC Power Co	\$1.62m/ 1690 investors (July, Birchal)
Outland Denim	\$1.32m/ 1012 investors (May, Birchal)
Adviser Ratings	\$1.11m/ 214 investors (July, Birchal)
Tiller Rides	\$1.07m/ 226 investors (November, Birchal)
Greenfield MC	\$828k/ 547 investors (December, Capital Labs)
Redgrid	\$825k/ 384 investors (September, Birchal)
Wimp 2 Warrior	\$804k/ 90 investors (July, Birchal)
Supp	\$741k/ 407 investors (July, Birchal)
Holgate Brewhouse	\$711k/ 363 investors (October, Birchal)

Quarterly Performance - Funds Raised



Quarterly Performance - Successful Deals



FY 2019/20

Q1 Snapshot

The 2019/20 financial year got off to a strong start, aided by several offers that opened prior to 30 June 2019.

DC Powerco returned with its second CSF offer on Birchal, after completing the world's most popular equity crowdfunding offer (at the time) in early 2018. Second time around, DC Powerco were able to raise around \$1.6m from around 1,690 investors, making it the largest successful deal for the quarter.

At a glance



Other notable campaigns included Adviser Ratings (\$1.1m from 214 investors), a review and ratings service for the financial planning industry, and energy technology business Redgrid (\$825k from 384 investors).

Birchal led the quarter, hosting 8 successful campaigns in total, pushing industry activity higher compared to the same period in the previous year.

Q1

Best in the quarter: DC Powerco

Biggest Raise
DC Powerco
\$1.6m
funds raised
1,690
investors



DC Power Co aims to unlock the collective power of Australian households - starting with the 2 million homes with solar panels - to take on the big energy companies with a home renewables alternative to fossil fuels.

In a thrilling finish to its campaign, DC Power Co exceeded its minimum funding target of \$1.5m on the final day of its offer period, to raise a total of \$1.6m from around 1,690 investors. DC Power Co's campaign was the second largest in Australia this financial year.

Selected media coverage:

[DC Power Co bags \\$1.6million to disrupt Australia's biggest energy providers, SmartCompany \(August 2019\)](#)

[Sunny outlook for solar start-up DC Power Co, The Australian \(July 2019\)](#)

[DC Power Co: Harnessing the collective power of home storage to create the 'Big Aussie Battery', Stockhead \(July 2019\)](#)

[DC Power Co raises \\$1.6m in round two of its fight against the big energy companies, anthill \(September 2019\)](#)

[Australian Standfirst Infinity Black Series: Matt Vitale & Nic Frances Gilley MBE, Australian Standfirst \(July 2019\)](#)

FY 2019/20

Q2 Snapshot

The CSF industry achieved a tremendous finish to 2019, posting its strongest quarter ever with 20 successful deals completed and \$9.9m in funds raised.

Perth-based electronic bike startup, Tiller Rides was the star performer of Q2 FY 2019/20, raising over \$1m from 226 investors in November 2019.

At a glance



Other notable campaigns included Greenfield Medicinal Cannabis (\$828k from 547 investors) and Victorian craft brewery Holgate Brewhouse (\$711k from 363 investors), the largest CSF offer completed for a craft brewery to date.

Birchal led the quarter again, hosting 14 successful campaigns in total (the most of any platform in a quarter to date). The industry raised an impressive \$9.9m overall, representing an increase of 162% over the same period in the previous year.

Q2

Best in the quarter: Tiller Rides

Biggest Raise
Tiller Rides
\$1.07m
funds raised
226
investors

Tiller
— RIDES —

Tiller Rides was founded in 2016 to create the “Roadster” electric bike – the future of modern urban transport.

The Roadster is unique in its style and functionality. Its sleek lightweight pressed-aluminium frame is the key to its seamless integration of an impressive array of features. On a Roadster you can ride every day and for any occasion with ease and style.

Selected media coverage:

[Assisted pedal power turns wheels of change](#), The West Australian (November 2019)

[The ins and outs of equity crowdfunding: Insights from our raise](#), BusinessNews (October 2019)

[‘We are addicted’: How to get Sydneysiders out of their cars and on to their bikes](#), Sydney Morning Herald (November 2019)

[The Tiller Rides Roadster – Aussie start-up looks to join growing market](#), EFTM (October 2019)

FY 2019/20

Q3 Snapshot

The CSF industry got off to a slow start in 2020. The bushfire crisis was devastating for many regional communities during the start of the year, gripping the attention of the media and the general public. January is typically a quiet time for capital raising in Australia, but events this year caused some companies to delay opening their offers.

While the first half of the quarter was dominated by the bushfire crisis, the second was dominated by the escalation of the COVID-19 pandemic, the effects of which are continuing and will be felt for some time.

The star performer of Q3 was Seabin Project, raising \$1.8m from 1,781 investors in March 2020. Although the Seabin Project opened its campaign prior to escalation of the COVID-19 pandemic, it's strong performance during the final two weeks of its campaign (raising approximately \$600k) provided the industry with much needed confidence as the impact of the COVID-19 pandemic worsened.

At a glance



Other notable campaigns included KitFit (\$502k from 40 investors) and Tetramed Limited (\$490k from 299 investors).

Birchal led the quarter in terms of funds raised (\$1.8m of \$4.04m). Equitise led the quarter for successful deals, hosting 3 successful campaigns in total.

Q3

Best in the quarter: Seabin Project



Biggest Raise
Seabin Project

\$1.8m

funds raised

1,781

investors



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.

The Seabin Smart Tech is now operational in 52 countries. Each day over 500 million litres of water is filtered for microplastics, oil and more.

The global daily capture estimate is 3.6 tons of marine litter.

While stock markets crashed around the world, Seabin Project completed the biggest CSF campaign of the year in March 2020.

Selected media coverage:

[Rubbish idea nets \\$2 million in crowdsourcing](#), Sydney Morning Herald (March 2020)

[Australian startup Seabin set to go public](#), Sky News (January 2020)

[How Seabin’s viral video campaign led to \\$5 million in sales, and an equity crowdfunding raise](#), SmartCompany (February 2020)

[An Aussie innovation cleaning up 90,000 plastic bags a year is coming home](#), Sydney Morning Herald (February 2020)

[Seabin smashes \\$1m target](#), The Australian (March 2020)

[Seabin to reshore manufacturing to Brisbane](#), Manufacturers’ Monthly (January 2020)

FY 2019/20

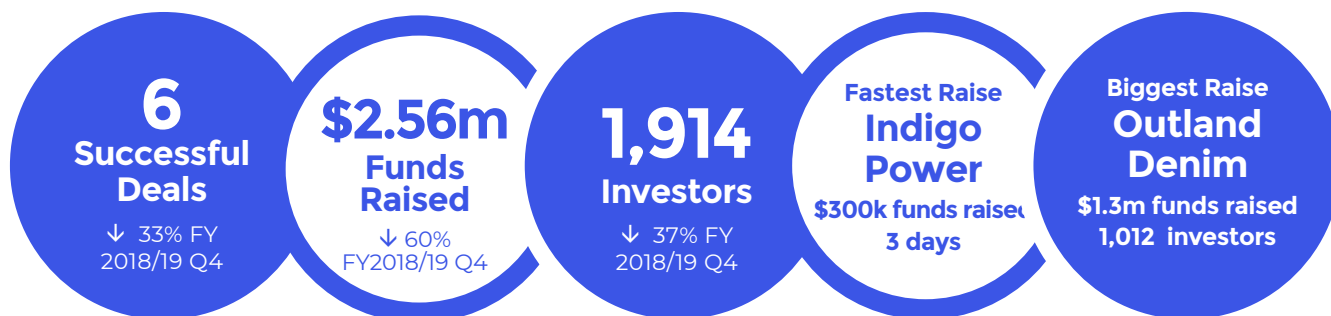
Q4 Snapshot

The final quarter of FY 2019/20 started with most of the country under lockdown restrictions, with most of the Australian workforce working from home, and homeschooling children. We've been calling it the "COVID Quarter".

NeedleCalm was the first company to open a CSF offer in Q4 (and the first since escalation of the COVID-19 pandemic in Australia) closing its offer successfully raising \$132k from 89 investors in April 2020 in a three week campaign. NeedleCalm was followed by Indigo Power, which completed the fastest campaign for FY 2019/20 raising \$300k in just 3 days (equal fastest ever).

The star performer of Q4 was Outland Denim, raising \$1.3m from 1,012 investors in May 2020. Outland Denim is one of Australia's much-loved ethical fashion brands, with a mission to help end human trafficking by providing employment and living wages to its Cambodian workforce, that manufactures high quality denim garments for a global audience. It was the first \$1m+ campaign to open and close its offer post-COVID, and helped to further encourage hopeful Australian companies planning CSF offers in the coming weeks and months.

At a glance



Other notable campaigns included Two Hands (\$472k from 352 investors) and GigSuper (\$159k from 155 investors).

Advisor Ratings also pioneered the first "CSF rights issue" raising approximately \$350k from its existing CSF and non-CSF investors in nine days.

Birchal was the only active CSF platform during the COVID quarter, raising approximately \$2.6m across six successful deals. A decrease of around 60% in terms of funds raised against the same period last year.

Q4

Best in the quarter: Outland Denim



OUTLAND DENIM

Biggest Raise
Outland Denim
\$1.3m
funds raised
1,012
investors

Outland Denim began when founder James Bartle had a fortuitous encounter with an anti-trafficking group, then travelled to Asia and saw how human traffickers prey on vulnerable young girls to service the sex industry.

James created the “Denim Project”, which enables those who demonstrated an interest in sewing to put their skills to use. Each piece is made with pride and expertise in our own production facilities with the finest raw materials from around the world.

Selected media coverage:

[Skin in the game and investment with heart: What does equity crowdfunding look like in the era of COVID-19?](#), SmartCompany (June 2020)

[Young and hip buy into Outland Denim’s ethics](#), The Australian (May 2020)

[Bartle in crowdfunding drive to raise \\$5m for Outland Denim](#), The Australian (March 2020)

[Australian labels rewriting the rules by taking a stand for sustainability](#), Sydney Morning Herald (March 2020)

[Outland Denim is helping end modern slavery one thread at a time](#), Business News Australia (March 2020)

Looking ahead

After a tough few months, FY 2020/21 has started with strong activity. So far, three successful CSF offers have been completed, three more are currently live and have passed their minimum targets.

Since 1 July 2020

Complete



Fine Defender

\$203k funds raised
280 investors
(Birchal)



Farm2Market

\$460k funds raised
150 investors
(Birchal)



MANRAGS

\$790k funds raised
963 investors
(Birchal)

Live (as at 20 July 2020)



Compass Lifestyle Clinics

\$823k funds raised
491 investors
(Birchal)



Bunsters

\$795k funds raised
708 investors
(Birchal)



The Payment App

\$366k funds raised
195 investors
(OnMarket)

We're really excited about what lies ahead for equity crowdfunding in 2020-21.

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 helps everyday Australians invest in the brands they love.

Contact us at: raise@birchal.com



www.birchal.com