

CSF Yearbook 2020

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CSF industry - Key Stats

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

At a glance - all time results as at 31 December 2020



A few words from Birchal



Birchal is proud to present the inaugural CSF Yearbook for 2020. This report tracks activity in the Australian crowd sourced funding (CSF) industry, and is based on data gathered by Birchal, as well as publicly available information gathered online. Analysis and information in this report is current as at 31 December 2020.

Since commencement of Australia's CSF industry in 2018, 118 Australian SMEs have collectively raised over \$75 million by issuing shares to their most passionate customers and fans online.

There are now over 55,000 investors that have participated in CSF offers, and this number has continued to grow despite the impacts of COVID-19.

In 2020, 49 successful CSF offers were completed (approximately the same as in 2019), with a total of approximately \$30 million raised (slightly down on 2019's total of \$31m).

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!

On the rebound...

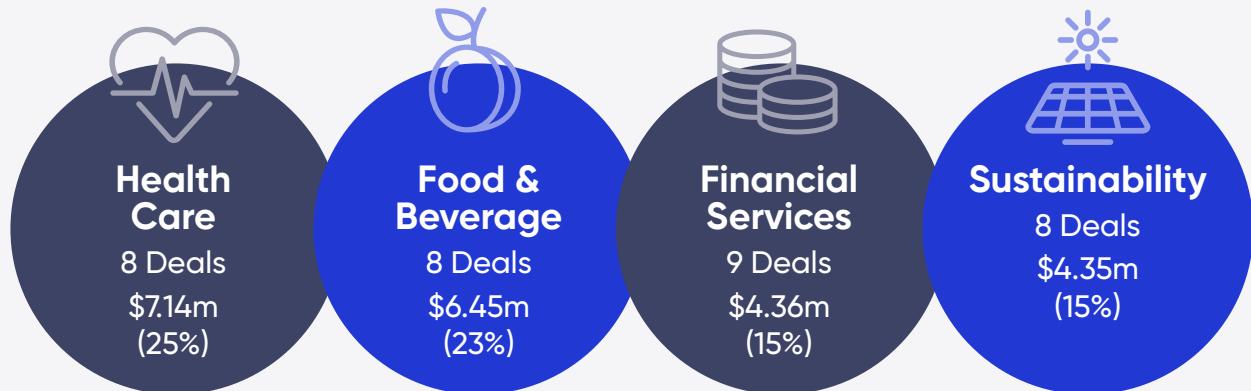
2020 was a tale of two halves. Escalation of the COVID-19 pandemic saw activity decrease by approximately 54% in the first half of 2020, compared to the same period in 2019.

Notably, Birchal was the only active platform from escalation of the COVID-19 pandemic in March through to July, closing 11 of its 35 successful offers for 2020 during this period.

The industry has achieved a strong rebound in the second half of 2020, with activity increasing approximately 30% compared to the same period in 2019. The final quarter of 2020 was the biggest for the CSF industry yet, with over \$13 million raised across 22 successful campaigns.



Popular industries in 2020



Popular industries in 2020

Health Care was the most invested in industry in 2020, with 8 successful campaigns raising a total of \$7.14 million (or 25% of the industry). The majority of these campaigns were for medicinal cannabis businesses, three of them raising over \$1 million: (Cannatrek, \$2.5 million; Montu, \$2 million; and Compass Lifestyle Clinics, \$1.3 million).

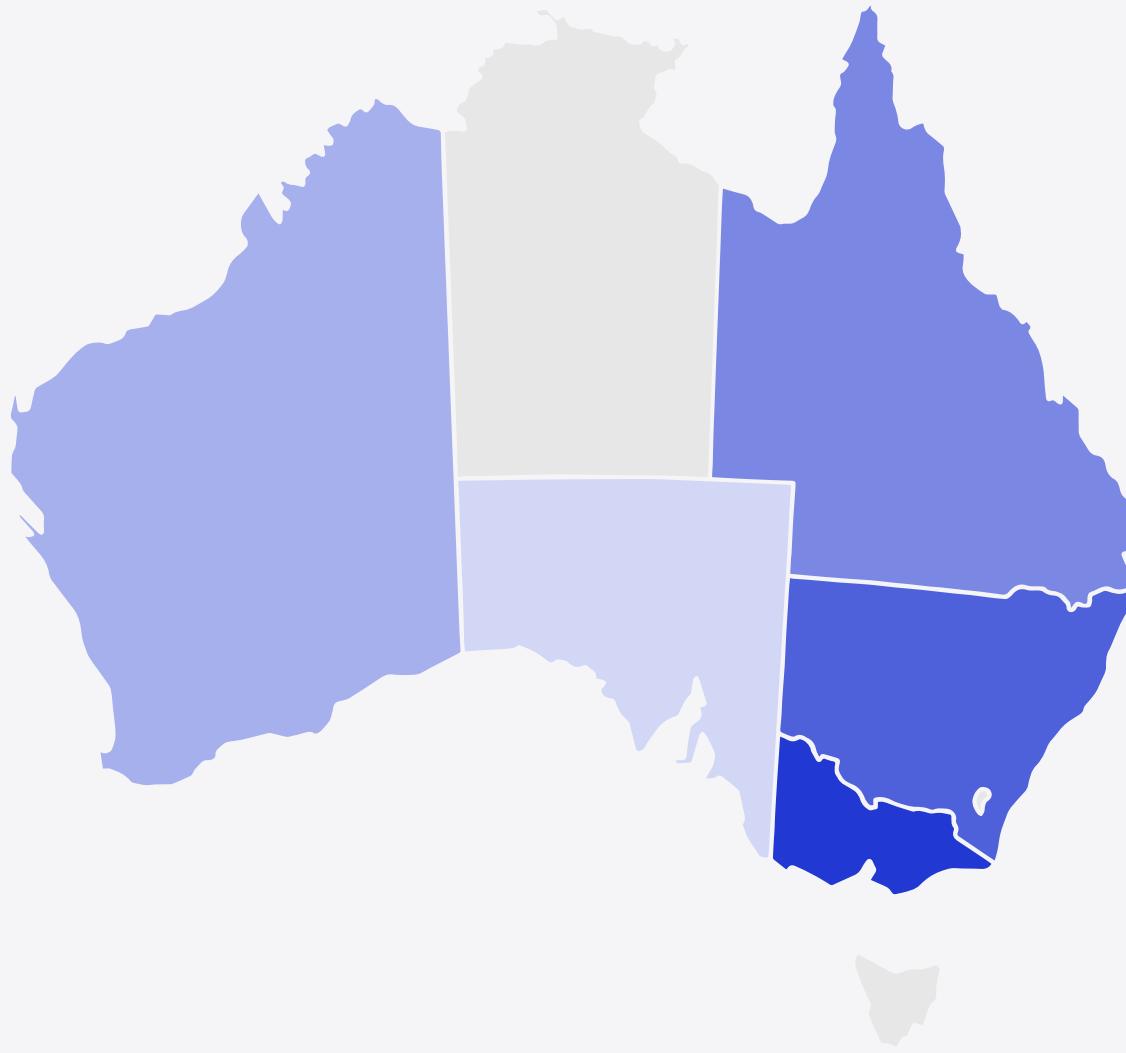
Food & Beverage was the second most invested in industry in 2020, with 8 successful campaigns raising a total of \$6.45 million. All but one of these campaigns were hosted by Birchal, and two of them raised over \$1 million: (Bunsters, \$2 million; Whole Kids, \$1.2 million). Sustainability and Financial Services were the next most invested in industries, raising a total of \$4.35 million and \$4.36 million respectively.

Industry sectors in 2020

2020 Industry Data	Deals	Total Raised	Investors
Health Care	8	\$7,144,888	3617
Food/ Beverage	8	\$6,454,250	3895
Sustainability	8	\$4,353,315	3989
Financial Services	9	\$4,362,762	1693
Agriculture and Farming	3	\$2,428,629	977
Software	7	\$2,460,356	1653
Clothing and Apparel	1	\$1,326,519	1012
Commerce and Shopping	2	\$603,280	126
Travel and Tourism	1	\$327,485	94
Consumer Goods	2	\$299,814	213
Total	49	\$29,761,298	17269

CSF activity by State

Number of successful deals per State in 2020



VIC

18 Deals
\$10,384,650
Raised

NSW

16 Deals
\$6,770,886
Raised

QLD

8 Deals
\$6,496,252
Raised

WA

3 Deals
\$3,689,803
Raised

SA

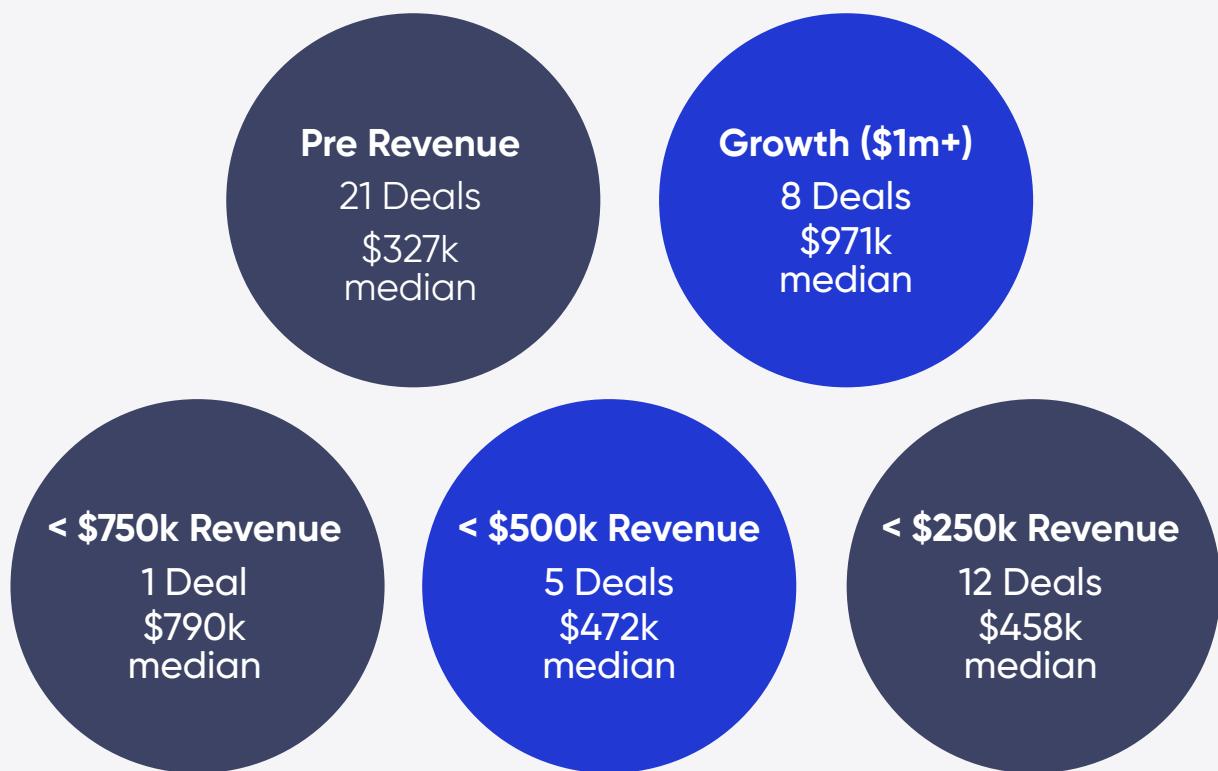
2 Deals
\$901,000
Raised

CSF activity by company stage

CSF activity by company stage in 2020

Growth Businesses (with greater than \$1 million in revenue) raised the most investment under the CSF regime, with approximately \$9.3 million raised across eight successful CSF campaigns (31% of the total). The median amount raised for Growth Businesses was approximately \$971 thousand.

Pre Revenue Businesses completed the greatest number of CSF campaigns, with 21 successful campaigns (42% of the total) raising approximately \$7.5 million. The median raise for Pre Revenue Businesses was approximately \$327,000.



Stage	Deals	Total	Median Raise
Pre Revenue	21	\$7,535,764	\$327,485
< \$250k	12	\$7,732,843	\$458,694
< \$500k	5	\$2,860,139	\$472,180
< \$750k	1	\$790,296	\$790,296
Growth (\$1m+)	8	\$9,324,203	\$971,708

CSF activity in 2020

The industry has achieved a strong rebound in the second half of 2020, with activity increasing approximately 30% compared to the same period in 2019. The final quarter of 2020 was the biggest for the CSF industry yet, with over \$13 million raised across more than 22 successful campaigns.

How did 2019 compare with 2020?



Performance by platform

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

Birchal was the clear leader, finishing the year having hosted 70% of all successful deals (35 in total), and raising approximately 68% of all funds raised (over \$20 million) across the CSF industry in 2020.

For Birchal, despite the challenges 2020 has been a strong year, posting a 20% increase in funded CSF offers, and a 12% increase in transaction volume for the full calendar year. Excluding the three months to 31 March 2020 (i.e. the "COVID quarter"), Birchal achieved a 36% increase in funded deals, and a 30% increase in transaction volume against the same period in 2019.

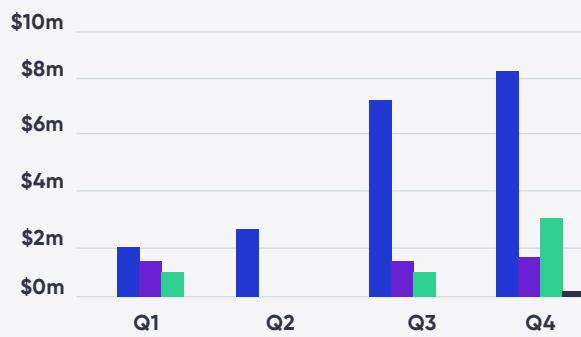
Major CSF platform performance in 2020



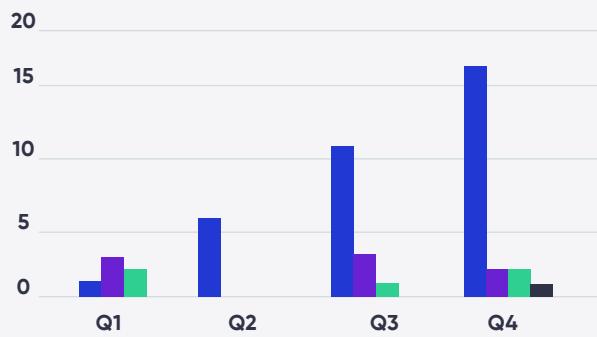
Top 10 CSF offers (funds raised) in 2020

Company	Amount Raised/ Investors (Month, Platform)
Seabin Project	\$1.8m/ 1781 investors (March, Birchal)
Outland Denim	\$1.3m/ 1012 investors (May, Birchal)
Compass Lifestyle Clinics	\$1.3m/ 991 investors (July, Birchal)
Bunsters	\$2m/ 1572 investors (August, Birchal)
Montu	\$2m/ 1118 investors (October, Birchal)
Whole Kids	\$1.2m/ 595 investors (October, Birchal)
Good Earth Dairy	\$1.2m/ 392 investors (November, Birchal)
Cannatrek	\$2.5m/ 788 investors (December, OnMarket)
Lumiant	\$1.157m/ 264 investors (December, Equitise)
GoPassport	\$872k/ 569 investors (December, OnMarket)

Quarterly Performance - Funds Raised



Quarterly Performance - Successful Deals



Female founders in focus

Approximately 25% of the businesses that used the CSF regime to raise capital in 2020 were founded (or co-founded) by women.

Female founded businesses raise around 25% more in their CSF campaigns, and over three times as many investors, than businesses that don't have a female founder or co-founder.

It is common ground that females are underrepresented among startup founders, and venture-backed companies. It has been estimated that female founders get less than 5% of the total venture capital money that's deployed globally.

Because equity crowdfunding enables founders to side step the old guard, and raise funds from their most passionate customers and fans, it is little wonder that female founders, and the investors that back them, are increasingly finding their voice.



Birchal's Top Female (co-) founded CSF campaigns in 2020

Company	Amount Raised/ Investors (Month, Founder)
Bunsters	\$2m/ 1572 investors (August, Renae Bunster)
Outland Denim	\$1.3m/ 1012 investors (May, Erica Bartle)
Compass Lifestyle Clinics	\$1.3m/ 991 investors (July, Brianna Martyn)
Whole Kids	\$1.2m/ 595 investors (October, Monica Meldrum)
Upparel (formerly Manrags)	\$790k/ 963 investors (July, Tina Elias)
Hello Friend Foods	\$672k/ 569 investors (November, Bree Gaudette)
Eggy	\$470k/ 221 Investors (September, Kate Morgan)
Pronto Bottle	\$187k/ 138 Investors (December, Shannon Gilleland)
My Drive School	\$149k/ 95 Investors (October, Lisa Skaife)
Needle Calm	\$132k/ 89 Investors (April, Lauren Barber)

Medicinal cannabis in focus

Health Care was the most invested in industry in 2020, with 8 successful campaigns raising a total of \$7.14 million (or 25% of the industry). The majority of these campaigns were for medicinal cannabis businesses, three of them raising over \$1 million: (Cannatrek, \$2.5 million; Montu, \$2 million; and Compass Lifestyle Clinics, \$1.3 million).



CANNATREK™
From seed to patient.

Cannatrek is a leading grower and supplier of medicinal cannabis to patients in Australia and throughout the world.

Cannatrek raised its maximum target of \$2.5m from over 700 investors in December 2020 on the OnMarket platform.

MONTU

Montu develops innovative cannabinoid-based products and makes them accessible to patients through a growing nationwide network of doctors.

Montu raised its maximum target of \$2m from over 1,100 investors in October 2020 with Birchal.

COMPASS
LIFESTYLE CLINIC

Compass Lifestyle Clinics is a partnership between Australia's leading medicinal cannabis experts and a Canadian founded, globally focused team that has a history of success.

Compass raised over \$1.3m from over 900 investors in July 2020 with Birchal.

Food and beverage in focus

Food & Beverage was the second most invested in industry in 2020, with 8 successful campaigns raising a total of \$6.45 million. All but one of these campaigns were hosted by Birchal, and two of them raised over \$1 million: (Bunsters, \$2 million; Whole Kids, \$1.2 million).



Bunsters is an Aussie food brand with strong export traction, in particular in the USA. Bunsters has previously been the #1 bestselling hot sauce brand on Amazon USA. Retailing both online and in-store in Australian supermarkets.

Bunsters raised its maximum target of \$2m from over 1,500 investors in August 2020 with Birchal.

Founded in 2005, Whole Kids is a family business success story with national ranging in Coles, Woolworths and Chemist Warehouse. Awarded Australian Organic Business of the Year in 2019, and named in Westpac's Top 20 Businesses of Tomorrow Award in 2018.

Whole Kids raised over \$1.2m from over 590 investors in October 2020 with Birchal.

Backed by 20 years of research at Flinders and Yale Universities, PREPD is a revolutionary hydration booster, helping athletes maintain power and perform at their peak for longer.

Prepd raised over \$780k from over 300 investors in September 2020 with Birchal.

Sustainability in focus

Sustainability was the most popular category by numbers of investors in 2020. Approximately four thousand investors backed sustainability focused companies (approx. 24% of the industry), approximately 10% more than health care, which was the most successful industry in terms of funds raised.



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

Seabin Project raised \$1.8m from over 1,700 investors in March 2020 with Birchal.



Upparel (formerly Manrags) has pioneered a digital textile recycling revolution that may change the planet forever.

Upparel raised over \$790k from over 960 investors in July 2020 with Birchal.



Capricorn Power's core innovation, the Barton Engine, is an efficient, small-scale heat engine, converting heat to electricity - with no water and zero emissions. When combined with a biochar machine, Capricorn Power produces an integrated bioenergy solution for commercial applications.

Capricorn Power raised over \$650k from over 350 investors in September 2020 with Birchal.

Looking ahead

We're really excited about what lies ahead for equity crowdfunding in 2021.

Be part of this next chapter. The landscape of capital raising in Australia is rapidly developing and more companies are connecting with their customers to turn them into invested, brand ambassadors.

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

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www.birchal.com