



CSF Yearbook

2022

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Section 1

Industry overview

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 startups and innovators.

At a glance - all results across time as at 31 December 2022

\$219m

Funds raised

298

Successful CSF offers

128k+

Investments

\$733k+

Average deal size

\$1,695

Average investment size

70

Offers > \$1m

\$1.4 Billion

Total market cap 2022

The total value of all companies that completed successful CSF offers in 2022

50

Follow-on CSF Offers

140%

Avg. valuation uplift for follow-on CSF offers

Australian records - all time

\$5m

Biggest deal

ZeroCo, October 2021

Birchal

Biggest platform

192 Successful CSF offers,
\$144m funds raised

1h 54 m

Fastest deal

Your Mates Brewing,
October 2022

A few words from Birchal



Birchal is proud to present the third edition of the CSF Yearbook for 2022. 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 2022.

Since commencement of Australia's CSF industry in 2018, approximately 250 Australian SMEs have collectively raised over \$218 million often from their most passionate customers and fans. There are now over 128,000 investors that have participated in CSF Offers, and this figure is accelerating.

In 2022, 91 successful CSF Offers were completed (a similar number as 2021), with a total of approximately \$72 million raised from over 35,000 investments.

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!

Our time to shine!

It has been another solid performance for Australia's equity crowdfunding industry in 2022.

With \$72m in funding volume across the industry (slightly more than achieved in 2021); against the backdrop of steep falls in funding volume across other parts of the financial system, the resilience of Australia's CSF industry has been remarkable.

✓ Equity crowdfunding is gaining importance

Equity crowdfunding has become an important and valued part of the financial system. And its importance in Australia's startup ecosystem is set to grow in the face of challenging macroeconomic conditions, and a softening appetite among the traditional funders of startups in Australia.

✓ CSF as a robust alternative for smaller companies

ASIC has stated that the CSF regime appears to be operating efficiently and reliance on it appears to be increasing, describing CSF earlier this year as a "robust alternative for smaller companies to raise up to \$5 million in 12 months with appropriate investor protections."

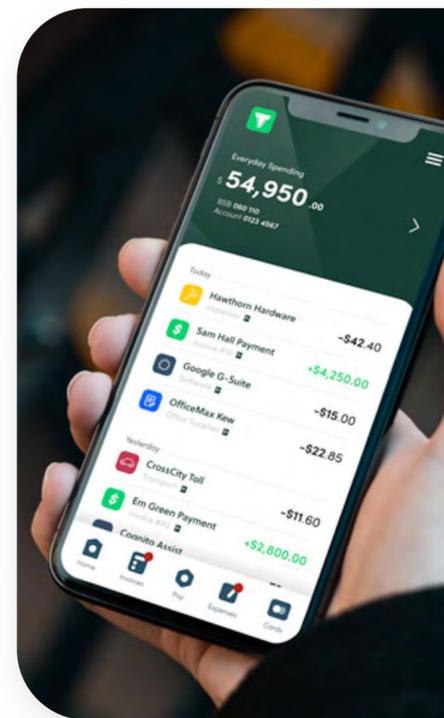
✓ Significant achievements

Companies that have raised through CSF previously have made some significant achievements this year. Thriday (formerly Thrive), which raised \$3m through CSF in February 2021, has recently launched its product to wide acclaim, in addition to completing a \$6m follow-on round led by NAB Ventures. (And busting a common myth that equity crowdfunding makes a company uninvestable at a later stage.)

Montu, which has raised \$5.5m across two CSF Offers (in 2020 and 2021) had a truly stunning 2022 fiscal year, landing it on Deloitte and AFR fast lists (first and fifth respectively) with over 20,000% growth year on year.

And sustainability champions ZeroCo and Seabin project have continued in pursuit of their missions to untrash the planet and clean up the world's oceans. Mike Smith, founder of ZeroCo made international headlines in November this year when his team constructed the world's largest trash pyramid, made of over 1 million plastic bottles retrieved from the Nile River. Mike slept on top of the pyramid for three days ahead of the Cop 27 conference in Egypt.

Similarly, Seabin launched their 100 cities program and commenced operations in Los Angeles this year. Since 2020, the Seabin Project has already captured 100 tonnes of marine litter from Sydney Harbour. Expect to see Seabins in more cities around the world in 2023.



The industry continues to mature, with more later-stage businesses raising capital through CSF. In 2022 almost 50% of all successful offers were for companies with more than \$1m in reported revenue at the time of their CSF offer. An increase of over 100% on the prior year. CSF Offers for businesses that reported positive earnings at the time of their CSF offer also saw a significant increase from 14 (or 16% of all offers) in 2021, to 26 (or 29% of all CSF offers) in 2022.

And in an encouraging sign that businesses and investors are responding to the changing market conditions, valuations as a multiple of revenue are decreasing among offers on Birchal. In 2021, established businesses (with greater than \$500k in reported revenue at the time of offer) completed successful CSF offers at pre-money valuations with an average multiple of 16.5x historic revenue. In 2022, that figure almost halved to 8.7x historic revenue.

Equity crowdfunding was created in the wake of the GFC to plug a funding gap for early stage businesses when capital markets were constrained. But the lax monetary policies of the past decade which gave rise to a bull run in venture capital helped plug the funding gap that equity crowdfunding was meant to fix.

I recently travelled to the UK and USA and met with operators of equity crowdfunding platforms in those markets. A view shared by many of the world's leading equity crowdfunding platforms is that equity crowdfunding (as a solution to the funding gap early stage businesses experienced in the wake of the GFC) has never truly been put to the test.

So from Birchal's perspective, 2023 is our time to shine. Australia's startup ecosystem has made tremendous progress over the last few years, and we are determined to help ensure we do not lose a vintage (or two) of great Australian startups. Given the moderation in valuations we have observed this year, we are hopeful that the forward-thinking investors backing early stage Australian businesses in 2023 will be very pleased with their performance in the years to come.

Birchal Co Founder & CEO
Matt Vitale

Popular industries in 2022

Food and Beverage was the most invested industry in 2022, with 33 successful campaigns raising a total of \$28m (or 39% of the industry). Australia's craft beer industry made a big return to crowdfunding this year, accounting for 11 of the 33 deals completed, including the top three: Your Mates Brewing; Black Hops; and Drink West, all hosted on Birchal.

Financial Services was the second most invested in industry in 2022, with 10 successful campaigns raising a total of \$8.7m. Birchal

led this category, hosting its own offer on the Birchal platform (also the equal largest raise in 2022 with \$3m raised), followed by Coinstash (\$1.4m) and The Digital Currency Reserve (\$997k) hosted by Birchal and OnMarket respectively.

Sustainability and Consumer Goods were the next most invested in industries, raising a total of \$7.9m and \$3.9m respectively.



Food & Beverage
\$28m (39%)

 33 Deals



Financial Services
\$8.7m (12%)

 10 Deals



Sustainability
\$7.9m (11%)

 10 Deals



Consumer goods
\$3.9m (5%)

 10 Deals

Industry sectors in 2022

SECTOR	DEALS	AMOUNT RAISED	INVESTORS
Food and Beverage	33	\$28,085,470	14,911
Financial Services	10	\$8,770,128	2588
Sustainability	10	\$7,917,945	5053
Consumer Goods	10	\$3,898,729	2120
Agriculture & Farming	6	\$8,969,013	2557
Clothing & Apparel	6	\$5,693,144	4970
Health Care	5	\$3,694,271	2043
Apps	3	\$877,648	251
Transportation	2	\$990,963	480
Commerce & Shopping	2	\$492,587	181
Telecommunications	1	\$1,053,999	88
Gaming	1	\$455,640	115
Real Estate	1	\$368,562	151
Travel & Tourism	1	\$218,500	126
Software	1	\$876,618	70

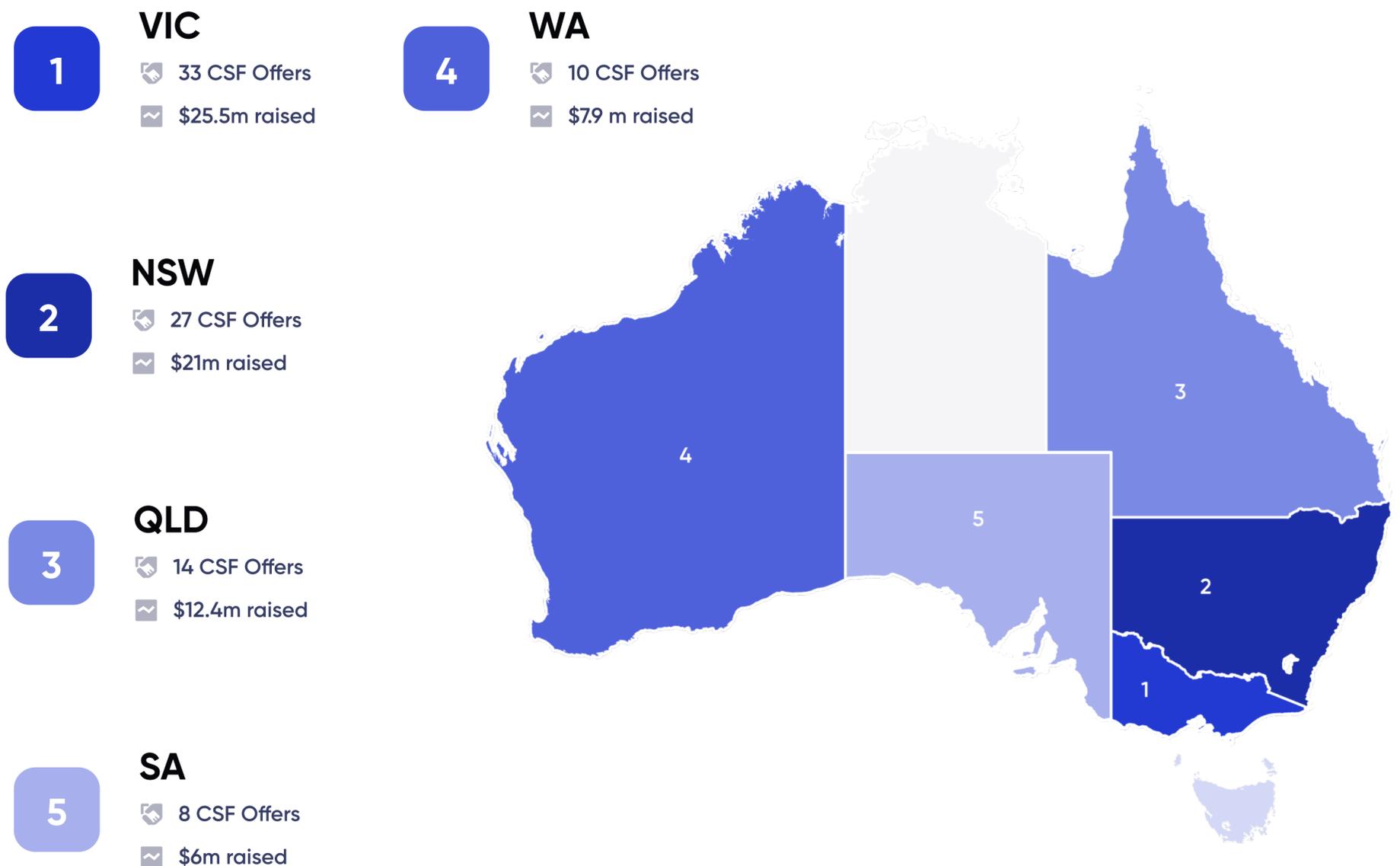
2022 - CSF activity by state

CSF funding activity was a mixed bag among Australian states in 2022. Victoria accounted for the most funds raised, with \$25.5m across 33 deals (36% of all funds raised, and a 4% increase on 2021), followed by New South Wales with \$21m (29% of all funds raised, and a 19% drop against 2021).

South Australia saw the biggest increase in the number of completed deals year on year, with 8 successful CSF Offers (raising a total of \$6m) compared to only three in 2021 (an increase in funding volume of 240% on 2021). Queensland had the highest average deal size, at \$882k, leading Western Australia (\$793k) and Victoria (\$771k).



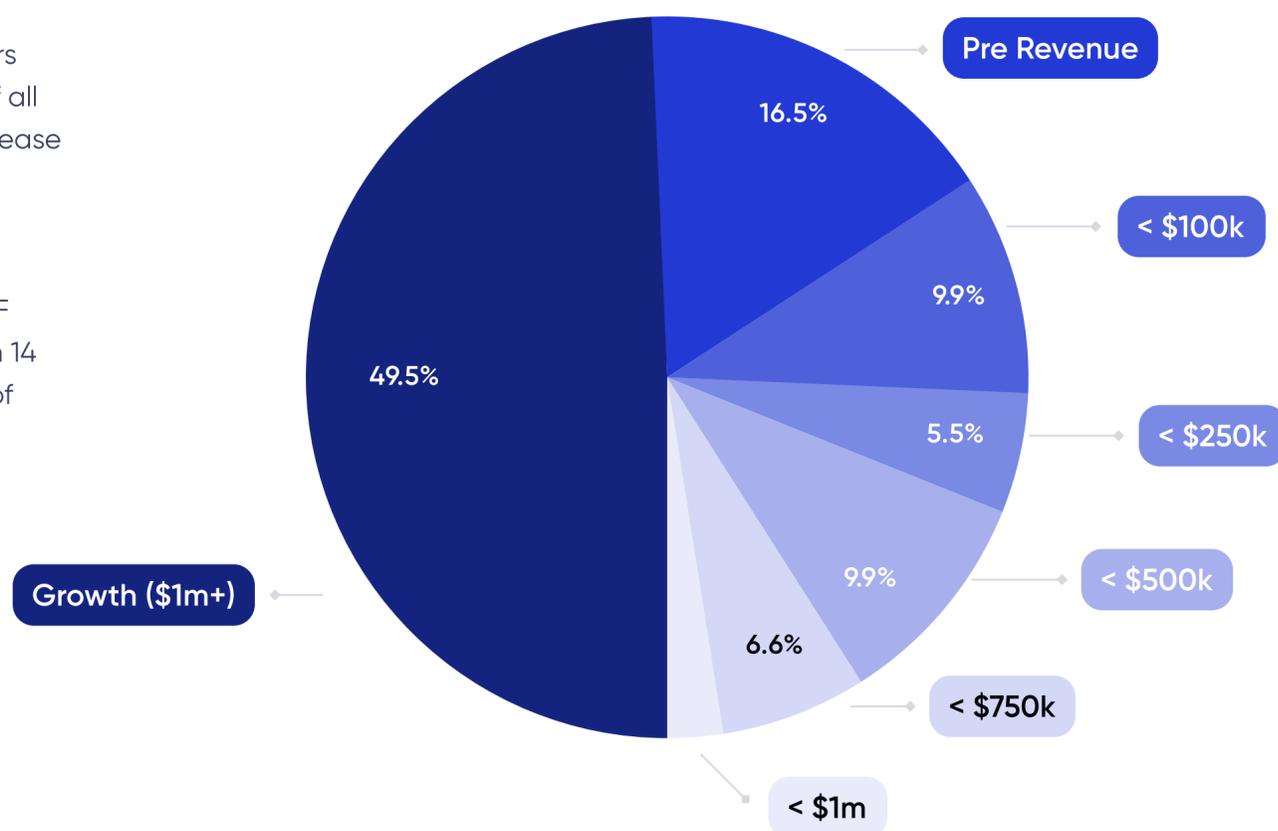
Number of successful deals per State in FY21



2022 - Activity by company stage

Growth Businesses with greater than \$1 million in reported revenue achieved the most significant increase in the number of offers completed, accounting for almost half of all successful CSF Offers in 2022 (a 103% increase on 2021).

CSF Offers for businesses that reported **positive earnings** at the time of their CSF Offer also saw a significant increase from 14 (or 16% of all offers) in 2021, to 26 (or 29% of all CSF Offers) in 2022.



2022	% SHARE	% CHANGE	MEDIAN RAISE
Pre Revenue	16%	-43%	\$334,555
< \$100k	10%	6%	\$368,246
< \$250k	5%	-68%	\$437,500
< \$500k	10%	-5%	\$700,000
< \$750k	8%	121%	\$502,250
< \$1m	2%	-68%	\$575,203
Growth (\$1m+)	49%	103%	\$800,000



Section 2

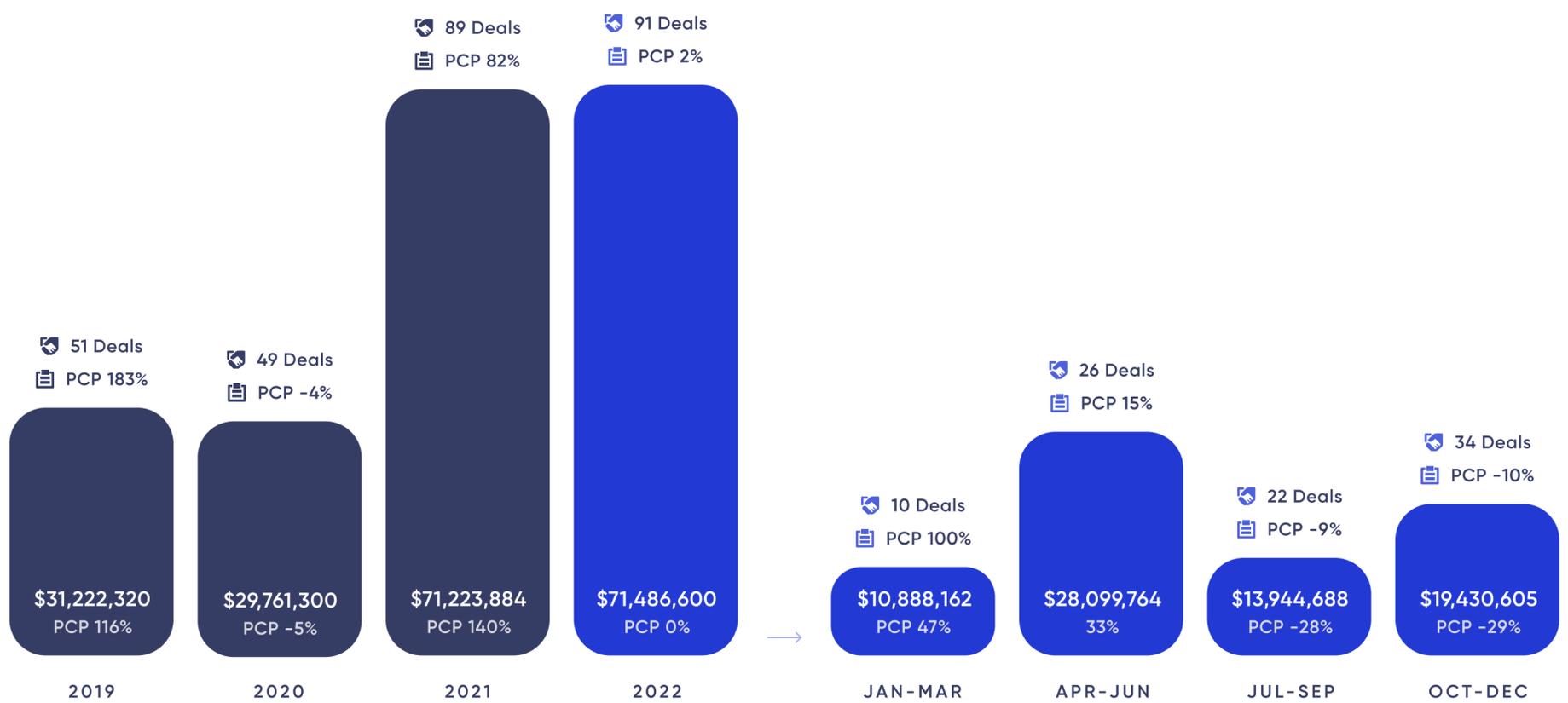
CSF activity in 2022

Summary of CSF activity in 2022

Despite challenging macroeconomic conditions, equity crowdfunding is proving to be a resilient source of funding for Australian early stage businesses. Growth in the Australian equity crowdfunding industry was flat in 2022, with similar activity and funding volumes to 2021. A very solid result, against the backdrop of significantly lower funding volumes in venture capital for 2022 against 2021.



How did 2022 compare with 2021?



Performance by platform

The Australian crowdsourced funding industry held steady with most activity still belonging to the major platforms including Birchal, Equitise and OnMarket.

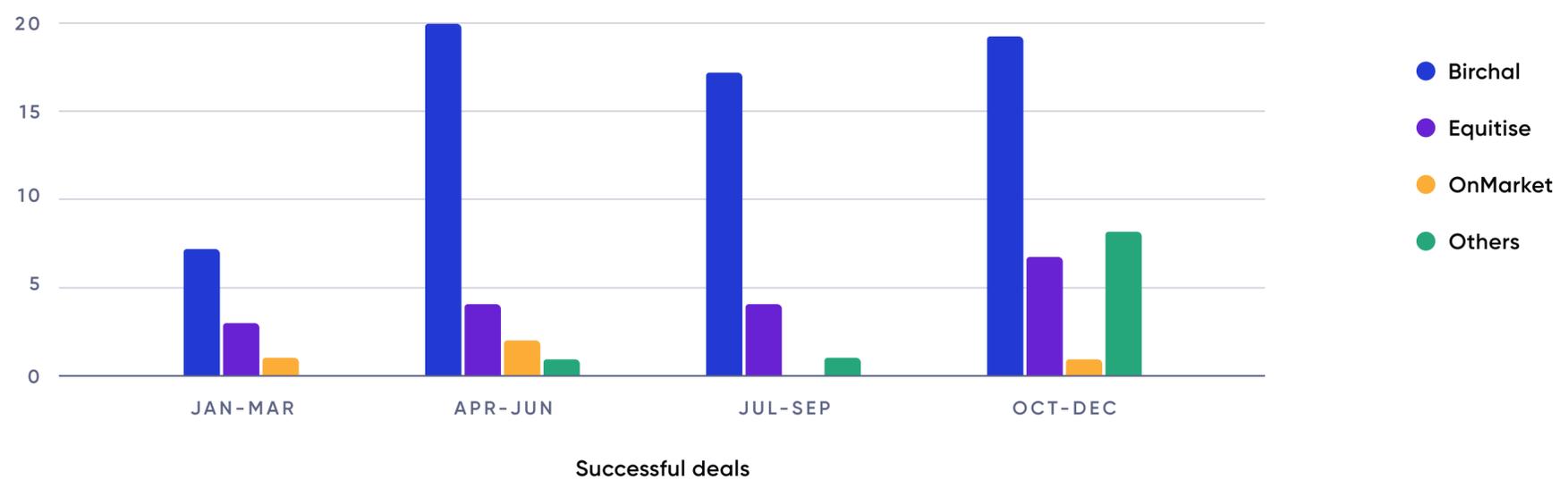
Birchal's dominance was unchallenged with more than 70% (64) of all successful deals hosted on its platform, raising approximately 70% of all funds across the crowdsourced funding industry in 2022.

Birchal increased the number of deals on its platform to 64 (up from 59 the previous year) and raised a similar funding volume to 2021 despite the wider challenging economic conditions. OnMarket saw deals drop from 12 in 2021 to four successful deals in 2022.

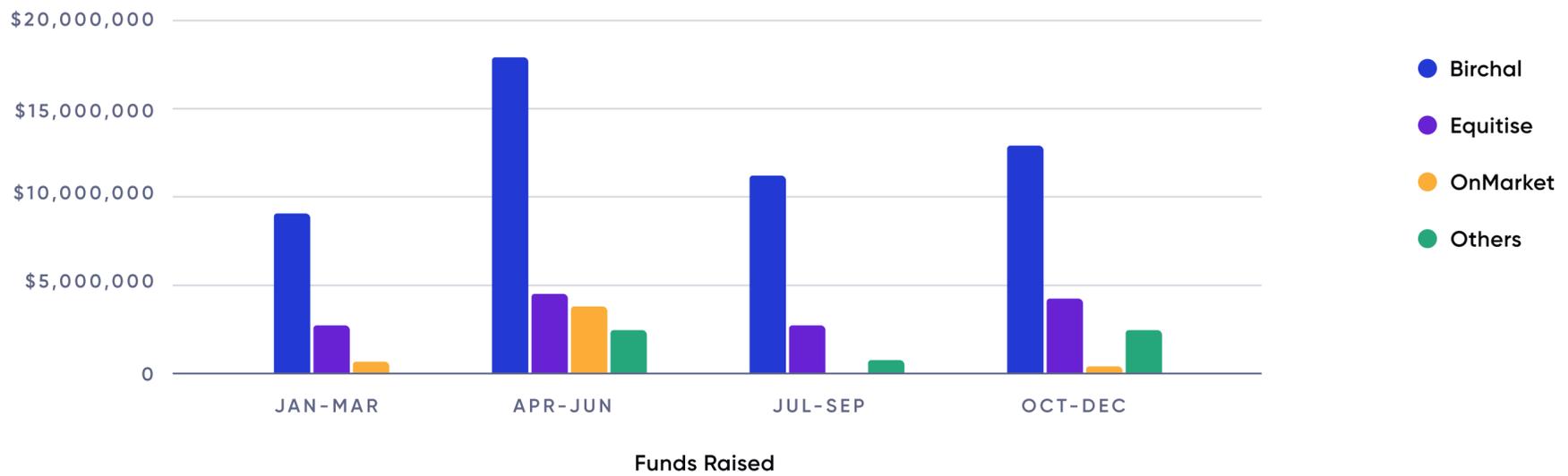
Major CSF platform performance in 2022



Quarterly performance - successful deals



Quarterly performance - funds raised



Top 10 CSF offers (funds raised) in 2022

COMPANY	AMOUNT RAISED / MONTH / PLATFORM
Birchal	\$3m (April, Birchal)
Neutrog	\$3m (June, OnMarket)
Your Mates Brewing	\$2.5m (October, Birchal)
Our Cow	\$2.38m (May, VentureCrowd)
Threadheads	\$2.2m (July, Birchal)
Black Hops	\$2.2m (January, Birchal)
Australian Honey Ventures	\$2m (March, Birchal)
Drink West	\$2m (May, Birchal)
Akasha Brewing	\$1.7m (June, Equitise)
Hero Packaging	\$1.5m (April, Equitise)



Section 3

In focus

Food and Beverage in focus

Food & Beverage was the most invested in industry in 2022, with a massive 33 successful campaigns raising a total of \$28 million. Birchal hosted the top three campaigns, all breweries, that raised over \$2 million.



\$2.5m raised
1015 Investors

Your Mates Brewing

Born on the Sunshine Coast in 2013, this story was crafted by a community of mates with a dream to celebrate everything great about Australian culture and the aim of making craft beer approachable for all beer drinkers.

 Your Mates raised its maximum target of \$2.5m in the record breaking time of 1hr 54 mins from over 1000 investors in October 2022 on Birchal's platform.



\$2.2m raised
996 Investors

Black Hops

Founded in 2014, Black Hops Brewing started with three mates on a mission to make craft beer and share all they learnt along the way, beginning with the launch of the Egnog Stout. They were the first craft brewery to raise using crowdfunding in Australia in 2016.

 Black Hops raised its maximum target of \$2.2m from over 990 investors in January 2022, as a result of its second crowdsourced funding campaign with Birchal.



\$2m raised
1145 Investors

Drink West

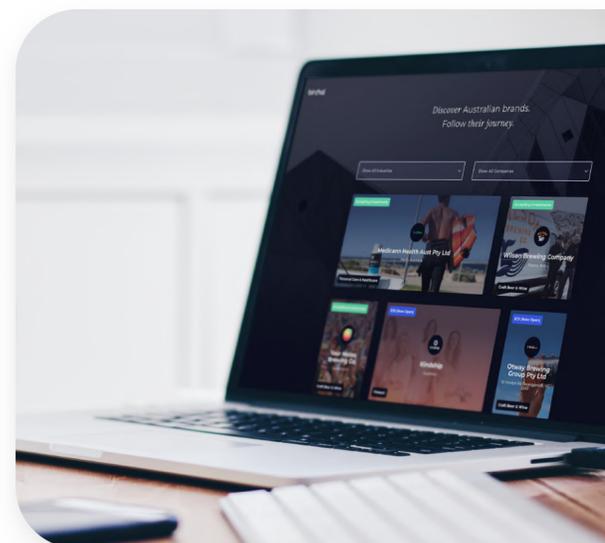
Drink West was founded by iconic UFC fighters Tai (Bam Bam) Tuivasa and Tyson Pedro in 2019. Inspired by a passion for the people of Western Sydney, the boys wanted to create an easy-drinking lager based on the black and gold they grew up on.

 Drink West raised its maximum target of \$2m from over 1100 investors in May 2022 on the Birchal platform.

Financial Services in focus

Financial Services was the equal second most invested in category alongside Consumer Goods and Sustainability with 10 successful campaigns raising a total of \$8.77 million.

It also had the largest raise of the year with Birchal's own campaign hitting its maximum target of \$3m in just a few hours. Birchal hosted 80% of the Financial Services deals, including the top two performing campaigns, which both raised over \$1 million (Birchal, \$3m and Coinstash, \$1.4m), while OnMarket hosted the third best campaign of the year.



\$3m raised
590 Investors

Birchal

Founded in 2018, Birchal simplify fundraising so that forward-thinking businesses can build communities of engaged supporters and get back to shaping the future we all want.



Birchal reached its maximum target \$3m from over 590 investors in April 2022 on its own platform.



\$1.4m raised
550 Investors

Coinstash

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



Coinstash raised \$1.4m from over 550 investors during a second raise with Birchal in June 2022.



\$997k raised
290 Investors

Digital Currency Reserve

The Digital Reserve Network (DRN) is an open source peer-to-peer payment and lending network protocol that uses its own cryptocurrency – Denarii.



Digital Currency raised \$997k from from over 290 investors via the OnMarket platform in May 2022.

Sustainability in focus

Sustainability continued to receive strong backing as the second most popular category by number of investors, with more than 5050 investors supporting sustainability-focussed companies to raise a total of \$791 million (approx 11% of the funding volume). It also came in equal second by number of deals, alongside Financial Services and Consumer Goods, with 10 successful raises for the year.



HERO

\$1.5m raised
740 Investors

Hero Packaging

Hero Packaging aims to reduce single use plastic by helping e-commerce businesses join the fight against single-use plastic packaging, with the goal of becoming a one-stop shop for all sustainable packaging solutions.

 Hero Packaging raised its maximum target of \$1.5m with more than 740 investors via the Equitise platform in April 2022.

LINE
HYDROGEN

\$1.4m raised
630 Investors

Line Hydrogen

Line Hydrogen was established in 2019 with a vision to replace the unsustainable use of diesel in transport and power generation with clean, green hydrogen that's produced in facilities powered by renewable energy.

 Line Hydrogen raised \$1.4m from over 630 investors in June 2022 with Birchal.

Indigo Power

\$1.1m raised
650 Investors

Indigo Power

Indigo Power sets up community energy hubs to supply locally generated renewable energy to communities across North East Victoria and Southern New South Wales, through retail services and localised storage and sharing facilities.

 Indigo Power raised \$1.1m from over 650 investors in June 2022 with Birchal.

Consumer Goods in focus

Consumer Goods had 10 successful deals in 2022, placing it among the top performing categories in 2022. By number of successful deals, it was the equal second most invested in category along with Financial Services and Consumer Goods, to raise a total of \$3.9m (similar to 2021) to make up 5% of this year's funding volume.



\$1.3m raised
530 Investors

Forcite

Forcite is a technology company that has created a mass-produced smart motorcycle helmet with ECE 22.05 (EU/Australian safety standard) certification, patented visual alerting system, integrated camera and audio technology.

 Forcite raised \$1.3m from over 530 investors in February 2022 on the Equitise platform.



\$456k raised
320 Investors

Snap Wireless

SnapWireless was founded in 2017 by high-school friends Mark and Michael with just \$6k each, on a mission to power go-getters around the world and make SnapWireless a globally recognised tech accessory brand.

 Snap Wireless raised over \$456k from over 320 investors in October 2022 on Birchal.



\$408k raised
430 Investors

Memobottle

Memobottle was born from a desire to reduce single-use bottles by creating a more convenient reusable alternative. The world's first flat water bottle was created, designed around international paper sizes, to be a better fit in our bags – and our lives.

 Memobottle raised \$408k from over 430 investors in July 2022 with Birchal.

Craft Beer in focus

Food & Beverage was the most invested in industry in 2022, with a massive 33 successful campaigns raising a total of \$28 million. Of these, 11 campaigns were for Craft Beer-related businesses (or 33% of total number of successful F&B offers and 12% of the CSF industry as a whole), including the top three in the category: Your Mates Brewing; Black Hops Brewing; and Drink West, which all raised over \$2m. Six campaigns raised over \$1 million in 2022.

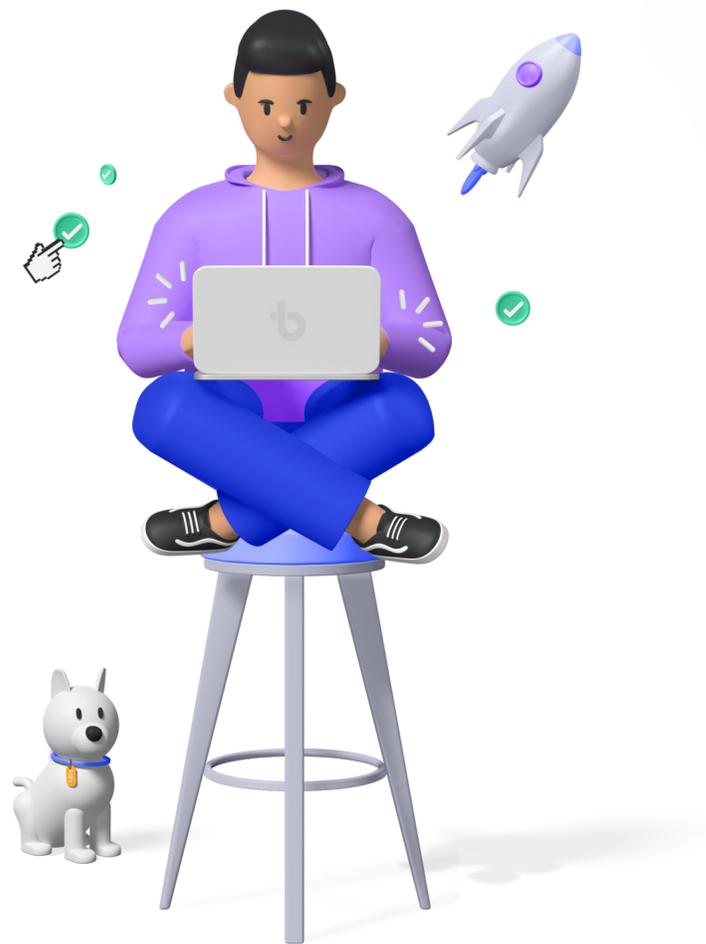
Altogether, they were able to raise a total of \$14.3 million (or 51% of total revenue raised by F&B campaigns and 20% of the CSF industry as a whole). In 2022, 7321 investments were made into Craft Beer campaigns.

Craft Beer CSF Campaigns (2022)

\$1.3m
Average raise

666
Average investors

COMPANY	AMOUNT RAISED / INVESTORS (MONTH, PLATFORM)
Your Mates Brewing	\$2.5m / 1015 investors (October, Birchal)
Black Hops Brewing	\$2.2m / 996 investors (January, Birchal)
Drink West	\$2m / 1145 investors (May, Birchal)
Akasha Brewing	\$1.7m / 534 investors (June, Equitise)
Bridge Road Brewers	\$1.5m / 872 investors (June, Birchal)
Blackflag Brewing	\$1.3m / 678 investors (December, Birchal)
Dainton	\$963k / 858 investors (July, Birchal)
Wilson Brewing	\$797k / 366 investors (July, Birchal)
3 Ravens	\$544k / 320 investors (August, Birchal)
Valhalla Brewing	\$422k / 307 investors (November, Birchal)
Future Magic	\$298k / 230 investors (August, Birchal)



Section 4

Looking ahead

Looking ahead

The outlook for 2023 looks promising for equity crowdfunding in 2023.

Businesses can expect the resilience in Australian equity crowdfunding to continue in 2023 as an ever-growing number of investors look to connect with brands, whose future they want to share in.

To find out more about emerging industry trends or discuss your equity crowdfunding ambitions, talk to the team at Birchal – Australia’s most experienced campaign team.

raise@birchal.com



