



# Funded!

Crowd-Sourced Funding (CSF) in Australia

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2. Data, information and opinions about the CSF industry and companies that have undertaken CSF campaigns. This material has been gathered by Birchal, and includes publicly available information gathered online.

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## A few words from Birchal



### BIRCHAL'S BOARD OF DIRECTORS

Matt Vitale, Kellie Morton, and Adam Vise

We are delighted to present the third edition of Funded!, the CSF industry report for FY22.

Australia's crowd sourced funding industry continues to grow from strength to strength. In the 12 months to 30 June 2022, over \$86m was raised across 98 successful CSF offers, representing an increase of 82% in funding volumes, which is a tremendous result. Since inception, the industry has facilitated over \$185m across over 240 successful CSF offers, with 21 offers greater than \$2m. The majority have been hosted by Birchal.

Some significant milestones were achieved in FY22. ZeroCo became the first company to raise \$5m in a single CSF offer (achieved in less than seven hours), the maximum that can be raised under the CSF regime. The deal was also supported by many notable professional investors, including Square Peg who invested \$6m on substantially the same terms as CSF investors. And Montu became the biggest raiser under the CSF regime, completing a successful \$3.5m follow-on round bringing its total raised to \$5.5m across two offers.

Birchal also got involved, using its own platform for the first time to raise \$3m, welcoming approximately 600 new investors, in a heavily oversubscribed round. It's fair to say we have far more

### Our Mission

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.

empathy for the tremendous effort that companies put into executing a successful CSF offer now having been through this experience ourselves!

Funds raised through our own CSF offer will be used to support our commitment to building out an ecosystem of support on four key pillars (Primary Capital; Secondary Trading; Stakeholder Communication; and Infrastructure) to make startups and SMEs an efficient asset class for wealth creation. These plans are well underway, and we have a few exciting announcements to make over the coming months.

Birchal, and the CSF industry has emerged from the COVID-19 pandemic as a strong partner to forward-thinking businesses, with the support of thousands of forward-thinking investors, facilitating capital at times when others could not. In the midst of another period of volatility as a result of complex macro-economic conditions, we remain committed to doing what we do best, connecting believers, and unlocking the value of passionate communities.

We are proud to present another Funded! Report, and look forward to an exciting year ahead!

# The media interest

By Nina Hendy

David Swan is the technology editor at The Australian. He's covered a number of stories on Birchal over the years.

He says equity crowdfunding is a relatively unique beast. "It allows communities of fans and customers of brands to collectively put their money where their mouths are, and invest in things they believe in. It's different to venture capital in that you're raising funds from a much wider and more diverse pool of investors, and it's typically used for smaller amounts than some of the big venture capital raises we see," Swan explains.

A growing number of brands are turning to equity crowdfunding during periods of growth, he says.

**"I think the jolt of energy that a company gets from a successful equity crowdfraise can help from many different angles – it helps double down on growth, it awards a company with a new, passionate base of investors, and it gains a company extra attention both from the media and the broader public,"** Swan says.

In terms of media interest in these campaigns, he says: "In and of itself crowdfunding isn't inherently a media story, but it quickly



**David Swan**

Technology Editor at Australian

becomes one when you have interesting and unique founders – people doing something differently, or when new records are broken, which they have been often lately," Swan says.

The key benefits to equity crowdfunding is that it provides an opportunity to tell your company story in a compelling and new way, which is a useful exercise for any executive.

"It allows you to bring your customers along for the ride in a deeper and more meaningful way. It forces you to interact and engage with them closely, and it allows you of course to raise funding to be able to build faster than you otherwise would have," he says.

When asked which was a favourite story to cover recently, he said: Bubble Tea Club.

"Covid was obviously a brutal and painful time for everyone, but stories like Pam and Jenny have provided a much-needed tonic (or, I guess, bubble tea)," he says.



# In the headlines

By Nina Hendy

**The nation's media have developed a healthy appetite for the brands listing with Birchal. It's not just the campaign results that pique their interest, either.**

The brands listing with Birchal are getting calls from some of the nation's most prominent journalists seek out interesting stories about their business before, during and after their raise. These stories can run on television, print and online – or sometimes all three.

Often, these journalists have already gathered the facts from the brand's Birchal page, but want more detail to tell a story that captivates their readers and listeners.

Of particular interest are directors or boards made up of prominent people in the world of business, brands solving new problems or giving the big brands a run for their money, along with raises that close quickly can generate valuable interest from the media.

Recent headlines about the broader equity crowdfunding industry have centred on the fact that equity crowdfunding appears immune to recent market volatility, on track for its best year yet.

**SMARTdaily**  
Herald Sun | Making life better | MONDAY, AUGUST 23, 2021

## How to invest like the rich

**CROWD-SOURCED FUNDING A CHANCE TO BUY INTO START-UPS FROM AS LITTLE AS \$50**

**MONEY**  
ANTHONY KEANE

**Tipstoget started**

- Research investment opportunities using online crowd-sourced funding platforms.
- Check the website operator is licensed on ASIC's professional registers to provide crowd-sourced funding services.
- The platforms should have detailed information about businesses and their founders to help you choose those you believe in.
- Don't invest in only one business – start-ups are high-risk so diversification is recommended.
- Begin small and increase your investment size as your experience grows.

Vitale says, "One of the key benefits of crowd-sourced funding for investors is that because the minimum investment for a CSF offer can be as low as \$50, it is far more affordable for an investor to construct a sufficiently diversified portfolio than could be achieved privately, where minimum investments can range between \$5000 to \$50,000."

Crowd-sourced funding is an online process and investors can browse platforms such as Birchal, Equitise and OnMarket to see what start-ups are seeking cash.

"Investors should take the opportunity to back founders they like, and businesses they understand and believe in," Vitale says.

Technology entrepreneur and crowd-funding veteran Chad Stephens, 41, has invested in more than 100 start-ups in the past five years in areas including e-sports and businesses with a positive social and environmental impact.

He has created, built and sold two fintech companies himself "and it really burns you out", so investing in other start-ups removes some of those stresses.

**HELPING OTHERS**  
"The risk is still there, but you are deciding how much risk you want to take," Stephens says.

"It's also giving back – it's so tough for early-stage start-ups to raise money so I want to help them." Technology is moving so quickly, so the quarterly updates provided by the start-ups keeps Stephens in touch with various industries, he says.

One lesson he learned was to avoid going in too hard too early. "There's so many opportunities out there so take your time and start small," he says. "Every start-up will always come back and ask for more money – only invest money you can afford to lose because it is high risk."

The Australian Securities and Investments Commission (ASIC) has information about crowd-funding on its [moneysmart.gov.au](http://moneysmart.gov.au) website and ASIC senior executive leader Laura Higgins says all investments have an element of risk.

"Companies that seek crowd-funding may be in the early stages of development and lack a company track record," she says.

"There's a higher risk they will be unsuccessful and you could lose your money, so make sure you do your own research on the company."

"If you're thinking about crowd-sourced funding investments make sure they align with your financial goals. Consider how they fit into your overall investment portfolio and make sure they match your risk tolerance – how well you can cope with financial loss."

In April, 2022, The Australian interviewed the Birchal team about the growth of the equity crowdfunding industry, whereby volumes exceeded \$10 million for the three months to March 31, representing

## FINANCIAL REVIEW

PLATINUM 70 YEAR

### Birchal tops democratic republic of financing

Yolanda Redrup

Equity crowdfunding platform Birchal has cemented its position as the top platform for retail investors in Australia, surpassing \$100 million in capital raised in only four years.

The company is responsible for \$94 million of the \$146.6 million raised via retail equity crowdfunding between the start of 2018 and December 31, 2021. Speaking to *The Australian Financial Review*, Birchal co-founder Matt Vitale said the industry had been growing by 70 per cent every year. There were 89 retail equity crowdfunding rounds completed across the industry in 2021, compared to just 18 in 2018.

"We've already surpassed what we achieved in Q1 last year," he said.

"The pipeline is looking really strong looking out for the rest of the year."

"Companies are coming back for second or third offers, and investors are buying into multiple rounds as well."

Last year, Birchal enabled 59 crowdfunding offers.

Refillable household cleaning and personal care products company Zero Co smashed crowdfunding records in October, raising \$5 million in just seven hours via the platform.

The 59 businesses that raised via Birchal had a combined pre-money valuation of more than \$800 million.



Birchal CEO Matt Vitale, left, and investor Dom Pym believe equity crowdfunding is a core part of the Australian financial infrastructure. PHOTO: EAMON GALLAGHER

"There's a lot more later-stage companies using crowdfunding now. The awareness of the benefits of this type of fundraising has grown, and now we have companies with material revenue," Mr Vitale said.

"We could infer that we will hit \$200 million next year."

The crowd-sourced equity funding industry has exploded since changes to the Corporations Act in 2018 allowed proprietary limited companies to have an unlimited number of investors, rather than the previous cap of 50, excluding employees.

Rival retail platforms include Equitise and OnMarket, both of which also do IPOs and wholesale deals.

The model of funding is most

developed in Britain, where it has been around since 2011. By 2015, it made up 15 per cent of seed and venture investing in Britain. In Australia, it is still less than 1 per cent (when including later stage VC rounds).

The next step for Birchal, Mr Vitale said, was to raise its own equity crowdfunding round on the platform.

"We're profitable, and we have good cashflow, but the scale of the opportunity is there and we want to move faster into this opportunity. We're looking to raise around \$2 million."

When a company raises via Birchal, they set their own valuation, but they are encouraged to run expression of interest campaigns and speak to interested investors to gauge an appropriate

valuation. If a company gets the price wrong, the deal will flop.

The capital will help Birchal to finish developing a secondary trading functionality, called Birchal Trade, which would let companies enable investors to sell shares outside official raises.

Mr Vitale is confident the company will pilot the service this year – possibly using itself as the case study.

One Birchal investor committed is the co-founder of neobank Up, Dom Pym, who has invested a few hundred thousand dollars via his family office.

"Equity crowdfunding is about the democratisation of investing. It means all Australians can now invest in their passion, or people they care about," he said.

89 per cent growth, compared to a 57 per cent decline for broader equity capital markets.

The piece told the story about the stellar result for Gold Coast brewer Black Hops, which raised its maximum target of \$2.2 million at a pre-money valuation of approximately \$65 million, representing a valuation uplift of 261 per cent on its first campaign in January 2019.

Birchal's co-founder and managing director Matt Vitale says the CSF industry continues to go from strength to strength, bringing with it strong media interest as businesses and brands that have not been able to secure financial backing from

"CSF investors that backed these companies have achieved tremendous growth in the value of their investments, albeit on paper at this stage," Vitale says.

"Encouragingly, businesses who have raised earlier rounds through CSF have been executing well, and driving growth in their business and their investors' portfolios," he says.

startupdaily.

FUNDING

### Birchal bags \$3 million from its own crowdfunding campaign in just 63 minutes

**Market leading crowd-sourced funding (CSF) platform Birchal has raised \$3 million for itself in the second fastest raise in local CSF history.**

It took just 63 minutes for the campaign to reach its maximum \$3 million target after opening to investment following its expressions of interest phase.

# 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 2022)



# CSF activity by state

CSF funding activity has increased across the country with most States achieving significant increases in successful deals and funding volume.

Although companies operating from capital cities represent the vast majority of successful CSF campaigns and funding volume, the achievements of regional businesses through CSF has been tremendous.

In FY22, regional businesses completed 23 of the 98 successful CSF offers across the industry, achieving funding volume of \$26m (or 30% of all funding volume).

Most notably, ZeroCo which completed Australia's largest CSF campaign to date is based in regional NSW (Byron Bay).



## Number of successful deals per State in FY22

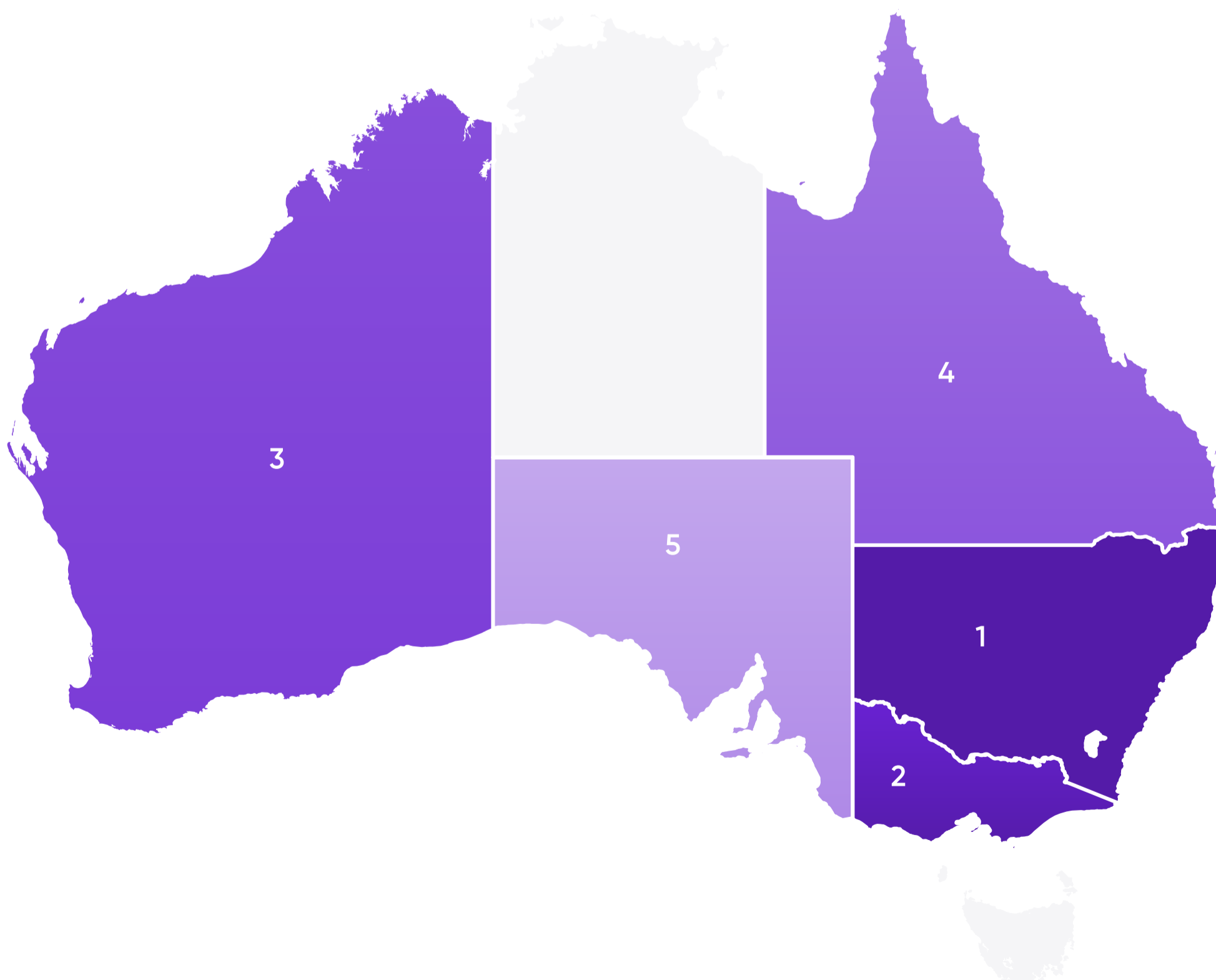
**1** **NSW**  
 📄 30 CSF Offers  
 📈 \$28.8m raised

**2** **VIC**  
 📄 35 CSF Offers  
 📈 \$28.4m raised

**3** **WA**  
 📄 12 CSF Offers  
 📈 \$12.5m raised

**4** **QLD**  
 📄 17 CSF Offers  
 📈 \$11.5m raised

**5** **SA**  
 📄 4 CSF Offers  
 📈 \$4.6m raised

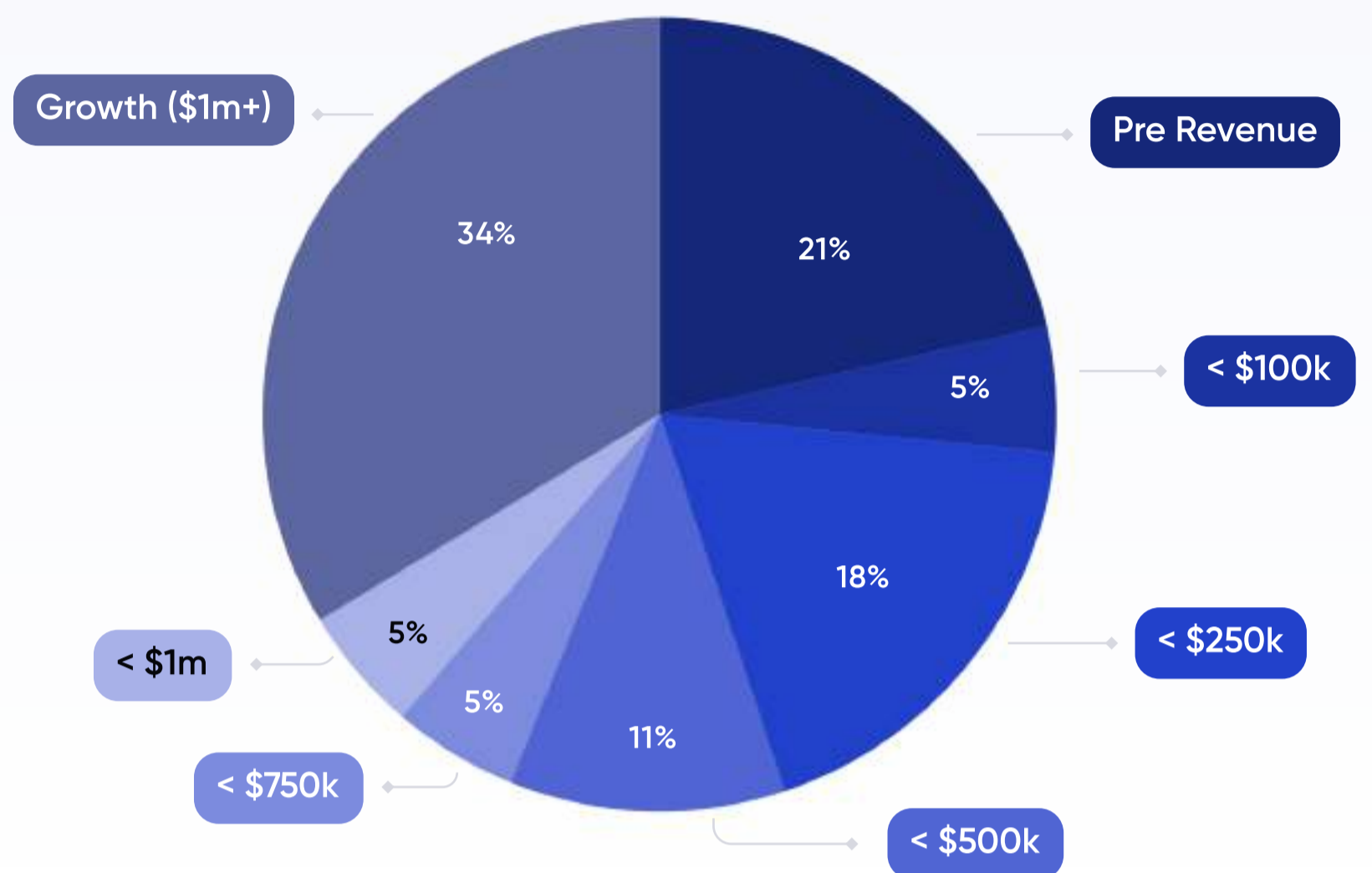


## CSF activity by company stage

**Growth Businesses** (with greater than \$1m in reported revenue) represented the highest proportion of successful CSF offers for the first time in FY22, representing 34% of all successful offers, and an increase of 112% on FY21.

The proportion of **Pre Revenue Businesses** completing successful CSF offers saw a significant decline in FY22, with just 21% of the total compared to 38% of all CSF offers in FY21.

CSF offers for businesses that reported **Positive Earnings** has grown considerably in FY22, with 22 of the 98 (or 22.5%) successful CSF offers reporting positive earnings at the time of their CSF offers, an increase of 102% on FY21.



2021	% SHARE	% CHANGE	MEDIAN RAISE
Pre Revenue	21%	-44%	\$455,900
< \$100k	5%	-73%	\$365,562
< \$250k	18%	29%	\$435,875
< \$500k	11%	18%	\$678,218
< \$750k	5%	221%	\$459,750
< \$1m	5%	221%	\$620,601
Growth (\$1m+)	34%	112%	\$1,000,000



# Industry sectors



## Food & Beverage

33 Offers

\$29.5m Funding Volume

34%



## Sustainability

9 Offers

\$13.2m Funding

15%



## Health Care

6 Offers

\$7.8m Funding

9%



## Agriculture & Farming

8 Offers

\$7.8m Funding Volume

9%

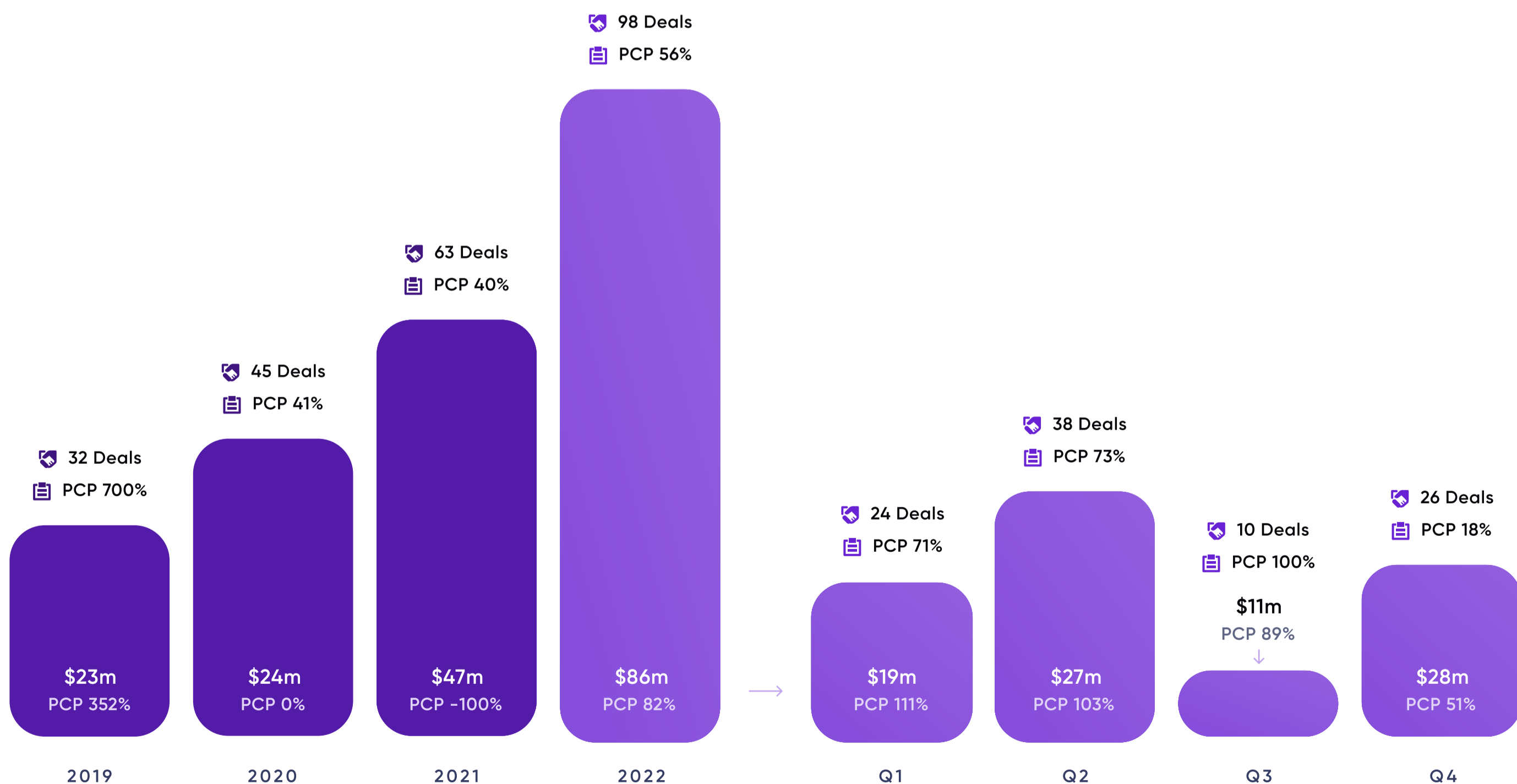
SECTOR	FUNDING VOLUME	DEALS	INVESTORS
Food and Beverage	\$29.5m	33	13,036
Sustainability	\$13.2m	9	8,202
Health Care	\$7.8m	6	3,292
Agriculture and Farming	\$7.8m	8	3,383
Financial Services	\$7.5m	6	2,246
Consumer Goods	\$5.7m	8	3,345
Software	\$4.1m	10	2,295
Clothing and Apparel	\$3.3m	5	2,844
Commerce and Shopping	\$2.8m	5	1,916
Transportation	\$1.9m	2	774
Travel and Tourism	\$1.2m	2	700
Media and Entertainment	\$514k	2	271
Real Estate	\$368k	1	151
Gaming	\$326k	1	150

# Summary of CSF activity in FY22

Australia's crowd sourced funding industry continues to grow from strength to strength. In the 12 months to 30 June 2022, over \$86m was raised across 98 successful CSF offers, representing an increase of 82% in funding volumes.



## How did FY22 compare with FY21?



# Performance by platform

Activity in the Australian CSF industry has continued to consolidate during the 2022 financial year towards the major platforms: Birchal, Equitise and OnMarket.

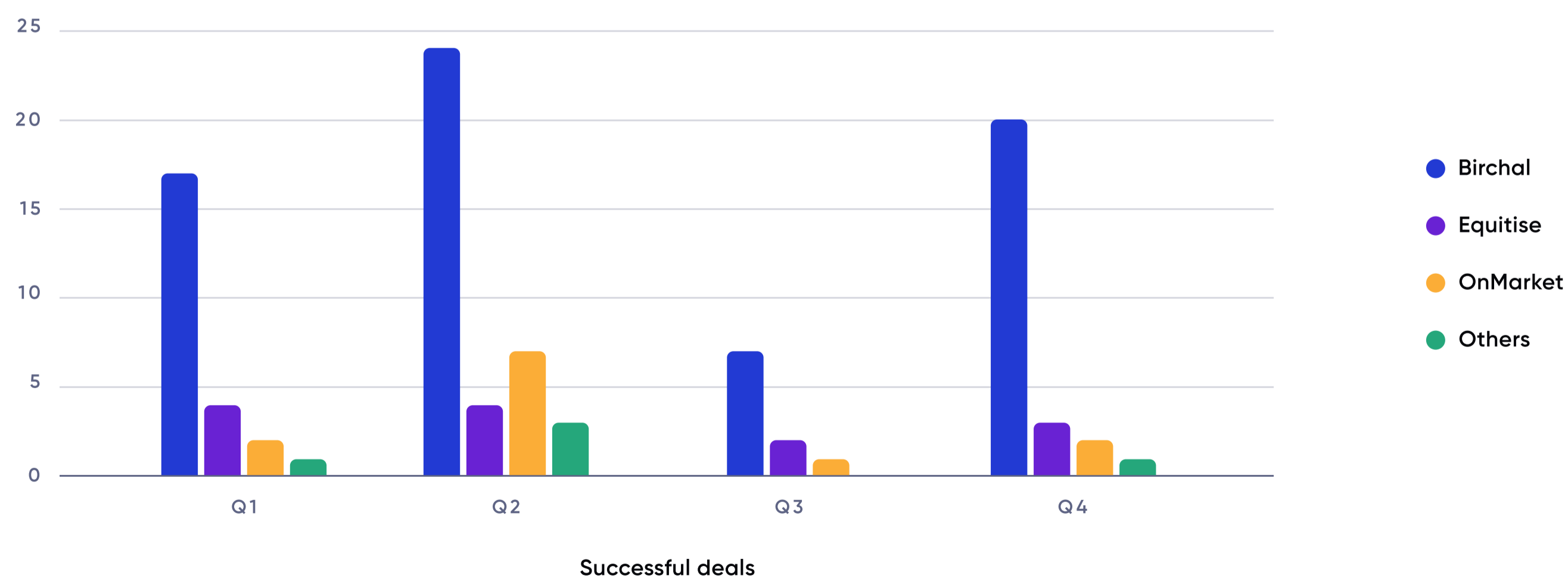
Birchal was the clear leader again, finishing the year having hosted 70% of all successful CSF offers (68 in total), raising 73% of all funds raised (\$62.4m) and facilitating 84% of all investments (36k) across the CSF industry in the 2022 financial year.



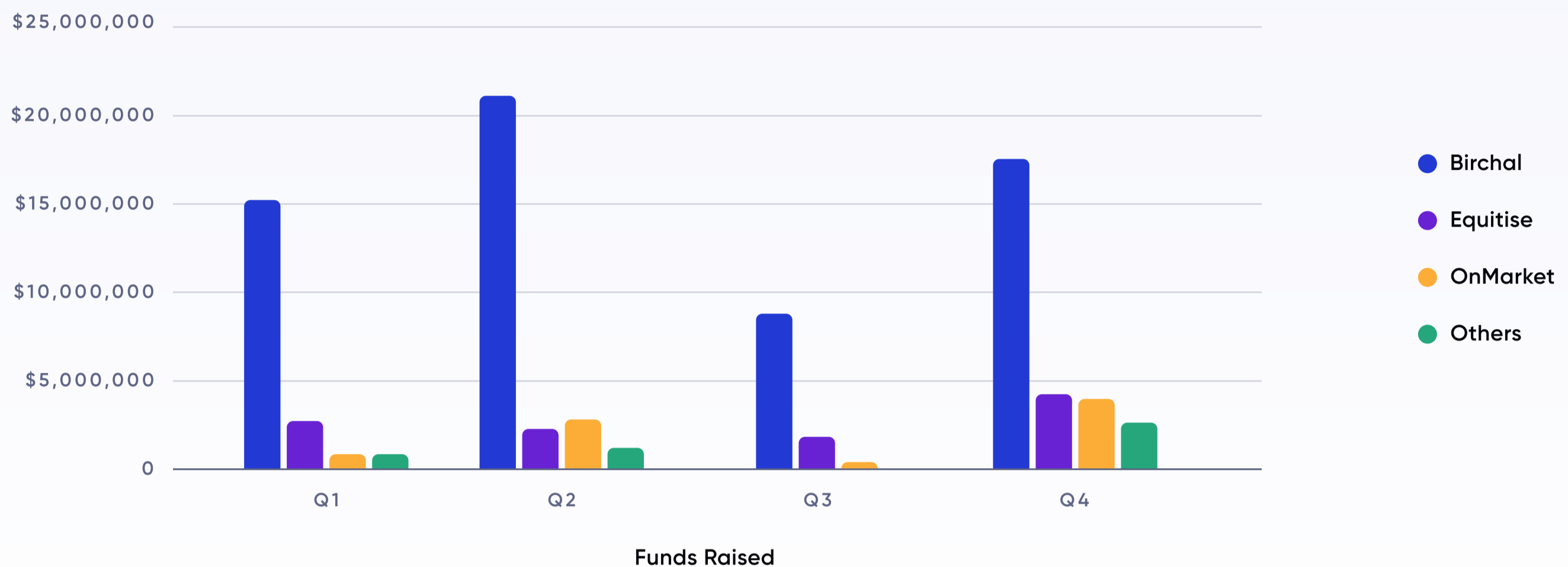
## Major CSF platform performance in FY22



## Quarterly Performance - Successful Deals



## Quarterly Performance - Funds Raised



## Top 10 CSF offers (by funding volume) in FY22

COMPANY	AMOUNT RAISED / INVESTORS (MONTH, PLATFORM)
ZeroCo	\$5m / 3,082 investments (October, Birchal)
Montu	\$3.5m / 1,490 investments (November, Birchal)
Birchal	\$3m / 595 investments (April, Birchal)
Neutrog	\$3m / 792 investments (June, OnMarket)
Our Cow	\$2.6m (May, Venture Crowd)
Black Hops	\$2.2m / 996 investments (January, Birchal)
Kester Black	\$2.2m / 1,687 investments (October, Birchal)
Australian Honey Ventures	\$2m / 784 investments (March, Birchal)
Spinifex Brewing	\$2m / 740 investments (September, Equitise)
Drink West	\$2m / 1,145 investments (May, Birchal)

# FY22 - Q1 Snapshot

The 2022 financial year got off to a cracking start in Q1, with 24 successful CSF offers raising a total of \$19.5m across all campaigns, representing an increase of 71% and 111% respectively against the prior corresponding period.

Broome-based brewer **Spinifex Brewing** completed the biggest raise in the quarter, raising \$2m from 740 investments as reported by Equitise.

Other notable campaigns included **Medibis** which raised \$1.8m from 932 investors, **Good Earth Dairy** which raised \$1.6m from 856 investors in its second CSF offer, and **Beer Cartel** which raised \$1.5m from over one thousand investors.

Birchal led the quarter, hosting 17 of the 24 successful CSF offers in Q1, accounting for over \$15m in funding volume (or 78% of all funding volume).



 **BrewsNews**



**Spinifex raises \$2m in biggest beer CSF raise**

September 17, 2021 by Clare Burnett



**beer** & brewer



**Spinifex Brewing announce crowd fund to fuel expansion**

August 12, 2021 by Gifford Lee



 **BUSINESSNEWS**



**Perth brewery raises \$2m**

September 16, 2021 by Madeleine Stephens



# FY22 - Q2 Snapshot

The second quarter of the 2022 financial year was record breaking on several fronts. with 38 successful CSF offers raising a total of \$27.3m across all campaigns, representing an increase of 73% and 103% respectively against the prior corresponding period, **and the biggest quarter for the CSF industry at the time.**

Byron Bay-based **ZeroCo** completed the biggest raise in the quarter, and the biggest under the CSF regime to date, raising \$5m from over three thousand investors in less than seven hours on Birchal.

Other notable campaigns included **Montu** which raised \$3.5m from 1,490 investors in its second CSF offer, **Kester Black** which raised \$2.2m from 1,687 investors, and **Whole Kids** which raised \$1.2m from 486 investors in its second CSF offer.

Birchal led the quarter, hosting 24 of the 38 successful CSF offers in Q2 (it's biggest quarter to date), accounting for \$21m in funding volume (or 77% of all funding volume).




**SmartCompany** [↗](#)

**Zero Co raises \$11 million in record-breaking week, as VCs...**

October 21, 2021 by Stephanie Palmer-D...



**startupdaily.** [↗](#)

**Zero Co's staggering \$5 million crowd-funding raise was over...**

October 19, 2021 by Simon Thomsen



**BUSINESS NEWS AUSTRALIA** [↗](#)

**Zero Co breaks the Internet on crowdfunding launch, receives...**

October 19, 2021 by David Simmons




# FY22 - Q3 Snapshot

Q3 is traditionally the quietest quarter of the financial year given Australia's summer holiday period in January. Notwithstanding this, the third quarter of the 2022 financial year was extremely active, with 10 successful CSF offers raising a total of \$10.9m across all campaigns, representing an increase of 100% and 89% respectively against the prior corresponding period.

Gold Coast-based craft brewer **Black Hops** returned for its second CSF offer, the biggest in the quarter, raising \$2.2m from 996 investors in 24 hours on Birchal.

Other notable campaigns, all of which were follow-on CSF offers included **Australian Honey Ventures** which raised \$2m from 784 investors, **Zorali** which raised \$1.2m from over one thousand investors, and **Bunsters** which raised \$1.1m from 689 investors.

Birchal led the quarter, hosting 7 of the 10 successful CSF offers in Q3, accounting for \$8.8m in funding volume (or 81% of all funding volume).

**beer & brewer**

**Black Hops raise \$2.2M in a day via crowd fund**

January 27, 2022 by Gifford Lee



**BUSINESS NEWS AUSTRALIA**

**Black Hops taps into craft beer thirst raising a record \$2.2m...**

January 28, 2022 by Nick Nichols



**The Courier Mail**

**Record \$2.2m crowd-funding win by Gold Coast-based Black...**

February 21, 2022 by Anthony Marx



# FY22 - Q4 Snapshot

The 2022 financial year ended with solid performance, despite macroeconomic headwinds contributing to a challenging fundraising environment, with 26 successful CSF offers raising a total of \$28.3m across all campaigns, representing an increase of 18% and 51% respectively against the prior corresponding period, and **the biggest quarter for funding volume under the CSF industry to date.**

**Birchal** completed the biggest and fastest raise in the quarter, using its own platform, and raising \$3m from approximately 600

investors in just over an hour, in a heavily oversubscribed offer.

Other notable campaigns included **Neutrog** which raised \$3m from 792 investors (as reported by OnMarket), **Our Cow** which raised \$2.6m (as reported by Venture Crowd), and **Drink West** which raised \$2m from 1,145 investors.

Birchal led the quarter, hosting 20 of the 26 successful CSF offers in Q4, accounting for over \$17m in funding volume (or 62% of all funding volume).

**↑ 18% PCP**

**26**  
Successful deals

**↑ 51% PCP**

**\$28.3m**  
Funding volume



**Birchal**

**\$3m**      **595**  
Biggest Raise      Investments



**FINANCIAL REVIEW**  
PLATINUM 70 YEAR



**How Birchal became the dominant retail equity funding...**

March 23, 2022 by Yolanda Redrup



**BUSINESS NEWS AUSTRALIA**



**Birchal hits \$3 million crowdfunding maximum goal...**

April 13, 2022 by David Simmons



**THE AUSTRALIAN BUSINESS REVIEW**



**Australia's equity crowd funding volumes soar 89pc: Birchal**

April 6, 2022 by David Swan







## Where are they now?

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

# Zorali

#### COMPANY

Zorali

#### NAME

Cam Greenwood

#### CATEGORY

Fashion and design

#### LOCATION

Melbourne

#### CAMPAIGN CLOSED

Latest closed March 31, 2022

#### RAISED

\$300k + \$1.2 million (two rounds)

#### INVESTORS

1,636 (across the two rounds)



## About Zorali

Zorali is on a mission to get people outside. To help people breathe in the air and have fun exploring our greatest playground: planet earth.

The outdoor brand launched in 2019. It is committed to leading the path towards a sustainable outdoor lifestyle, and to provide the gear to get people out there. The range includes everything you need to get out there, from tents to t-shirts, camp chairs to cookers.

## The campaign

Having previously launched a surf brand that ended up locking horns with a similar name at 19 taught Greenwood that it takes more than just a great idea to being a brand to life.

"That was a really challenging experience, but ultimately was a blessing in disguise because it coincided with meeting my now wife, Elise, who was working in women's design for a surf brand. We knew that combining our creative abilities and passion for the outdoors would give us the chance to create something truly amazing," Greenwood says.

While the pair had a lot of experience and passion, he admits they didn't have much in the way of funding to grow the brand. "We had the ideas, but we knew we needed a strong community to grow the business," he says.

The brand began from a passion for the great outdoors. The outdoors, he explains, should be explored for health, wellbeing and for socialising with friends and loved ones.

Now, Zorali is a strong community made up of thousands of fans and brand advocates well on its way to stardom as it grows into new markets around the world.

Having the support and coaching of Birchal enabled Zorali to reach it's full potential in life.

With just 7 hours left of its campaign, Zorali had reached its goal for the campaign with \$1.2 million raised by more than 1,000 keen supporters.

"We knew that the ability to build a **community** and rally them around our vision for Zorali **would give us a really solid foundation as we grew the brand.**"

The \$1.2 million in funding raised has been funnelled into product development. "We're laser-focused on helping people have fun exploring the great outdoors by providing high quality, sustainably made gear to get them outside with a considered approach to style and function. So we've been using the funds raised to activate a lot of our product development plans," he says.

The funds have enabled him to capitalise on the expanding market and ramp up ordering quantities to ensure customers aren't waiting on pre-orders.

## The learnings

Greenwood admits he never saw a global pandemic coming. But the past year taught him that the call of the great outdoors is ringing louder for all of us, creating new opportunities for growth for Zorali.

Right now, the brand boasts 17,500 customers in 27 countries, with a 618% increase in online orders last year alone.

"Our difference in the market is the way we see the outdoors and how that's translated into our overall brand and product design," he says.

Greenwood will be capitalising on the audience built during the campaign by rolling out a range of events and meetups to connect with its ever-growing community.

"It's been an amazing couple of months for us. And now with the support of the raise behind us, we can make the most of all the opportunities that lay ahead as we look to scale Zorali internationally, too," Greenwood says.

Sharing your story, your vision and your passion for what you're doing has been a crucial learning, he says.

"People really like to connect with **brands that are on a journey**, and I think that's been a key part of our success."

"We've been really transparent around what we do and why we're doing it, which has really helped," he says.





## Case study

# Seabin Project

#### COMPANY

Seabin Project

#### NAME

Pete Ceglinski

#### CATEGORY

Social & environmental

#### LOCATION

Byron Bay

#### CAMPAIGN CLOSED

Latest closed June 3, 2021

#### RAISED

\$1.7 million + \$1.2 million (two rounds)

#### INVESTORS

2,064 (across the two rounds)



## About Seabin Project

Seabin Project develop clean ocean technology and marine health data systems to remove and prevent pollution from entering our waters – and to drive behavioural and policy change on land.

Founder Pete Ceglinski is developing urgently needed solutions to one of society's greatest challenges: ocean pollution, while filling a critical gap related to microplastics.

What started with a hardware solution with the role focus of clean-up – the Seabin – has grown into a platform complete with

environmental services and data solutions, including the 100 Smarter Cities by 2050 program, which offers comprehensive marine health services designed to clean up local waterways while raising awareness about ocean pollution.

Put simply, Seabin Project is setting new precedents when it comes to aqua waste collection.

## The campaign

The original goal was to raise \$3 million in 2020. Despite Covid hitting five days into the Birchal campaign, Seabin Project raised \$1.71 million from more than 1,600 people.

The latest campaign in 2021 raised a further \$1.2 million to accelerate the launch of its new marine health data platform, scale-up impact to more global cities and further its mission to protect the oceans.

Now, Seabin Project has established diversified revenue sources after cancelling its product sales, and now focuses on brand equity, maintenance services and offerings to governments, private waterway and corporations.

The business has been structured as a multi-year, recurring revenue service contracts, providing maintained operating leases of Seabin fleets and delivering impact data for corporates, government agencies and governing bodies.

The funds raised have enabled Seabin to invest in the business for an even greater impact, and pivot to a new business model that has proof of concept with Sydney now operational for two years. He has also carefully structured a new administration team to prepare for a scaling plan that starts with Los Angeles, which launched in July this year. He hopes to add another three to four cities per year to get to the goal of 100 cities by 2050.

With 194 countries with shoreline, government and business backing for sustainable solutions, and few existing options for efficient waste clean-up, the conditions exist for Seabin to expand across the global market by quickly scaling and cementing long-term customer relationships through its full-service offerings.



## The learnings

The equity crowdfunding journey exposed some key learnings. For starters, Ceglinski realised that there was a better way to structure the business to make it more financially viable.

"We had 1,200 units in 53 countries under the old model, but we've dialled that back and we're now ramping up again under our new model. This incorporates a full-service marine health offering for cities and government, and corporate partnerships."

Ceglinski has also bought manufacturing onshore, which has been a big milestone that has made the brand truly Australian. "We were manufacturing in Europe, and we were having a couple of hiccups and cultural differences. But when Covid hit, we started to see longer lag times and logistics issues, so decided to handle manufacturing here in Australia," Ceglinski says.

And he's also forged a tech partnership with IBM to build a digital dashboard to collect and utilise data collected. "This means that within a few clicks, you can see how many micro-plastics are being collected in a 12 month period, for example," he says.

A big part of the process is gaining the confidence of shareholders by being transparent through the journey, he says.

"You need to be showing them where the money is going in a visible and tangible way,"

He believes they were so successful because Seabin is addressing a common global problem, with an aim to deliver both impact and a dividend in the long run. And that he has built purpose into the business.

**"Building purpose as a business will give you a better chance of success. We've been really lucky to have been recognised as a global brand that builds confidence and integrity in what we do."**

Equity crowdfunding is a total gamechanger in the investor space, he says.

"To be able to raise funds when you're a startup like us, setting precedent, and for brands that have been shunned by traditional impact investors but are still meeting their goals via equity crowdfunding is nothing short of exceptional," he says.

Especially during Covid when bigger and more established companies were laying off people in a spectacular fashion, he adds.

"I'm proud to say that during Covid, we did the opposite. We gave employees pay rises for team morale and employed more people to increase our chances of making it out the other side."

Suffice to say its paid off, with Seabin's latest milestone being a partnership with the United States Environmental Protection Agency in Philadelphia, which will see the Seabin team filtering and monitoring the Delaware River for microplastics and other plastic pollutants.





## Case study

# Alta

#### COMPANY

Alta (formerly Wimp 2 Warrior)

#### NAME

Nick Langton

#### CATEGORY

Sport & fitness

#### LOCATION

Australia

#### CAMPAIGN CLOSED

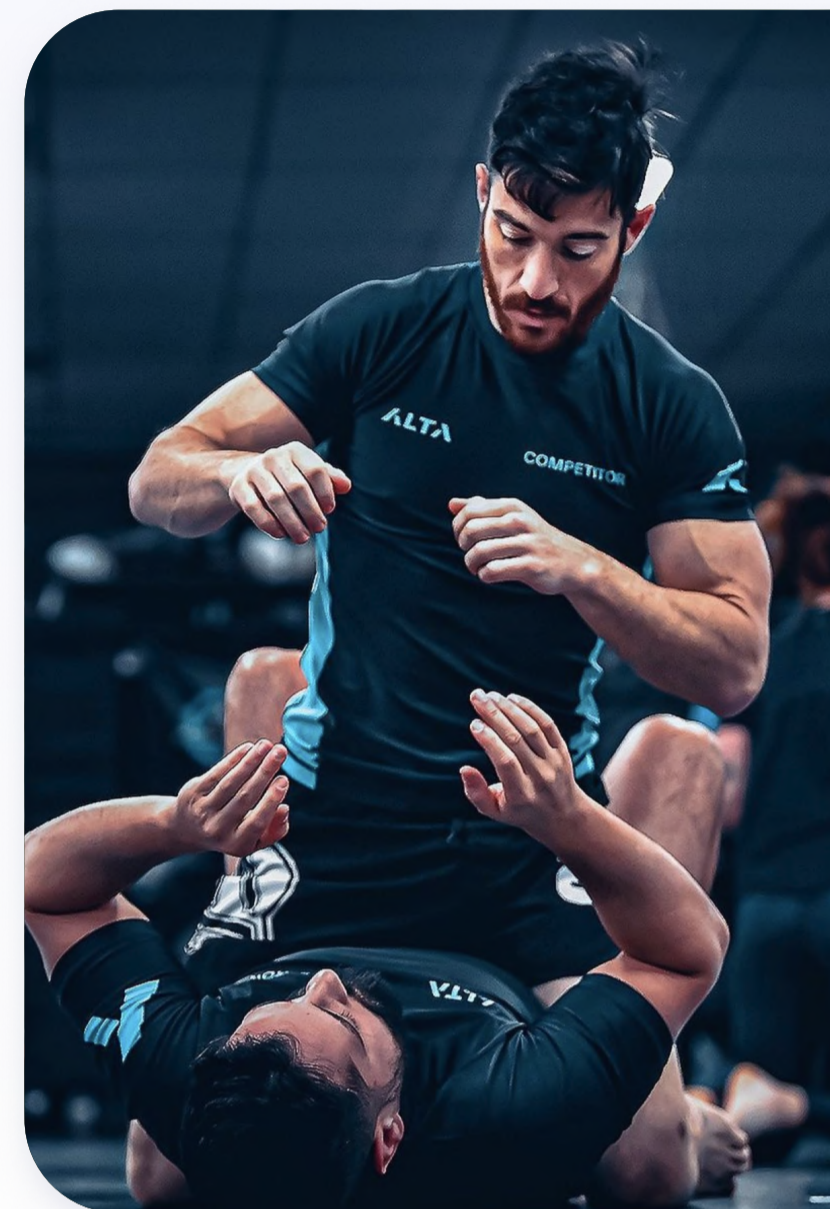
August 1, 2019

#### RAISED

\$804,452.70

#### INVESTORS

90



## About Alta

The mission for Alta (previously Wimp 2 Warrior) is to be the unifying consumer brand for training and participation in combat sports around the world.

Partnered with the most famous names in Mixed Martial Arts, Alta has transformed thousands of lives with its potent commercial model and stunning testimonials from over 10,000 consumers.

The brand, which is driving consumer participation in training for fitness and health, is adept at attracting everyday people to

undertake its world famous programs. It delivers peerless mental and physical transformations combined with the ultimate bucket list life experience.

It's a proposition that appeals to a broad consumer target market of anyone who would buy a premium fitness experience. Alta partners with existing combat sports gym owners to solve a sector-wide issue of attracting new and a broader cohort of participants to the sports at grass roots levels, enabling gym partners to focus on their passion – coaching.

## The campaign

Leveraging global combat sports gym infrastructure, the business has a huge market to draw from, with over 59,000 martial arts training businesses in the US alone.

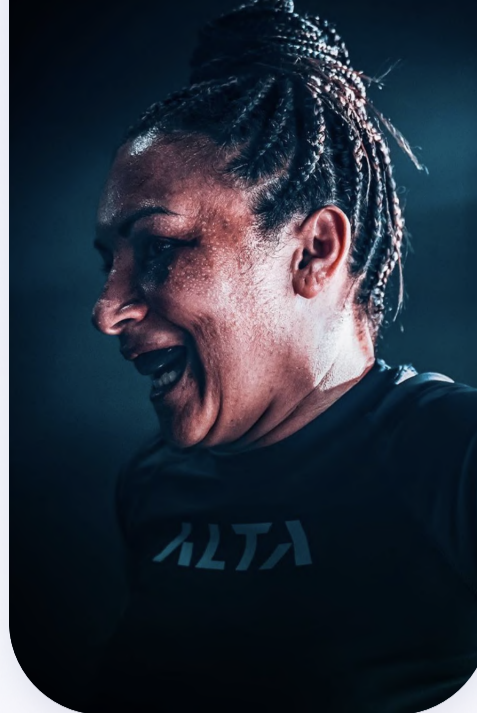
Now, Alta is a high growth business providing technology-enabled company sports fitness training to the everyday person both in-gym and at home. Its online marketplace has grown into a powerful platform, aimed at connecting over 600 million fans of MMA with premium online and "in gym" training experiences.

Key investors have come on board since the Birchal raise in 2019 include News Corporation, through their Scale Up Media Fund and globally awarded creative agency, Special Group.

The key to success when equity crowdfunding is to build a strong, trusted relationship with your investors. Also, it's important as start ups scale to build a seasoned board and have access to a great cohort of advisors, Langton says.

"We try to ensure **we give our investors really clear updates** and **we encourage them to follow our social media** channels and stay engaged in our progress and growth."

He adds: "I've been really fortunate to have a lot of our investors continue to follow on through multiple rounds because they are encouraged by our progress and they can see clearly where we are investing in our technology and people to build the business."



## The learnings

Working with Birchal proved to be a tipping point for Alta (then called Wimp 2 Warrior). The funds raised during that round enabled the business to bring the key functions of performance marketing and social media management, properly in house. The Birchal round also funded some important improvements to the payments tech, which ended up being extremely important when pandemic lockdowns gripped the world, just 8 months after the successful raise.

The Birchal round also provided important cash runway for the business to work through the interruptions of the pandemic and till Alta raised its most significant funding round of over \$7 million in February 2021.

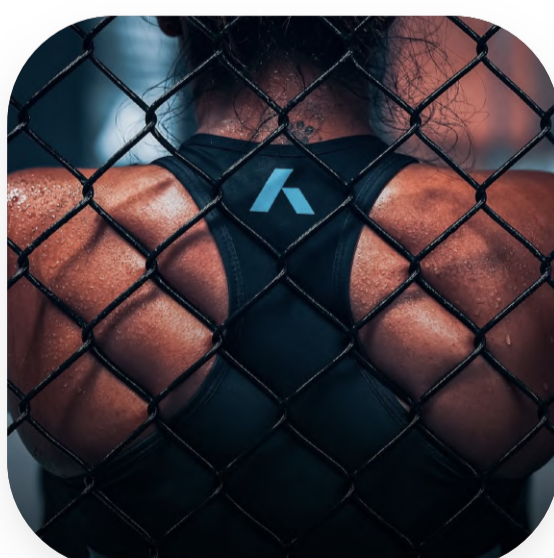
The funds from that following round were then used to "completely rebuild out technology stack and undergo a major rebrand"

Of course, there have been bumps in the road. "We were absolutely flying pre-pandemic. The last quarter before Covid was the best the business had ever had by a large margin."

And while the pandemic resulted in gyms being shut down, the forced hiatus gave the team some thinking time to prepare for growth. With the world now returning to normality, Alta has continued to aggressively grow its gym footprint and has launched the technology for its at home training.

With a two decade career in financial services, he has seen other startups squander some of the precious capital they've raised.

"Before you spend funds, **you must consider is this money going to improve your consumer offer, enhance your operating model or create new revenue opportunities.** If it's not, then you should think critically about whether you need to spend that money at all."





## Case study

# Bubble Tea Club

#### COMPANY

Bubble Tea Club

#### CAMPAIGN CLOSED

June 24, 2021

#### NAME

Jenny Le

#### RAISED

\$1,652,752.50

#### CATEGORY

Food & beverage

#### INVESTORS

1,399

#### LOCATION

Melbourne



## About Bubble Tea Club

Walking away from an equity crowdfunding campaign with a multimillion dollar business within 12 months of launching has been the incredible reality for two young Melbourne women.

Pam Yip and Jenny Le turned losing their jobs during Covid into a \$2 million company within 12 months, all thanks to their genius idea of making DIY Bubble Tea kits online.

The Bubble Tea packs come in eight flavours and 14 different toppings, from coconut jelly, grass jelly, lychee popping pearls, aloe vera, tapioca pearls and red bean paste.

Bubble Tea Club enables people to make bubble tea started from \$1.75 per serve, which is far cheaper than the usual \$7-\$9 for a shop-bought version. Due to the high volume of products sold, the company can source large quantities from Taiwan, which is the home of bubble tea, and sustain premium margins.

## The campaign

Motivated by a desire to expand internationally, the team undertook an equity crowdfunding raise with Birchal.

The decision to select Birchal was simple. "We could see that Birchal had worked with some of the best upcoming brands in the country, so we knew they had the experience to support us." From the outset, Le knew the decision was the right one.

The idea for the Bubble Tea Club was simple. **Utilise the internet to build a strong brand presence and loyal community that stretches around the world.** From the first day the business launched, it went viral, and hasn't stopped since.

They have more than 30,000 customers making their bubble tea at home, and are now gearing up for global expansion.

"The Birchal campaign meant **we had a lot of eyeballs on our brand**, which was a great experience when we were building our business."



After testing out the product in international markets, the brand is undergoing a slight pivot to better meet consumer needs, with product testing underway. "We've got our product on Amazon now, and we're looking into the UK market at the moment," she says.

## The learnings

Le admits that the brand has taken on a life of its own, with a cult-like following among many Australians who want to be able to make their favourite drink at home.

Social media has driven plenty of traffic and engagement for the Bubble Tea Club. The team is extremely active on Facebook and Instagram, posting daily content, which has built an extremely loyal following.

The equity crowdfunding campaign was easier than she thought it would be, with a lot of help from the Birchal team each step of the way.

She's also had help from Birchal to build a stellar team, which collectively have what it takes to guide the brand to global heights.

Bubble Tea Club has already soft launched in the US, UK and Canada, and is now seeking investors for the global journey.

"There was a lot of support throughout the process from Birchal, which meant we got to the finish line with flying colours, pocketing \$1.6 million to help us on our way," she says.

The turnaround time for crowdfunding is usually shorter than trying to deal with venture capitalists or angel investors, which means the funds are in your bank account much faster, she says.

"I'd definitely do Birchal again, it was a really great experience for us, particularly given all the expert advice and guidance we were given," Le says.





## Case study

# Listing Loop



#### COMPANY

Listing Loop

#### CAMPAIGN CLOSED

December 10, 2019

#### NAME

Rhett Dallwitz

#### RAISED

\$524,221.00

#### CATEGORY

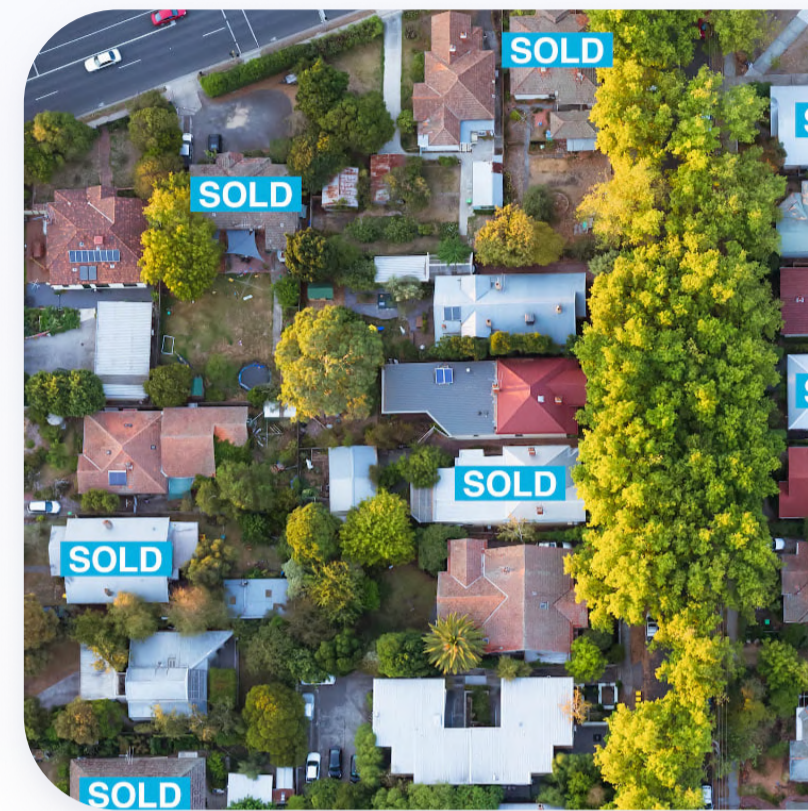
Technology

#### INVESTORS

167

#### LOCATION

Melbourne



## About Listing Loop

Listing Loop is a real estate marketplace for off-market and pre-market property listings that gives buyers VIP access to new properties for sale. Off-market and pre-market properties are properties for sale that aren't advertised through traditional property marketing channels, such as on real estate websites. In this sense, off-market and pre-market listings are often considered to be "secret property listings".

A seller may choose to sell off-market because they prefer a more discreet approach, especially if they're a celebrity or someone high profile who values privacy. Or the seller may wish to avoid expensive upfront advertising fees that is typical of a standard property marketing campaign.

To respect the true nature of off-market listings, Listing Loop is a 'closed' marketplace, meaning that someone must sign up to view property listings – they won't be found in a Google search. However, it's this signup process that makes Listing Loop different to other real estate websites.

When a member signs up, Listing Loop gathers information such as the suburb they are looking to buy, their price point and their other

property must-haves. This then allows Listing Loop's smart tech to get to work by matching buyers with the properties that are most suited to them and their specific needs. It's a fresh take on the buyer investing hours to do the property search themselves. Even better, Listing Loop alerts buyers in real time the moment there's a new matching listing so they can enquire immediately before other buyers beat them to it.

While real estate agents have been selling properties off-market for quite some time and celebrities frequently buy and sell properties off-market, most consumers find it difficult to find these off-market properties. Listing Loop brings previously untapped opportunities to property buyers by introducing them to a whole new world of properties for sale. It's like jumping the queue or getting a head start.

Sellers benefit from Listing Loop too by realising there is the option to sell without an expensive, flashy advertising campaign. Their property can be listed faster and sold faster by tapping into the growing buyer demand for off-market listings.

## The campaign

The Birchal raise allowed Listing Loop to invest in the growth of the business and take the brand to the next level. The company

established a board of directors who are backed by strong credentials in both proptech and fintech.

Listing Loop has tripled the size of its team, bolstered its tech stack and is now poised to go international in the future. From the beginning, Listing Loop's goal was to make real estate easy by bringing together everything you need around buying and selling a property in the one place.

With this goal in mind, Listing Loop has also launched a financial services arm, "Lending Loop", which comprises 15 brokers who help people find a home loan or refinance by accessing over 40 banks and specialist lenders.

A few months ago, "Moving Loop" was launched, a free energy comparison service to help people get a better deal on their

electricity, gas and internet plans. The business also helps people moving house by making the move easier by coordinating the removalists and getting utilities connected.

The next 'Loop' soon to be launched is "Conveyancing Loop" which will take care of all the legalities around real estate transactions.

Listing Loop CEO, Rhett Dallwitz says "we've had massive growth and our member base is very active users of our services. **The future is looking very bright.**"

## The learnings

The Birchal raise has been a crucial piece of the puzzle for Listing Loop.

"One of the hardest things for startups is to be able to access funding. It's extremely difficult to raise funds, especially from the venture capital world for many early stage businesses. Crowdfunding enabled us to uphold our growth trajectory in an extremely tough market," Dallwitz said.

However, the success of Listing Loop's campaign can also be attributed to having the stepping stones in place. Preparation is key, Dallwitz says. "Make sure you've got all your documentation in place prior to launching otherwise you'll lose potential investors."

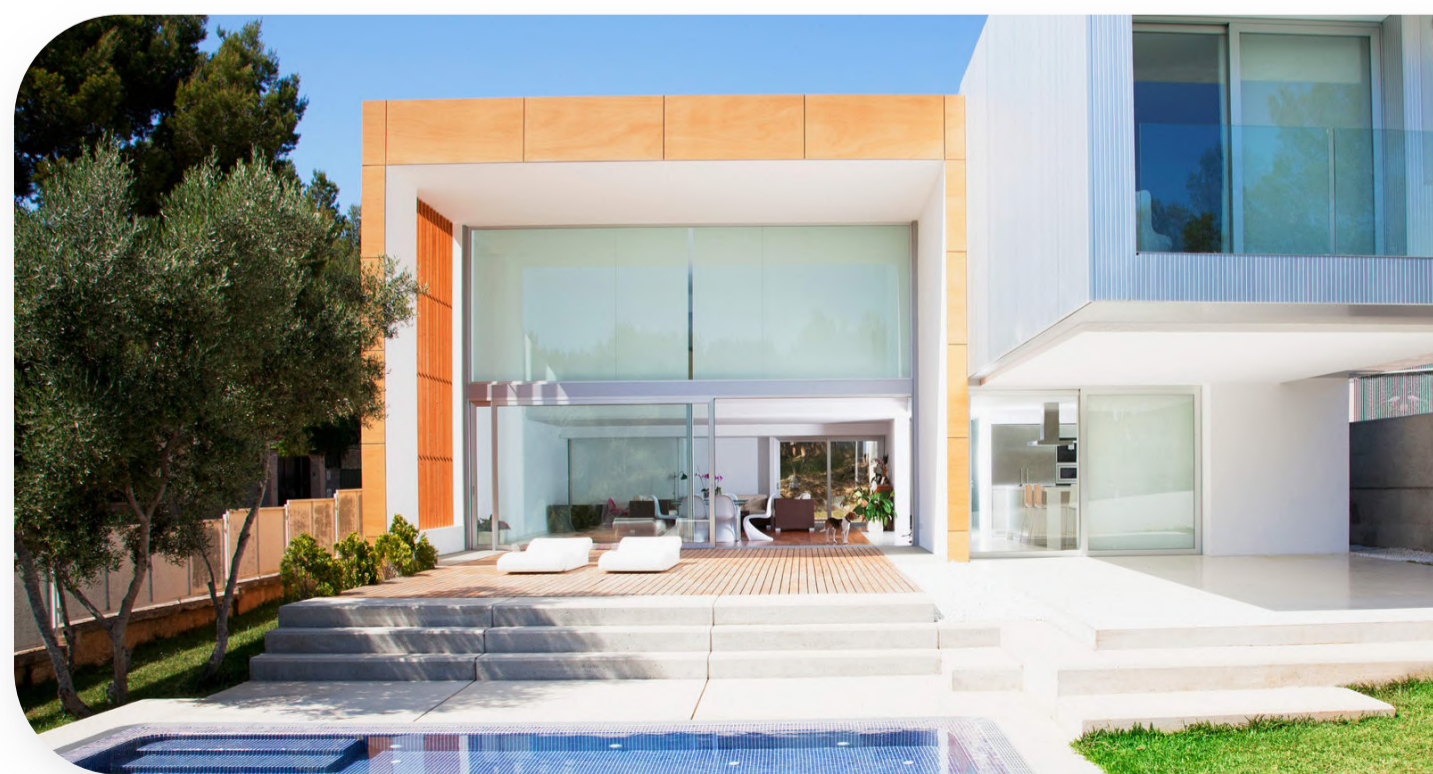
"Also, be certain that you're **clearly communicating the problem your business is solving**, and be sure that you're articulating that succinctly to the market throughout the life of the campaign."

"When you take on a lot of investors, make sure you have your post communication strategy and communications materials are ready to go. The last thing you want is to have the majority of investors asking one by one asking for business updates because you haven't communicated with them. Simply make this information accessible. It will save you time and allow you to focus on the growth of your business, Dallwitz says.

Listing Loop distributes investor updates every quarter, some of which are 10 pages in length.

"Even if your numbers are sensitive, be sure to talk about your company growth plans and how they're progressing. Also talk about new products, any new team members and remind investors that they're with you for the ride".

Dallwitz makes himself available once a month where investors can book in 15 minute slots to ask for a business update. "It's important to be proactive. Bear in mind that silence creates worry and concern for investors," he says.



# The learnings

By Nina Hendy

Building an equity crowdfunding campaign provides founders with an opportunity to clarify their business and brand vision.

Take Jane Kou for example. The entrepreneurial Melburnian had a vision to build a community-driven tech company that connects people to discounted quality food from nearby cafes, restaurants, bakeries and grocery stores. The mission was to cut retail food waste by making surplus food more accessible and affordable.



But it was just starting out in the market. Equity crowdfunding gave her the opportunity to validate her idea and bring on advocates that also believed in her mission.

The early days were strong. The Bring Me Home app rescued 2,500 meals from going to waste at the start of the Birchal campaign, tripling growth within eight months since launch.

By all accounts, the future looked bright.

Kou created the app to revolutionise food waste and to fully recapture the lost value in hospitality for both consumers and business owners.

She opted for Birchal over other equity crowdfunding platforms because the percentage clip post capital-raise seemed a lot fairer. "The team were amazing, I had so much support," she recalls.



**Jane Kou**

Founder & CEO, Bring Me Home

Kou was aiming for at least \$1 million EOI, fully prepared for there to be some drop off once the campaign opened. Birchal handled the entire process for me, it was great," she says.

Bring Me Home raised \$418,000 in October 2019 and also raised some funds from government, angel and venture capitalist funding, taking the total to \$1.1 million.

But outside factors can impact a raise. A few months later, the pandemic hit, and lockdowns were enforced, impacting venue partnerships, she says.

"Most of our venue partnerships were in Melbourne, which was one of the cities locked down for the longest. And we had no way of knowing how long the pandemic would last," she says.

The pandemic severely hampered growth opportunities. "We had spent a lot of capital and resources getting those partnerships on board. "I personally didn't feel like it was the right decision to drain our investors' cash dry without really knowing what's going to happen in the world, so I decided to cut our losses and shut it down."

Kou decided to forego her shares and return the capital raised to investors – with a percentage. She's now mentoring others for Blackbird in a role that suits her well.


While she had a lot of support from Birchal, it is a time consuming process, she says.

"If I were to go back in time, I would remind myself that there are hundreds of shareholders and investors you need to liaise with and communicate to, and **everyone needs to be communicated with in the right way,**" she says.

## Looking ahead

The new financial year has started with strong activity with 7 companies raising \$5.7m on Birchal in July so far.

Since 1 July 2022




**Threadheads**

- \$2.2m funds raised from
- 2,544 Investors



**Republic of Fremantle**

- \$1m funds raised from
- 449 Investors




**Bakery Hill Distillery**

- \$700k funds raised from
- 326 Investors




**Citizen Wolf**

- \$1m funds raised from
- 499 Investors




**Aura Buy Invest**

- \$224k funds raised from
- 81 Investors



**memobottle**

- \$408k funds raised from
- 439 Investors



**Alf The Label**

- \$148k funds raised from
- 117 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.

[www.birchal.com/raise-investment](http://www.birchal.com/raise-investment)



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