

birchal

Funded!

Crowd-Sourced Funding (CSF) in Australia

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FY 20/21





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Birchal Snapshot

(All time as at 27 July 2021)

97

Successful
CSF offers

\$65.1m

Funds
raised

42k

Investments



Section 1

A few words from Birchal

Birchal is proud to present the second edition of **Funded!**, the CSF industry report for FY 2020/21.

Since commencement of Australia's crowd sourced funding industry, over 144 Australian small and medium businesses have raised over \$100m to fund their businesses in exchange for shares. There are over 68 thousand investors that have participated in CSF offers. And this number is growing despite the continuing impact of COVID-19.

The 2020/21 financial year saw the CSF regime resume its strong growth trajectory particularly during the second half. The final quarter of FY21 was the strongest ever for the CSF regime, representing growth of approximately 620% compared to the previous year (which was COVID affected). 63 successful CSF offers were completed (a 40% increase on FY20) and a total of \$47m was raised across all CSF offers, representing a 100% increase on FY20.

Financial Services was the most invested in industry in FY21, with 13 successful CSF offers raising a total of \$14.7 million (31% of all funds raised through CSF for the financial year). Food and Beverage followed as the second most invested in category, with 9

successful CSF offers raising a total of \$8.7m (19% of all funds raised through CSF for the financial year).

Some new records were set, with **Thrive** raising \$3m in 3 days in February 2021, the equal largest and fastest CSF offer at the time. **LITT** and **Single Use Ain't Sexy** have since claimed the fastest CSF offer record together completing each of their campaigns in just 2 days.

Given the current lockdowns across the country, it seems we will be feeling the affects of the COVID-19 pandemic for some time. However, the CSF regime has proved to be a resilient funding source for Australian SMEs throughout, and we are hopeful it will continue to grow in the coming financial year and beyond.

Again, 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!

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 as at 30 June 2021

\$99m+

Funds raised

144

Successful offers

68k+

Investors

\$690k+

Average deal size

\$1,461

Average investment size

11

Offers > \$2m

\$1m

Biggest investor

(Shebah Rideshare, March 2019)

Biggest platform

Birchal

87 Successful Offers
\$57m funds raised

23 Days

Average Offer Open on Birchal

2 days

Fastest deals

(LITT, March 2021)
(Single Use Ain't Sexy, June 2021)

\$3m

Biggest deals

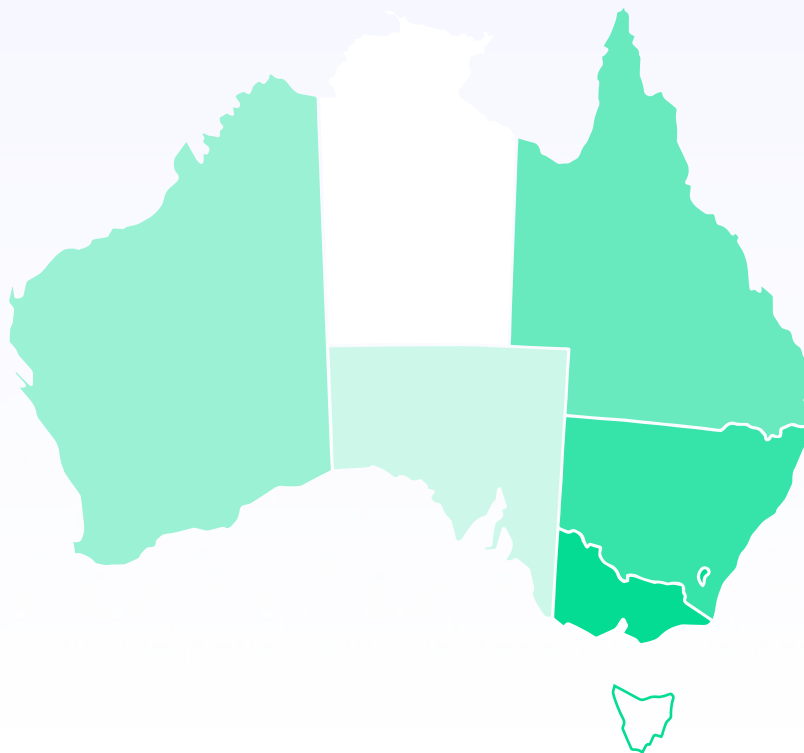
(Shebah Rideshare, March 2019)
(Thrive, February 2021)

FY21 – CSF activity by State

CSF funding activity has increased across all Australian States, with Victoria accounting for the most funds raised of \$18.3m (39% of all funds raised), followed by New South Wales with \$15m (32% of all funds raised), which also accounted for the highest number of successful CSF offers with 25 completed in FY21.

South Australia saw the biggest increase year on year, with 3 successful CSF offers (**Good Empire**, \$880k; **PREPD**, \$789k; and **Goldilocks Suit**, \$112k) compared to only one in FY20. Tasmania also achieved its first successful CSF offer with **Rocketeer** raising approximately \$300k, all hosted on Birchal. Hopefully we will see the Northern Territory open its CSF account for the first time in FY22!

Number of successful deals per State in FY21


VIC

 21 CSF Offers
 \$18.3m raised

NSW

 25 CSF Offers
 \$15.1m raised

QLD

 8 CSF Offers
 \$6.1m raised

WA

 5 CSF Offers
 \$5.6m raised

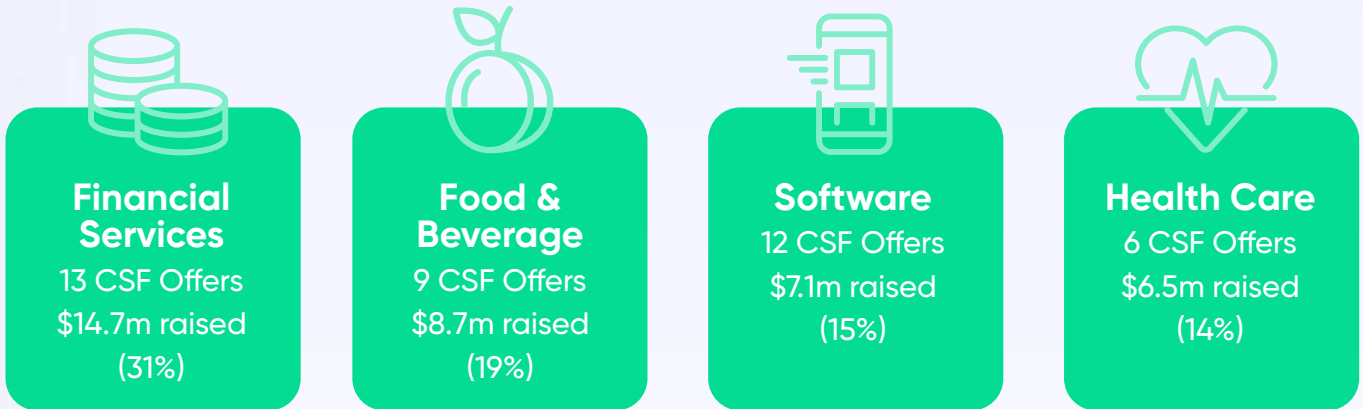
SA

 3 CSF Offers
 \$1.8m raised

TAS

 1 CSF Offer
 \$0.3m raised

FY21 – Popular Industries



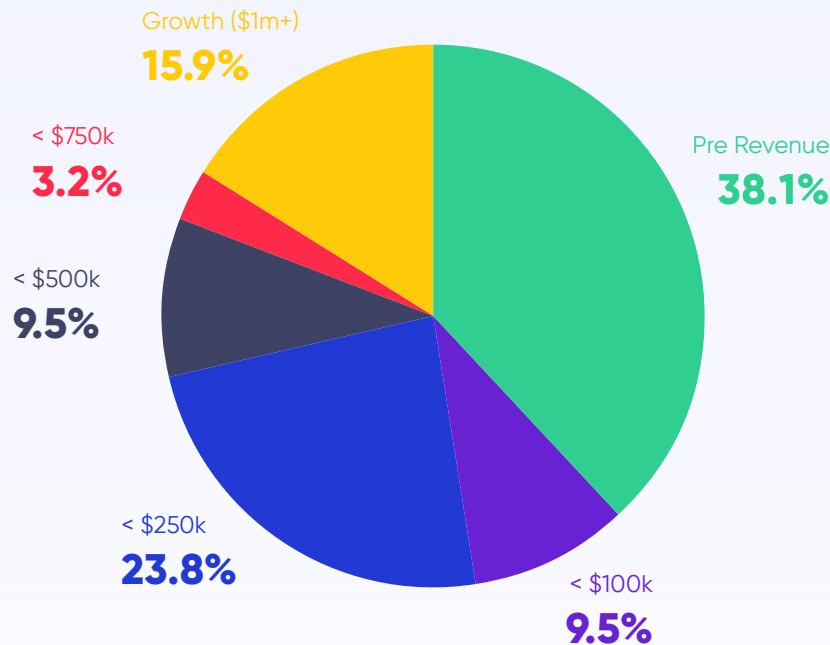
Popular industries in FY21

Financial Services was the most invested in industry in FY21, with 13 successful CSF offers raising a total of \$14.7 million (31% of all funds raised through CSF for the financial year), with the three largest campaigns (Thrive, \$3m; Coinstash, \$2.8m; and Unhedged, \$2.3m) accounting for over 55% of the total in this category, and all hosted by Birchal.

Food and Beverage followed as the second most invested in category, with 9 successful CSF offers raising a total of \$8.7m (19% of all funds raised through CSF for the financial year).

FY21 Industry Data	CSF Offers	Total Raised	Investors
Financial Services	13	\$14,713,503	5554
Food/ Beverage	9	\$8,697,919	5847
Software	12	\$7,131,005	3402
Health Care	6	\$6,522,722	3229
Sustainability	10	\$5,162,563	4525
Agriculture and Farming	2	\$2,042,623	763
Travel and Tourism	2	\$1,047,235	157
Commerce and Shopping	3	\$600,851	270
Consumer Goods	3	\$428,124	213
Real Estate	1	\$334,341	223
Transportation	1	\$304,568	258
Media and Entertainment	1	\$170,344	565
TOTAL	63	\$47,155,798	25,006

FY21 – Performance by revenue



CSF performance by reported revenue in FY21

Pre Revenue Businesses completed the greatest number of CSF campaigns, with 24 successful CSF campaigns (38% of the total), and also accounted for the most investment raised with approximately \$16.5m. The median raise for Pre Revenue Businesses was approximately \$393k.

Growth Businesses (with greater than \$1 million in reported revenue) achieved the most significant median raise growth (110% from FY20 to FY21) from \$548k in FY20 to a median of \$1.15m in FY21.

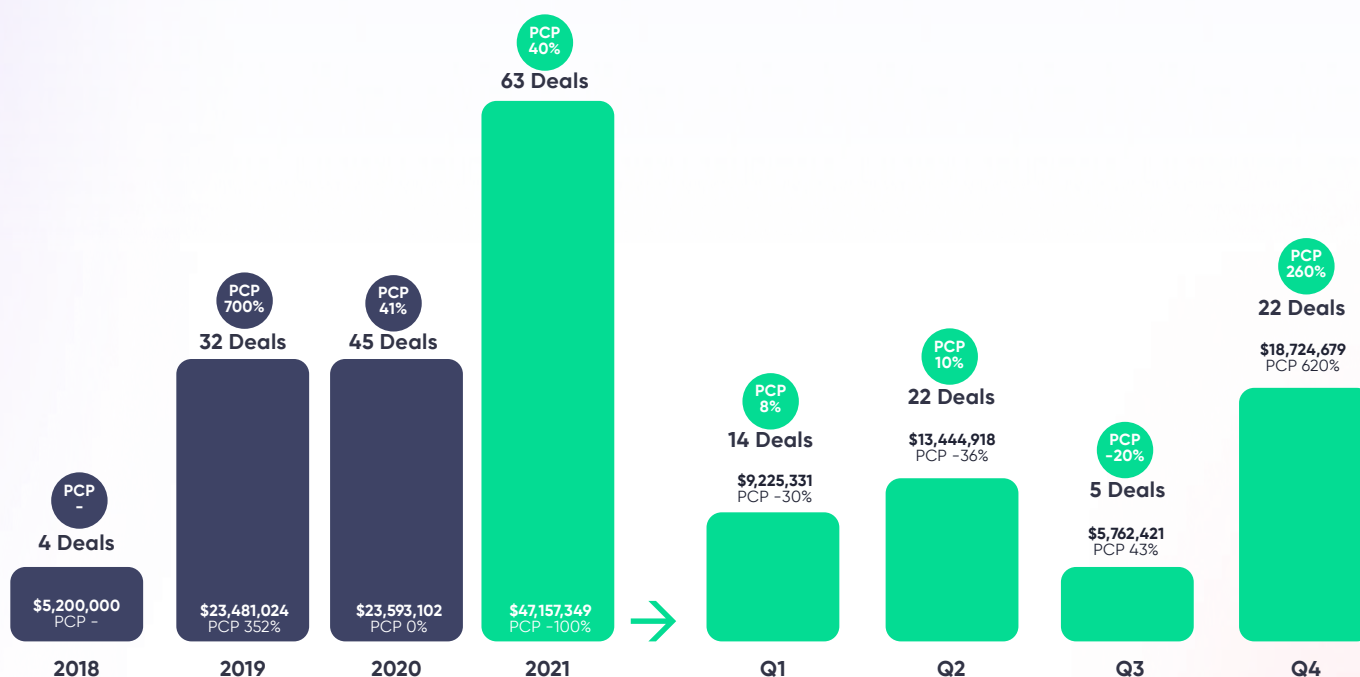
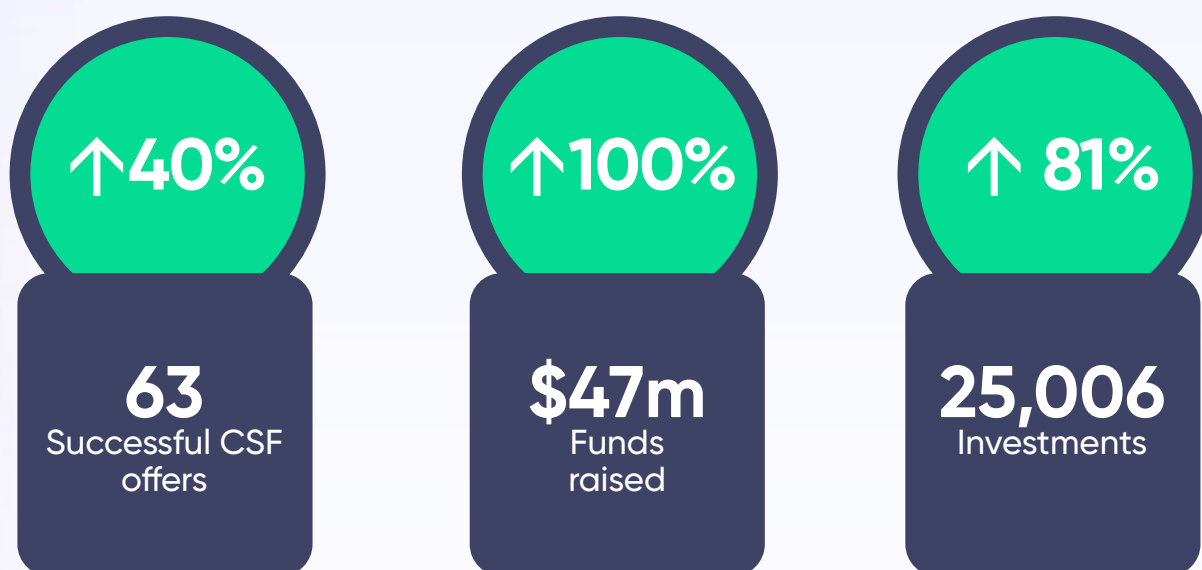
CSF offers for businesses that reported Positive Earnings at the time of their CSF offer also saw a significant increase from just one (or 2% of all offers in FY20) to 7 (or 11% of all offers) in FY21.

FY21 Industry Data	CSF Offers	Total	Median Raise
Pre Revenue	24	\$16,542,073	\$392,692
< \$100k	6	\$2,229,366	\$274,010
< \$250k	15	\$9,555,755	\$429,800
< \$500k	6	\$3,379,623	\$384,772
< \$750k	2	\$1,939,954	\$969,977
Growth (\$1m+)	10	\$13,509,078	\$1,150,397

CSF activity in FY 21

The 2020/21 financial year saw the CSF regime resume its strong growth trajectory particularly during the second half. The final quarter of FY21 was the strongest ever for the CSF regime, representing growth of approximately 620% compared to the previous year (which was COVID affected).

How did FY 21 compare with FY 20?



Quarterly performance by platform

Activity in the Australian CSF industry has continued to consolidate during the 2020/21 financial year towards the major platforms: Birchal, Equitise and OnMarket.

Birchal was the clear leader, finishing the year having hosted 71% of all successful CSF offers (45 in total), raising 70% of all funds raised (\$32.9m) and facilitating 81% of all investments (20.1k) across the CSF industry in the 2020/21 financial year.

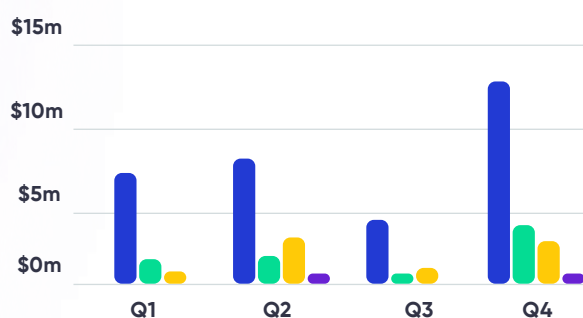
Major CSF platform performance in FY 21



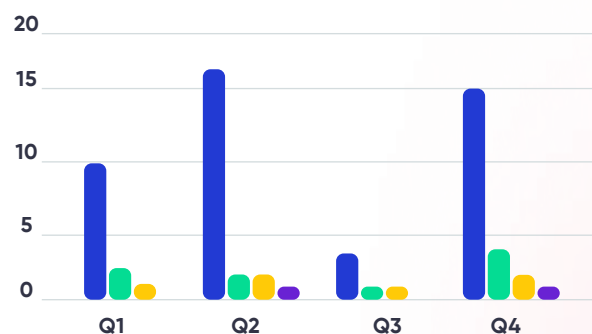
Top 10 CSF offers (funds raised) in FY 21

Company	Amount Raised/ Investors (Month, Platform)
Thrive	\$3m/ 525 investors (February, Birchal)
Coinstash	\$2.8m/ 1329 investors (April, Birchal)
Cannatrek	\$2.5m/ 788 investors (December, OnMarket)
Unhedged	\$2.3m/ 980 investors (June, Birchal)
Bunsters	\$2m/ 1572 investors (August, Birchal)
Montu	\$2m/ 1118 investors (October, Birchal)
1Question	\$1.9m/ 451 investors (June, OnMarket)
Bubble Tea Club	\$1.7m/ 1399 investors (June, Birchal)
Batch Brewing	\$1.5m/ 679 investors (April, Equitise)
LITT	\$1.5m/ 682 investors (March, Birchal)

Quarterly Performance - Funds Raised



Quarterly Performance - Successful Deals





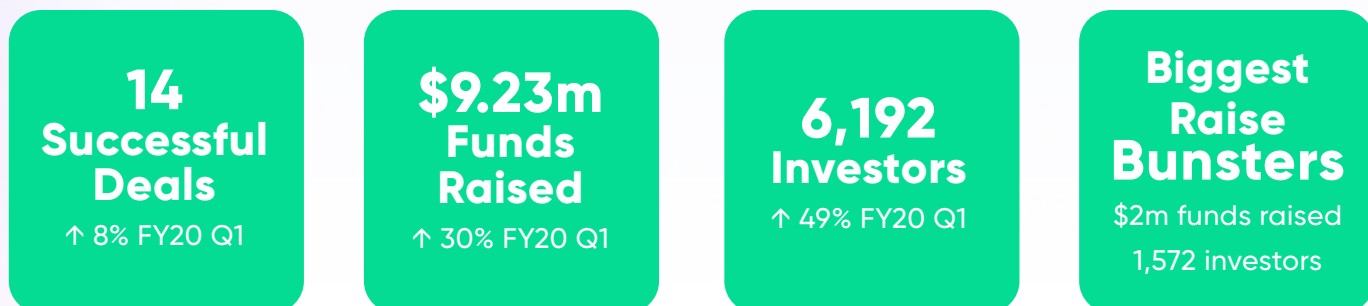
Section 3

FY 21 - Q1 Snapshot

After the initial shock of the COVID-19 pandemic and a challenging second half of FY20, with muted CSF activity, FY21 got off to a strong start with 14 successful CSF offers raising a total of \$9.23m.

Bunsters, Australia's most famous hot sauce brand led the quarter raising its maximum target of \$2m from around 1,500 investors, showing that despite enduring lockdowns across the country, investors were still keen to invest in much loved brands.

At a glance



Other notable campaigns included **Upparel** (formerly Manrags) which raised \$790k from 963 investors in its second CSF offer. Also, **Compass Lifestyle Clinics**, a medicinal cannabis business raised \$1.3m from over 990 investors in July 2020.

Birchal led the quarter, hosting 10 successful campaigns in total, pushing industry activity higher compared to the same period in the previous year.



Food/
Beverage

FY 21 Q1

Best in the quarter:



In August 2020, Bunsters, the Aussie hot sauce that broke America with its flagship “Shit the Bed” hot sauce, leveraged the CSF regime to turn its most passionate customers and fans into investors.

Biggest Raise: Bunsters
\$2m funds raised
1,572 investors

Hosted by  birchal

Not only is Bunsters hot sauce now stocked in 80% of independent supermarkets across Australia, it's also repeatedly been the #1 selling hot sauce on Amazon USA and featured on U.S. celebrity chat show 'Hot Ones' (which boasts up to 90 million views a month).

Over 1500 Bunsters fans now own a piece of their favourite hot sauce company.

Selected media coverage:

- [“Everybody realised they couldn’t cook”: Aussie hot sauce brand smashes equity crowdfunding goal following COVID-19 sales spike](#), SmartCompany (July 2020)
- [WA brand behind cheekily named viral hot sauce set to ride ‘Australian Made’ wave](#), SMH (July 2020)
- [How this former Perth journalist launched a viral hot sauce brand – and made millions’](#), Yahoo! Finance (February 2021)
- [Renaë Bunster seeking \\$2 million equity to expand Perth’s Shit the Bed Hot Sauce business](#), The West Australian (July 2020)



Section 3

FY 21 - Q2 Snapshot

The CSF industry achieved a tremendous finish to 2020, achieving its strongest quarter at the time with 22 successful deals completed and \$13.4m in funds raised.

Victorian-based medicinal cannabis company, **Cannatrek** completed the largest CSF offer for the quarter, raising its maximum target of \$2.5m from 788 investors in December 2020.

At a glance

22
Successful
Deals

↑ 10% FY20 Q2

\$13.44m
Funds
Raised

↑ 36% FY20 Q2

6,558
Investors

↑ 31% FY20 Q2

**Biggest
Raise
Cannatrek**

\$2.5m funds raised
788 investors

Other notable campaigns included **Montu** (\$2m from 1118 investors), WA-based camel milk producer **Good Earth Dairy** (\$1.2m from 392 investors), and the much-loved children's organic snack food brand **Whole Kids** (\$1.1m from 582 investors).

Birchal led the quarter again, hosting 17 successful campaigns in total (the most of any platform in a quarter to date). The industry raised an impressive \$13.4m overall, representing an increase of 36% over the same period in the previous year.



Health
Care

FY 21 Q2

Best in the quarter:



Cannatrek Limited is an Australian-based medicinal cannabis company, developing production, manufacturing and distribution assets across Australia. Cannatrek operates in the high-growth global medicinal cannabis industry, with a strong asset base, granted licenses and permits, revenues, and high-calibre team. Cannatrek was one of the first companies in Australia to be issued the full suite of medicinal cannabis licences.

Biggest Raise: Cannatrek
\$2.5m funds raised
788 investors

Hosted by **OnMarket**
CROWD

Selected media coverage:

- [New cannabis sale rules hailed](#), Australian Jewish News (March 2021)
- [Medicinal cannabis company bound for Shepparton releases first products](#), Shepparton News (October 2020)
- [Cannatrek: Lemnos, Shepparton cannabis farm construction starts 2021](#), Herald Sun (October 2020)





Section 3

FY 21 - Q3 Snapshot

The star performer of Q3 was **Thrive**, which equalled Shebah's record raising \$3m from 525 investors in just three days in February 2021.

Otherwise, the CSF industry got off to a slow start in 2020. January is typically a quiet time for capital raising in Australia, and events this year caused some companies to delay opening their offers.

At a glance

5
Successful Deals
↓ 20% FY20 Q3

\$5.76m
Funds Raised
↑ 43% FY20 Q3

2,222
Investors
↓ 18% FY20 Q3

Biggest Raise
Thrive
\$3m funds raised
525 investors
3 days

Another notable campaign included **LITT** (\$1.5m from 682 investors) in just 2 days in March 2021.

Birchal led the quarter in terms of funds raised (\$4.7m of \$5.8m), hosting 3 successful campaigns in total.

Fastest Raise
LITT
\$1.5m funds raised
2 days



Fintech

FY 21 Q3

Best in the quarter:

 **Thrive**

Thrive is a one stop solution for businesses to manage their finances. After being fed up with the amount of time and money spent on doing financial admin, Thrive has developed a unique product that uses artificial intelligence to automate banking, accounting, tax and lending for SMEs. Think of it like a CFO in your pocket.

Thrive is disrupting the fragmented \$57 billion SME market by offering a single, integrated digital account. The product is aimed at the 2.3 million businesses in Australia who have the desire to 'have a go' but hate being burdened by constant admin.

Biggest Raise: Thrive
\$3m funds raised
525 investors



Hosted by  birchal

Selected media coverage:

- [Australian fintech breaks crowd-funding records](#), The Australian (March 2021)
- [Aussie fintech Thrive smashes equity crowdfunding record to raise \\$1 million in under three hours for a "CFO in your pocket"](#), SmartCompany (February 2021)
- [Melbourne start-up Thrive brings AI to business tax in deal with Mastercard](#), The Australian (February 2021)
- [Fintech Thrive takes another stride towards launch with Mastercard partnership](#), Mozo (February 2021)





Section 3

FY 21 - Q4 Snapshot

The final quarter of FY 21 saw a marked increase in activity as it seemed that most of the country was keen to get back to business, despite some pockets of the economy enduring limited lockdowns to manage COVID-19 outbreaks. All in all, 22 successful CSF offers were completed raising \$18.7m in the strongest quarter the CSF regime has achieved to date, representing a 620% increase in funding volume compared to the previous year's COVID Quarter.

The star performer of Q4 was for Brisbane-based cryptocurrency exchange, **Coinstash**, raising \$2.8m from 1,329 investors in April 2020.

At a glance

22
Successful Deals
↑ 260% FY20 Q4

\$18.72m
Funds Raised
↑ 620% FY20 Q4

10,034
Investors
↑ 424% FY20 Q4

Biggest Raise
Coinstash
\$2.8m funds raised
1,329 investors

Other notable campaigns included **Unhedged** (\$2.3m from 980 investors), **Bubble Tea Club** (\$1.65m from 1,390 investors) and **Seabin Project** which returned to complete its COVID-affected round from 2020 (\$1.2m from 1,016 investors).

Single Use Ain't Sexy also smashed its funding target of \$600k in just 2 days, matching the record set by LITT in the previous quarter.

Birchal led the quarter, in its strongest performance to date raising \$12.6m across 15 successful CSF offers.

Fastest Raise
Single Use Ain't Sexy
\$600k funds raised
2 days



Financial Services

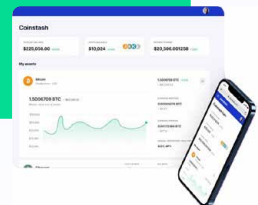
FY 21 Q4

Best in the quarter:
coinstash

Founded in 2019, Coinstash is a registered Australian crypto exchange with 2,000+ customers who have traded more than \$25 million worth of crypto. Our simplicity, coupled with our excellent customer support, creates frictionless usability for customers.

Biggest Raise: Coinstash
\$2.8m funds raised
1,329 investors

Hosted by  birchal



Coinstash is working on new solutions that, subject to regulatory approval, are designed to allow users to trade, earn, borrow and spend crypto. If approved, Coinstash could offer 3 new products – Coinstash Earn, Coinstash Borrow, and Coinstash Spend.

Selected media coverage:

- [Coinstash wants to let Australians spend, earn interest on, and borrow against their crypto holdings](#), Business Insider (April 2021)
- [As Coinbase's IPO ushers in a second crypto wave, Brisbane startup Coinstash has secured \\$2.8 million to ride it](#), SmartCompany (April 2021)
- [Coinstash offering crypto buffs a chance to take an equity stake in Aussie based crypto platform](#), Stockhead (March 2021)





Section 4

Where are they now?

The UK's equity crowdfunding industry, which started around 2011, is the world's most significant and mature, with the two major platforms (**Crowdcube** and **Seedrs**) sharing approximately 90% of the market.

Recently, Crowdcube funded digital bank Revolut became Britain's biggest-ever fintech after raising close to £600m in its latest funding round led by two global investors, SoftBank's Vision Fund and Tiger Global. Crowdcube has reported that the 433 investors who backed Revolut's £1 million raise in 2016 have achieved a 600x increase in the value of their stake in the £24bn fintech giant.

So as the CSF regime enters its fourth year, we asked **Nina Hendy** to check in with some of the earliest companies to complete successful CSF offers to see how they are tracking with their plans.



Case Study:



About Black Hops

Black Hops was the first brewery to close an equity crowdfunding campaign in Australia, hitting its minimum target on day one, with no EOI. The company reached its funding target of \$400,000 in 6 days.

At the time, Black Hops was in the process of opening a large brewery that the company was yet to grow into. "We had debts piling up from tradies just to get the place open. The funds went straight into the build project as soon as they hit our account," co-founder and CEO Dan Norris says.

Today, the Black Hops brand is listed as the number one craft brewery on the most recent annual Beer Cartel survey.

The campaign

Norris describes the experience in one word: 'awesome'. "I had been talking to Birchall before this and it was great to finally do it. Their team was super supportive, responsive, friendly and professional. I wouldn't change much to be honest, it was the perfect fit for us."

In the three years since the crowdfunding campaign, Black Hops has grown to almost 10 times the size. "Before the capital raise with Birchall, we were unprofitable and operating out of a small single site. We now have four sites including Queensland's largest independent brewery site, and we are comfortably profitable," Norris says.

Food/
Beverage

Raised: **\$400,000**

Investors: **539**

Company: Black Hops

Co-founder & CEO: Dan Norris

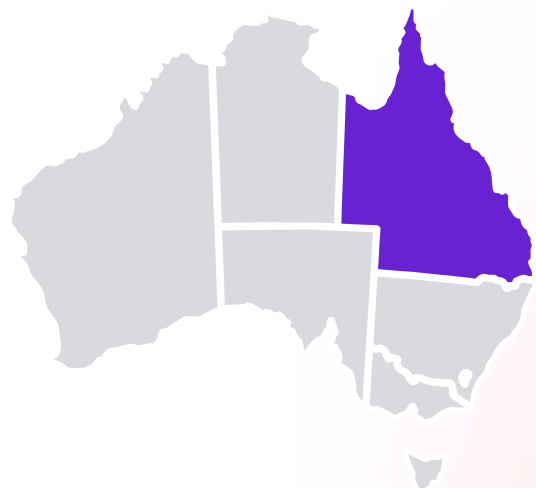
Location: Gold Coast

Campaign closed: January 2019



The company's previous financial year revenue just before the crowd sourced funding was just over \$1.4 million in revenue. The most recent financial year, Black Hops was just under \$14 million in revenue. That's pretty impressive.

The truth is, Black Hops is a shining example of how to treat its investors, dubbed The Alpha Team. Company founders interact with investors almost every day. "We love engaging our audience in what we do and keeping them involved in the business. It's also a healthy and transparent way to raise money."





The learnings

His advice? Make sure you're honest during the entire process. Don't be too ambitious with future projections. "When we did our campaign, we didn't go into lots of detail about huge future projections. We relied on our past performance and simply said our goal was to build a second brewery to continue growing. The second brewery was well on the way already, and there was no way we weren't going to hold up our end of the deal," Norris says.

Make sure you value your company high enough. "It's hard to build a great brand and a great business, and you should value it accordingly," Norris says.

Also, don't raise money for the sake of it, he adds. "The more you raise, the more equity you're giving up. Only raise what you need. If your company is growing quickly, it will be worth a lot more down the track, so you don't want to maximise the raise at a small valuation."

Don't focus too much on investor rewards and discounts, he says. "Try to get investors on board who want to see the business doing well and aren't investing just to get the discounts. If they are investing for that reason and the discounts are too generous, you're just pre-selling a lot of debt. There are better ways to raise money."

The investor

"I'm actually extremely happy as an investor! I really appreciate the Alpha Day I was able to attend and advance on exclusive content."

Justin Carlaw, Brisbane



Case Study:



About DIT AgTech

An innovative approach to farming is giving the cattle and sheep farmers a cheaper and more effective way of supplementing livestock.

DIT Technologies provides the tech, infrastructure, labour, nutritional advice and supplements for a herd. The farmer pays a per litre price for supplements consumed, and DIT takes care of the rest.

This model cuts supplementation costs by up to 100 per cent, enhances production by up to 15 per cent, reduces environmental impact on the land, enhances animal welfare and improves production for the farmer, explains CEO and founder, Mark Peart.

"DIT's technology provides a cheaper, more effective way of supplementing livestock equally through their drinking water – with clients realising up to 15 per cent production gains and 40 per cent cost savings," Peart explains.

A supplement to reduce methane production in cattle will also be commercialised in the coming year, which has piqued the interest of the clean energy market.

The campaign

Monies raised on Birchal enabled the company to expand it's geographical footprint, hire 20 new staff, onboard new customers and look at trade opportunities and enter into horticulture.

Peart says: "We've very proud of the fact that we've been able to hire a lot of immigrants, which has enhanced our business significantly."

Agriculture & Farming

Raised: **\$1,499,123**
(over 2 CSF offers)

Investors: **476**

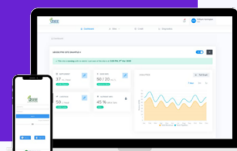
Company: DIT AgTech

Co-founder & CEO: Mark Peart

Location: Toowoomba

Campaigns closed:

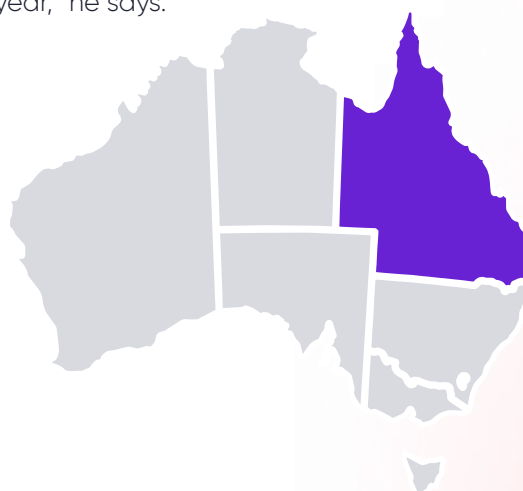
19 February 2019, 5 November 2020



The Birchal team were huge champions of the vision throughout the campaign and the experience gave his company huge exposure to potential investors, he says.

"We have always thought of ourselves as a technology business, but going through the equity crowdfunding experience made us realise we're actually an impact business, which has been an interesting observation. This isn't always clear until you go through the journey," he says.

"We have been onboarding a number of large corporates who are adopting our technology, which has validated our business. We can't keep up with the orders. We expect revenue to be in excess of \$5 million in 2021/22, and we'll have 60 staff by the end of June next year," he says.





The learnings

Investors want to hear from you about your journey, Peart says.

So, he committed to personally calling every single Expression of Interest, which meant picking up the phone 2,500 times. "These are our brand ambassadors, and they were blown away that the CEO of the company was personally calling them," he says.

Raising capital with Birchal taught him the importance of articulating the vision succinctly to potential investors. "I would convey the business in a different light next time. Next time we capital raise, we will be clearer about where we are going as a business, rather than how far we've come. It's about always looking into the future," Peart says.

He would also put a greater emphasis on social media in a bid to spread the message, and spend more on a great marketing video.

He believes an exit event for investors is an important step in gaining trust, prompting him to commit to an IPO in the near future.

The investor

"I decided to invest in DI Technologies because both my grandparents were sheep and cattle farmers and deep down I would have liked to be one also. I invested with my heart hoping the company will be a success and help our farmers become more profitable, particularly in times of drought."

Jeff Mays, Toowoomba



Case Study:



About Capricorn Power

Taking the mantle as Birchal's most prolific crowdfunder to date is Capricorn Power.

The renewable energy innovator has executed four campaigns now, its most recent campaign closed in July 2021.

Put simply, this company is a great example of how crowd sourced funding can be used over multiple rounds to build an audience of investors incrementally, raising only the capital you need at each stage.

The crowds were in awe of Capricorn Power, which has invented a new way of turning heat into electricity, creating a new source of sustainable electricity with a bioenergy partner. Its key point of difference is that its containerised on-site solution generates up to three times the electricity from the same heat source as competitors, regardless of weather, using no water and with no emissions.

The campaign

Capricorn Power has doubled the capital raised each time its been through the process. The company is now throwing its hat in the ring for a fourth time this year, and has high expectations.



Raised: **\$1,665,977**
(over 4 CSF offers)

Investors: **910 investors**

Company: Capricorn Power
CEO: Mike Hodgkinson
Location: Melbourne
Campaign closed: Currently live



When you've grown beyond angel investors and you aren't big enough for venture capitalists, there aren't a lot of good funding options out in Australia. "Honestly, the other ways of raising capital are really unattractive compared to crowd sourced funding. This is a much-needed democratisation of the funding process," says Mike Hodgkinson, Capricorn Power CEO.

Hodgkinson has provided monthly updates to investors, which has also fuelled interest in subsequent raises from past investors, he says.





The learnings

Each campaign experience has taught the team something crucial about the company and its vision and mission. A greater focus on digital marketing during the life of the campaign has also resulted in the strong uplift each round, Hodgkinson says.

"Each time we go through the process, it's smoother and more efficient. In hindsight, we wasted a lot of time hosting physical events in the past, but Covid-19 forced us to up our digital game, which has resulted in a far stronger campaign result," he says.

Facebook advertising is a valuable tool during a campaign, and he would channel additional spending into this in the future. Timing is everything, he adds. Campaigns that run during EOFY and school holidays have not been as successful, so he advises others to consider timing carefully.

"I'd also advise others to listen to Birchall and act on their advice. They have a lot of experience, and we should have followed all of their advice."

The investor

"My view in investing in startups is that I bet on the jockey, not the horse. I developed great respect for them, their intelligence, and more importantly, their integrity. When they started a company and I had the opportunity to invest, I did. I'm excited about the potential. It seems that Capricorn is just beginning to enter into a world of possibilities for this technology. It seems like everywhere you look, there's an opportunity."

Michael Vitale, Melbourne



Case Study:

memobottle™

About Memobottle

The memobottle brand launched onto the global reusable water bottle scene like a bolt out of the blue, giving the industry a firm shake with its unique design.

The product was created to overcome the disastrous environmental impact of single-use water bottles and the frustrating inability to fit cylindrical bottles in bags – launching the world’s first flat water bottle, designed around international paper sizes for carry and travel.

Now a global design icon, memobottle has generated over \$10 million in revenue, is stocked in 1,200 stores, ships to 80 countries and has prevented 100 million single-use bottles from being consumed. The product comes in four sizes: A5, A6, A7 and the slim along with a range of accessories including metallic lids, silicon sleeves and lanyards.

The products have been included in the Oscars gift bags given to nominees, and endorsed widely by influencers and celebrities such as Anne Hathaway and the Kardashians.

While the pandemic temporarily flattened orders due to some retail store closures in some jurisdictions due to the pandemic, the product still has a cult following around the world and sales recovery is inevitable as countries start opening up post-Covid.

Consumer Goods

Raised: **\$383,000**

Investors: **398**

Company: MemoBottle

Co-founder & CEO:

Jonathan Byrt & Jesse Leeworthy

Location: Melbourne

Campaign closed: December, 2018



In fact, the team have been on a hiring spree during Covid lockdowns and have used the time to work on the operations side of their growing business and pivot away from retail .

“The pandemic has allowed us to double down on product development, strengthen our team and given us the focus to fine-tune our operations. We’ve been exploring other sales opportunities, including collaborations and brand cross-promotions to create global exposure, and are forecasting a 50 per cent increase on revenue despite Covid,” says Jonathan Byrt, Memobottle Co-founder and CEO.





The campaign

Being coached through the equity crowdfunding stage by Birchal was a pivotal moment for the brand's ability to build into the global water bottle juggernaut that it is today.

The two week campaign represented a monumental leap into growth, enabling the brand to leapfrog the sales of other reusable drinking vessels by leveraging the power of the crowd.

The iconic brand raised \$383,000 during the campaign, with the pool of cash used to fund market expansion costs and overseas marketing efforts.

The memobottle brand plays in an economically huge global pond. The single-use water bottle industry is worth \$250 billion per year, while the reusable water bottle industry is valued at \$7.6 billion per year.

By converting just 0.2 per cent of single-use water bottle users, the company stands to gain \$510 million per year, which it plans to achieve through environmental education and marketing to change societal habits.

And by capturing just one per cent of the reusable sector, memobottle would be able to capture a market worth \$76 million per year. It plans to reach this sector via its retail strategy, marketing campaigns, brand differentiation, brand partnerships and environmental education.

The learnings

Like other campaign founders, the dynamic duo admit that additional pre-campaign work to engage its existing community and a greater focus on public relations ahead of the crowd sourced campaign with Birchal could have bolstered the campaign result.

Like all things in life, timing is also critical. "Our campaign was rolling out in December, and it was a bit close to Christmas in hindsight. We may consider another campaign down the track, and if we do, we will definitely raise at a different time of the year," Leeworthy says.

The key is to ensure that as many potential investors as possible see the campaign, he says.

"All campaigns need a clear video that gets the message across, a great offer document, a good pitch deck and to ensure that your investors can share the vision," says Jesse Leeworthy, Memobottle Co-founder and CEO.

The investor

"I invested in memobottle after long admiring their unique combination of form and function, concurrent with their authentic mission of championing a more sustainable future. When the opportunity arose to join them on their journey, I was excited to be able to invest in a business and vision I believe can do good while ultimately being financially self-sustaining in the long term."

Dominic Lai

Looking ahead

The new financial year has started with strong activity with 10 successful CSF offers raising \$7.8m on Birchal in July so far.

Since 1 July 2021



\$1.44m funds raised from
1063 investors



\$1.25m funds raised from
854 investors

OUTLAND
DENIM

\$892k funds raised from
881 investors



\$789k funds raised from
538 investors

O'BRIEN
BEER

\$701k funds raised from
475 investors



\$678k funds raised from
391 investors



\$672k funds raised from
431 investors



\$619k funds raised from
407 investors

Supp

\$447k funds raised from
3216 investors



\$358k funds raised from
194 investors

**We're really excited about what lies ahead
for equity crowdfunding.**

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.

<https://www.birchal.com/raise-investment>

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